



## AGENDA

Garden Grove Sanitary District  
Board of Directors

Tuesday, November 28, 2023

6:30 PM

Community Meeting Center 11300  
Stanford Avenue Garden Grove  
California 92840

**John R. O'Neill**  
President

**Cindy Tran**  
Vice President

**George S. Brietigam**  
Member

**Joe Dovinh**  
Member

**Stephanie  
Klopfenstein**  
Member

**Kim B. Nguyen-  
Penaloza**  
Member

**Steve Jones**  
Member

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**Meeting Assistance:** Any person requiring auxiliary aids and services, due to a disability, to address the City Council, 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 City Council 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 Council 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 City Council meeting agenda; and (3) at the Council Chamber at the time of the meeting.

**Public Comments:** Members of the public who attend the meeting in-person and would like to address the City Council 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 before the meeting begins. General comments are made during "Oral Communications" and should be limited to matters under consideration and/or what the City Council has jurisdiction over. Persons wishing to address the City Council regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

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

**Time Limitation:** When any group of persons wishes to address the City Council on the same subject matter, the Mayor may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the City Council'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 DOVINH, MEMBER KLOPFENSTEIN, MEMBER NGUYEN-PENALOZA, MEMBER JONES, VICE PRESIDENT TRAN, PRESIDENT O'NEILL

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. Acceptance of Project No. CP131000 – Lampson Avenue/ Springdale Street Sewer Improvement Project as Complete. *(Action Item)*

2.b. Receive and file minutes from the meeting held on October 24, 2023, *(Action Item)*

3. ITEMS FOR CONSIDERATION

3.a. Award a contract to Tunnelworks Services Inc. for Project CP1330000 – Sewer System Rehabilitation Plan Phase I Sewer Main Lining and Spot Repair Projects 5 & 6. (Cost: \$1,784,125) *(Action Item)*

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

5. ADJOURNMENT

The next Regular Sanitary District Meeting is scheduled for Tuesday, January 23, 2024, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California 92840.

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Lisa L. Kim	From:	William E. Murray
Dept.:	General Manager	Dept.:	Public Works
Subject:	Acceptance of Project No. CP131000 – Lampson Avenue/ Springdale Street Sewer Improvement Project as Complete. ( <i>Action Item</i> )	Date:	11/28/2023

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**OBJECTIVE**

To recommend that the Garden Grove Sanitary District (GGSD) Board to accept Project No. CP1310000 – Lampson Avenue/Springdale Street Sewer Improvements Project as complete, and authorize the General Manager to execute the Notice of Completion of Public Improvements and Work.

**BACKGROUND**

The Lampson Avenue/Springdale Street Sewer Improvements Project was one of many projects designed to minimize sewer capacity issues throughout the City. The project consisted of constructing approximately 1,440 feet of 10-inch diameter SDR21 PVC pipe for the new sewer system in Lampson Avenue from Springdale Street to Lamplighter Street and Springdale Street from Lampson Avenue to Lenore Avenue. It also included construction of seven (7) new sewer manholes on Springdale Street and Lampson Avenue, removal and construction of one (1) existing sewer manhole at the intersection of Lampson Avenue and Lamplighter Street, and modifying an existing sewer manhole on Springdale Street just north of Lenore Avenue for connection of the new sewer system.

**DISCUSSION**

The contractor, T.E. Roberts, Inc., has completed this project in accordance with the plans, specifications and other contract documents.

**FINANCIAL IMPACT**

The project was funded with Sewer Funds and was completed within budget and on schedule. The retention payment will be released after recordation of the Notice of Completion with the County of Orange.

**RECOMMENDATION**

It is recommended that the Sanitary District Board:

- Accept Project No. CP1310000 – Lampson Avenue/Springdale Street Sewer Improvements Project as complete, and authorize the General Manager to execute the Notice of Completion of Public Improvement and Work; and
- Authorize the Finance Director to release the retention payment when appropriate to do so.

By: Liyan Jin, P.E., Associate Engineer

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Notice of Completion_CP1310000	11/10/2023	Backup Material	Notice_of_Completion.pdf

RECORDING REQUESTED BY

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When Recorded Mail To:

City Clerk  
City of Garden Grove  
P. O. Box 3070  
Garden Grove, CA 92842

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NOTICE OF COMPLETION  
OF PUBLIC IMPROVEMENT AND WORK

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NOTICE IS HEREBY GIVEN that the Garden Grove City Council, Orange County, California, has caused a public improvement, to wit:

PROJECT NO. CP1310000  
LAMPSON AVENUE/SPRINGDALE STREET SEWER IMPROVEMENT PROJECT

to be constructed upon the property hereinafter described. The contract for furnishing of all plant, labor, services, materials, and equipment, and all utilities and transportation, including power, fuel, and water, and performing all work necessary to construct and complete, in a good and workmanlike manner in strict accordance with the specifications, plans, and drawings therefore on file in the office of the City Clerk of the City of Garden Grove, for the construction, installation and completion of the above-described public improvement and work, was heretofore made and entered into with T.E. Roberts, Inc. on the 27th day of September, 2022, and filed for record in the office of the City Clerk of the City of Garden Grove; that the work upon said public improvement has been completed, and that the City Engineer has notified the City Council that he has made and completed a final inspection of the materials furnished and installed and the work performed in the construction, installation, and completion of said public improvement hereinabove more particularly described and set forth, and has certified in writing to the City Council that all the provisions of the contract and contract documents for the furnishing of all plant, labor, services, materials, and equipment, and the performing of all work necessary for the construction, installation, and completion of said public improvement above described have been fully complied with to his satisfaction as required by the contract document; that final acceptance of the construction, installation, and completion of said public improvement above described was made on the 28th day of November, 2023; that the nature of the title to said property of said City Council is as follows: That is to say, it owns said public improvement in fee except the right-of-way upon which it is constructed, and that it owns an easement upon, over, and along said right-of-way for the purpose of the construction, installation, and completion of said public improvement hereinabove described and the use thereof after said completion; that the property hereinabove referred to and on which said public improvement is situated is described as follows, to wit:

PROJECT NO. CP1310000  
LAMPSON AVENUE/SPRINGDALE STREET SEWER IMPROVEMENT PROJECT

NOTICE OF COMPLETION  
PROJECT NO. CP1310000 - LAMPSON AVENUE/SPRINGDALE STREET SEWER IMPROVEMENT  
PROJECT  
August 22, 2023  
Page 2 of 2

NAME OF SURETY on Labor and Material Bond is:

Travelers Casualty and Surety Company  
of America  
One Tower Square  
Hartford, CT 06183  
909-612-3675

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_

GARDEN GROVE SANITARY DISTRICT

By \_\_\_\_\_

Lisa Kim, General Manager  
Garden Grove  
Sanitary District Board

ATTEST:

\_\_\_\_\_  
Secretary of Garden Grove Sanitary District

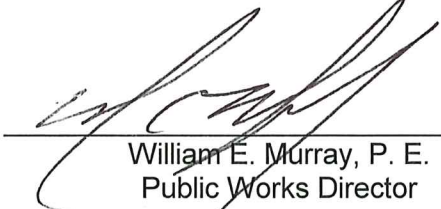
STATE OF CALIFORNIA  
COUNTY OF ORANGE

I am the Public Works Director of the City of Garden Grove.

I have read the foregoing Notice of Completion of Public Improvement and Work, and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters, which are therein stated upon my information or belief, and as to those matters I believe to be true.

I certify (or declare), under penalty of perjury, that the foregoing is true and correct.

Executed on \_\_\_\_\_ at Garden Grove, California  
(Date) (Place)

  
\_\_\_\_\_  
William E. Murray, P. E.  
Public Works Director

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To: Lisa L. Kim From: Teresa Pomeroy  
Dept.: General Manager Dept.: Secretary  
Subject: Receive and file minutes from the meeting held on October 24, 2023, (*Action Item*) Date: 11/28/2023

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Attached are the minutes from the meeting held on October 24, 2023, recommended to be received and filed as submitted or amended.

**ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Minutes	11/20/2023	Minutes	sd-min_10_24_2023.pdf

## MINUTES

### GARDEN GROVE SANITARY DISTRICT BOARD OF DIRECTORS

#### Regular Meeting

Tuesday, October 24, 2023

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

#### CONVENE MEETING

At 7:02 p.m., President O'Neill convened the meeting in the Council Chamber.

ROLL CALL      PRESENT:      (7)      Members Brietigam, DoVinh, Jones,  
Klopfenstein, Nguyen-Penaloza, Vice  
President Tran, President O'Neill

ABSENT:      (0)      None

#### ORAL COMMUNICATIONS

Speakers: Tony Bui, Kyle Mason, Nicholas Dibs, a Garden Grove Resident.

Written Communications: Nicholas Dibs

#### RECESS

At 7:15 p.m. President O'Neill recessed the meeting.

#### RECONVENE

At 7:16 p.m., President O'Neill reconvened the meeting with all Members present.

APPROVAL OF AN AGREEMENT WITH HADRONEX, INC., DBA SMARTCOVER  
SYSTEMS FOR THE SEWER MONITORING DEVICES AND MAINTENANCE SERVICES  
(F: S.55-Hadronex, Inc., dba Smartcover Systems)

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

An agreement with Hadronex, Inc. dba SmartCover Systems for the sewer monitoring devices and maintenance services in the amount not-to-exceed \$100,000 annually, with an option to renew the agreement for an additional four (4) years, up to a total of five (5) years, be approved; and



The General Manager be authorized to execute the agreement on behalf of the Sanitary District, make minor modifications as appropriate thereto, and approve annual renewals.

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

Ayes: (7) Brietigam, Jones, DoVinh, Klopfenstein, Nguyen-Penaloza, Tran, O'Neill  
Noes: (0) None

ADOPTION OF A RESOLUTION AUTHORIZING SUBMITTAL OF GRANT APPLICATIONS OFFERED BY THE CALIFORNIA DEPARTMENT OF RESOURCES RECYCLING AND RECOVERY (CALRECYCLE) (F: 89.2) (XR: 24.13)

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

Resolution No. 3819-23 entitled: A Resolution of the Board of Directors of the Garden Grove Sanitary District authorizing submittal of application(s) for all CalRecycle grants for which the Garden Grove Sanitary District is eligible, be adopted.

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

Ayes: (7) Brietigam, Jones, DoVinh, Klopfenstein, Nguyen-Penaloza, Tran, O'Neill  
Noes: (0) None

RECEIVE AND FILE MINUTES FROM THE MEETING HELD ON SEPTEMBER 26, 2023 (F: Vault)

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

The Minutes from the meeting held on September 26, 2023, be received and filed.

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

Ayes: (7) Brietigam, Jones, DoVinh, Klopfenstein, Nguyen-Penaloza, Tran, O'Neill  
Noes: (0) None

## ADJOURNMENT

At 7:17 p.m., President O'Neill adjourned the meeting. The next Regular Sanitary District Meeting is scheduled for Tuesday, November 28, 2023, at 5:30 p.m. in the Community Meeting Center, 11300 Stanford Avenue, Garden Grove, California.

Teresa Pomeroy  
Secretary

**City of Garden Grove**

**INTER-DEPARTMENT MEMORANDUM**

To:	Lisa L. Kim	From:	William E. Murray
Dept.:	General Manager	Dept.:	Public Works
Subject:	Award a contract to Tunnelworks Services Inc. for Project CP1330000 – Sewer System Rehabilitation Plan Phase I Sewer Main Lining and Spot Repair Projects 5 & 6. (Cost: \$1,784,125) ( <i>Action Item</i> )		
		Date:	11/28/2023

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**OBJECTIVE**

To recommend that the Garden Grove Sanitary District (GGSD) Board award a contract to Tunnelworks Services Inc. for the construction of CP1330000 – Sewer System Rehabilitation Plan Phase I Sewer Main Lining and Spot Repair Projects 5 & 6.

**BACKGROUND**

GGSD completed the Sewer System Rehabilitation Plan Phase 1 in 2018, a study that identified structural deficiencies of the sewer system that is in the central portion of the service area. A list of four (4) replacement projects and six (6) lining projects with spot repairs were identified in the study. This project includes the last two lining projects from the list. The project area is generally located south of Chapman Avenue, west of 9<sup>th</sup> Street, north of Westminster Avenue, and east of Brookhurst St. A project location map is attached.

The project consists of sewer lining for approximately 17,000 linear feet of 8-inch diameter and 300 linear feet of 10-inch diameter sewer main by UV-cured-in-place pipe liner. The project will also include 580 linear feet of 8-inch sewer pipe spot repairs, construction of five (5) new manholes, and rehabilitation of eight (8) existing manholes at indicated locations.

**DISCUSSION**

Two (2) bids were received and opened by the City Clerk's Office on October 30, 2023, at 11:00 a.m. (see Bid Summary Sheet). The lowest responsive bidder was Tunnelworks Services Inc., with a total bid of \$1,784,125. This bid is within the

current project budget. The licenses and references of the contractor have been reviewed and verified by staff, and all other documentation is in order.

The anticipated contract schedule is as follows:

Award Contract	November 28, 2023
Begin Construction	January 8, 2024
Complete Construction	August 2, 2024

#### FINANCIAL IMPACT

The Sewer System Rehabilitation Plan Phase I Sewer Main Lining and Spot Repair Projects 5 & 6 (CP1330000) is included in the FY2023-24 Capital Improvement Plan budget, total estimated project cost is \$1,784,125, and will be funded in the Sewer utility fund. There is no impact to the General Fund.

#### RECOMMENDATION

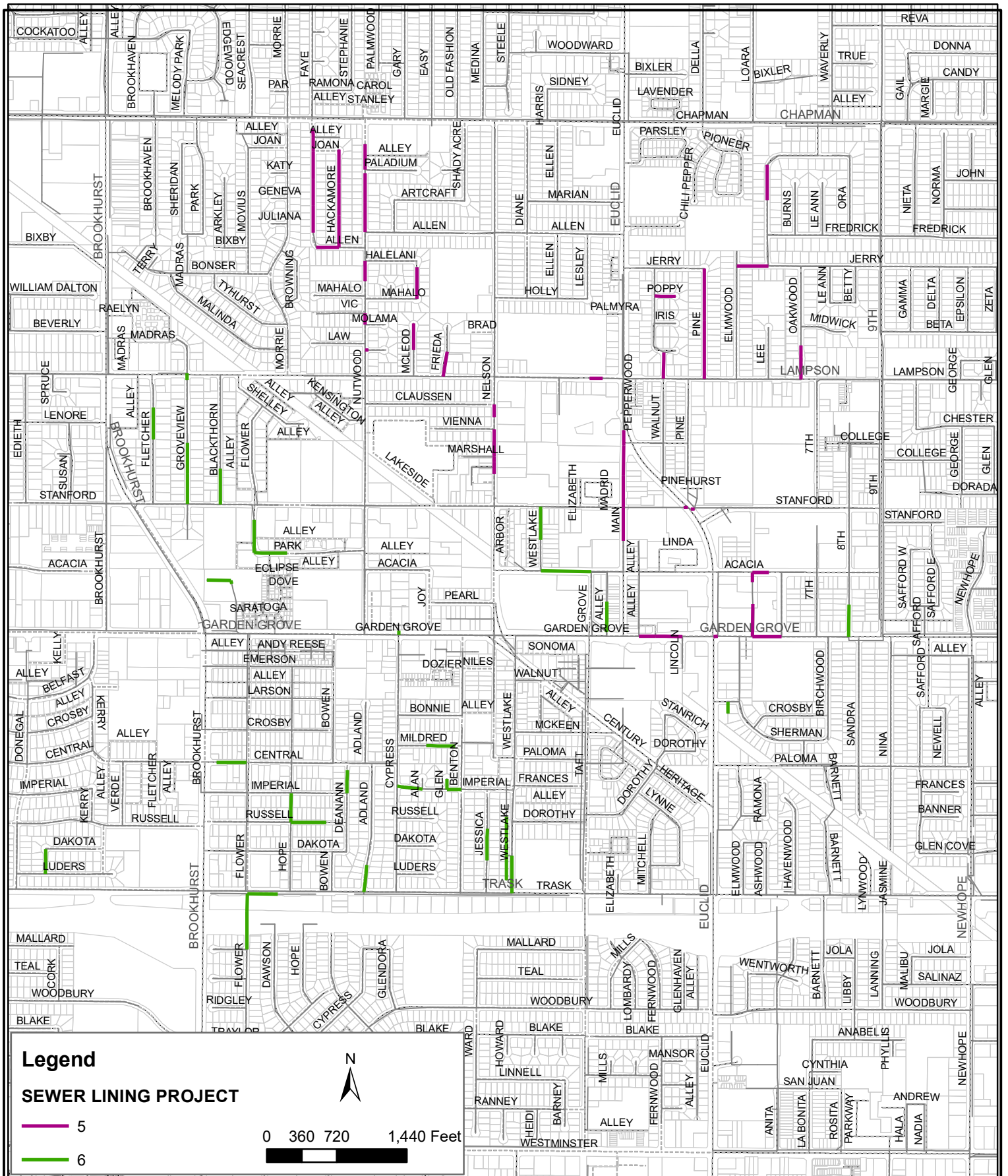
It is recommended that the Sanitary District Board:

- Award of contract to Tunnelworks Services Inc. for the construction of Project CP1330000 – Sewer System Rehabilitation Plan Phase I, Sewer Main Lining and Spot Repair Projects 5 & 6, in the amount of \$1,784,125; and
- Authorize the General Manager to execute the agreement on behalf of the Sanitary District.

By: Liyan Jin, Associate Engineer

#### **ATTACHMENTS:**

<b>Description</b>	<b>Upload Date</b>	<b>Type</b>	<b>File Name</b>
Location Map	11/10/2023	Exhibit	1._LocationMap_Lining_5____6.pdf
Attachment 2_Bid Summary Sheet	11/10/2023	Exhibit	2._Bid_Summary_Sheet.pdf
Attachment 3_Construction Agreement	11/10/2023	Agreement	3._Contract_Agreement_CP1330000.pdf



City of Garden Grove  
Department of Public Works

DRAWN BY:

L.J.

CHECKED BY:

R.L.

EXHIBIT A: LOCATION MAP  
SSRP- PHASE I SEWER MAIN LINING  
AND SPOT REPAIR PROJECT

Page 13 of 28

# CITY OF GARDEN GROVE PUBLIC WORKS DEPARTMENT

## BID SUMMARY SHEET

PROJECT: Sewer System Rehabilitation Plan  
Phase I, Sewer Main Lining and Spot Repair  
Projects 5 & 6 #CP1330000

BID OPENING

DATE: October 30, 2023

TIME: 11:00 AM

<u>Facility Name</u>	<u>Engineer's Estimate</u>	<u>Contract Amount</u>
Sewer System Rehabilitation Plan Phase I, Sewer Main Lining and Spot Repair Projects 5 & 6 #CP1330000	\$1,870,000	\$1,784,125.00
<u>Bidder's Name</u>	<u>Total Bid</u>	<u>%Under /Over Engineers Estimate</u>
1. Tunnelworks Services Inc.	\$1,784,125.00	-5%
2. Insituform Technologies, LLC	\$2,213,168.00	+18.0%

## **SECTION 5 - AGREEMENT**

### **CONSTRUCTION AGREEMENT**

**THIS AGREEMENT** is made this 28th day of November, 20 23 by the **GARDEN GROVE SANITARY DISTRICT**, a California Special District ("**DISTRICT**"), and **TUNNELWORKS SERVICES INC.**, hereinafter 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 Sanitary District Board of Directors Authorization dated November 28, 2023.
2. DISTRICT desires to utilize the services of CONTRACTOR to furnish material, equipment, and labor for the **SEWER SYSTEM REHABILITATION PLAN PHASE I SEWER MAIN LINING AND SPOT REPAIR PROJECTS 5 & 6 - PROJECT NO. 1330000**.
3. 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.** CONTRACTOR certifies and agrees that all the terms, conditions and obligations of the Contract Documents as hereinafter defined, the location of the job site, and the conditions under which the work is to be performed have been thoroughly reviewed, and enters into this Contract based upon CONTRACTOR'S investigation of all such matters and is in no way relying upon any opinions or representations of 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 CONTRACTOR's Proposal, are incorporated in this Contract by reference, with the same force and effect as if the same were set forth at length herein, and that CONTRACTOR and its subcontractors, if any, will be and are bound by any and all of said Contract Documents insofar as they relate in any part or in any way, directly or indirectly, to the work covered by this Contract.

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

## **SECTION 5 - AGREEMENT** (Continued)

- 5.2 **Materials and Labor.** CONTRACTOR shall furnish, under the conditions expressed in the Plans and Specifications, at CONTRACTOR'S own expense, all labor and materials necessary, except such as are mentioned in the Specifications to be furnished by the DISTRICT, to construct and complete the project, in good workmanlike and substantial order. If 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 CONTRACTOR. In the event DISTRICT receives a stop notice from any laborer or material supplier alleging non-payment by 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 LINING AND SPOT REPAIR PROJECTS 5 & 6 - PROJECT NO. 1330000 - DRAWING NO. W-630.**
- 5.4 **Plans and Specifications.** The work to be done is shown in a set of detailed Plans and Specifications entitled: **SEWER SYSTEM REHABILITATION PLAN PHASE I SEWER MAIN LINING AND SPOT REPAIR PROJECTS 5 & 6 - PROJECT NO. 1330000** Said 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 must also be in accordance with the General Provisions, Standard Specifications and Standard Plans of the DISTRICT, which are also incorporated herein and referred to by, reference.
- 5.5 **Time of Commencement and Completion.** CONTRACTOR shall have **twenty-one (21) calendar 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 CONTRACTOR refuses or fails to execute the Contract or refuses or fails to provide the required documents and information within the twenty-one (21) calendar 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, CONTRACTOR agrees to submit shop drawings and traffic control plans **within fourteen (14) calendar days**. Further, upon receipt of the Notice to Proceed the CONTRACTOR shall diligently prosecute the work to completion within **ONE HUNDRED AND FORTY (140) 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, CONTRACTOR shall prepare and obtain approval of all shop drawings, details and samples, and do all other things necessary and incidental to the prosecution of CONTRACTOR'S work in conformance with an approved construction progress schedule. CONTRACTOR shall coordinate the work covered by this Contract with that of all other CONTRACTORS, subcontractors and of the 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 CONTRACTOR on the premises.

**5.7 Excusable Delays.** CONTRACTOR shall be excused for any delay in the prosecution or completion of the Project caused by acts of God; inclement weather; damages caused by fire or other casualty for which CONTRACTOR is not responsible; any act of negligence or default of DISTRICT; failure of DISTRICT to make timely payments to 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 CONTRACTOR; a lockout by DISTRICT; or any other delays unforeseen by CONTRACTOR and beyond 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 CONTRACTOR has thus been delayed, provided that 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 CONTRACTOR.

No claims by CONTRACTOR for additional compensation or damages for delays will be allowed unless CONTRACTOR satisfies DISTRICT that such delays were unavoidable and not the result of any action or inaction of CONTRACTOR and that CONTRACTOR took all available measures to mitigate such damages. Extensions of time and extra compensation, as a result of incurring undisclosed utilities, would be determined in accordance with SPECIAL PROVISIONS and Section 3-3 of the Standard Specifications for Public Works Construction 2012 Edition (GREEN BOOK). 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 CONTRACTOR, unless 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 CONTRACTOR to perform the extra work, as determined by DISTRICT'S 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
- d. Directing acceleration in the performance of the work.

If 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. 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 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 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 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 CONTRACTOR'S first notice of the issue. 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 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 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 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

## **SECTION 5 - AGREEMENT** (Continued)

direct cost CONTRACTOR reasonably incurred in attempting to comply with those defective specifications.

- 5.9.5** If 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 30 day period. 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 CONTRACTOR for an equitable adjustment shall be allowed if made after final payment under this Agreement.
- 5.9.7** CONTRACTOR hereby agrees to make any and all changes, furnish the materials and perform the work that DISTRICT may require without nullifying this Contract. CONTRACTOR shall adhere strictly to the Plans and Specifications unless a change there from is authorized in writing by the DISTRICT. Under no condition shall 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 CONTRACTOR that have not been agreed upon in advance in writing by the DISTRICT. 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 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 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. 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 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 **one million, seven hundred eighty four thousand one hundred twenty five dollars (\$1,784,125.00)** 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

## **SECTION 5 - AGREEMENT** (Continued)

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 30 days after the recordation of the Notice of Completion.

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

- 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. 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 10 days after the contract completion date of the Project, CONTRACTOR shall file with the DISTRICT'S 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 that State prevailing wage requirements of the California Labor Code including Sections 1770, 1771.5, 1773, 1777.5, and 1776 are required to execute this Contract. If there is a difference between the minimum wage rates predetermined by the Secretary of Labor and the general prevailing wage rates determined by the Director of the California Department of Industrial Relations for similar classifications of labor, the CONTRACTOR and the SUBCONTRACTORS shall pay not less than the higher wage rate. The CITY will not accept the lower State wage rates. This includes "helper" (or other classifications based on hours of experience) or any other classification. A copy of the prevailing rate of per diem wages shall be posted at the job site.
- 5.14.2 **Forfeiture for Violation.** 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.

## **SECTION 5 - AGREEMENT** (Continued)

- 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 Workday.** In the performance of this Contract, not more than eight (8) hours shall constitute a day's work, and CONTRACTOR shall not require more than eight (8) hours of labor in a day from any person employed by him hereunder except as provided in paragraph (5.14.2) above. CONTRACTOR shall conform to Article 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 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. CONTRACTOR shall keep an accurate record showing the name and actual hours worked each calendar day and each calendar week by each worker employed by CONTRACTOR in connection with the Project.
- 5.14.5 Record of Wages: Inspection.** CONTRACTOR agrees to maintain accurate payroll records showing the name, address, social security number, work classification, straight-time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by it in connection with the Project and agrees to require that each of its subcontractors does the same. The applicable CONTRACTOR or subcontractor or its agent having authority over such matters shall certify all payroll records as accurate. 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. 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 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.

## **SECTION 5 - AGREEMENT** (Continued)

- 5.14.6 Contractor Registration.** CONTRACTOR and its subcontractors must be registered with the California Department of Industrial Relations pursuant to Labor Code Section 1725.5. This Agreement shall not be effective until CONTRACTOR provides proof of registration to the CITY.
- 5.14.7 Posting of Job Site Notices.** CONTRACTOR shall comply with the job site notices posting requirements established by the Labor Commissioner pursuant to Title 8, California Code of Regulations Section 16461(e) or other regulation promulgated pursuant to Labor Code Section 1771.4(a)(2).
- 5.14.8 Notice of DIR Compliance Monitoring and Enforcement.** Pursuant to Labor Code Section 1771.4, this Project is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.
- 15.5 Surety Bonds.** CONTRACTOR shall, upon entering into performance of this Agreement, furnish bonds in the amount of one hundred percent (100%) of the Contract price bid, to guarantee the faithful performance of the work, and the other in the amount of one hundred percent (100%) of the Contract price bid to guarantee payment of all claims for labor and materials furnished. This Contract shall not become effective until such bonds are supplied to and approved by the DISTRICT.
- 5.16 Insurance.**
- 5.16.1** CONTRACTOR is also aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for Workers' Compensation or undertake self-insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this Contract.
- 5.16.2** 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** 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.

## **SECTION 5 - AGREEMENT** (Continued)

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 CONTRACTOR performs any work at, or prepares or delivers materials to, the site of construction, CONTRACTOR shall furnish:

**COMMENCEMENT OF WORK.** 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. Contractor shall also provide a **waiver of subrogation for each policy.**

**INSURANCE AMOUNTS.** 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 CONTRACTOR under Section 5.17 of this Contract. Notwithstanding nor diminishing the obligations of CONTRACTOR with respect to the foregoing, CONTRACTOR shall subscribe for and maintain in full force and effect during the life of this Contract, the following insurance in amounts not less than the amounts specified and issued by a company 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**):

## **SECTION 5 - AGREEMENT** (Continued)

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.
Automobile Liability, including non-owned and hired vehicles	\$2,000,000 combined single limit for bodily injury and property damage. Coverage shall include mobile equipment.
Contractors' Pollution Legal Liability	\$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

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**, 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. 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, including mobile equipment, 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. 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 Contractors' Pollution Legal 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.



## **SECTION 5 - AGREEMENT** (Continued)

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.

In the event any of CONTRACTOR'S underlying policies do not meet policy limits within the insurance requirements, CONTRACTOR shall provide coverage under an excess liability policy. The policy must be a follows form excess/umbrella policy. 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 except the excess liability policy. For any claims related to this Agreement, 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. 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. CONTRACTOR shall pay the premiums on the insurance hereinabove required.

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.

- 5.17 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 CONTRACTOR alone. CONTRACTOR agrees to save, indemnify and keep the Garden Grove Sanitary District, City of Garden Grove, 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, 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

## **SECTION 5 - AGREEMENT** (Continued)

indirectly out of the obligations herein

undertaken or out of the operations conducted by CONTRACTOR, save and except claims or litigation arising through the sole negligence or sole willful misconduct of 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 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) calendar days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and (2) an opportunity for consultation with the terminating party prior to termination.

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, drawings and specifications.

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

**SECTION 5 - AGREEMENT** (Continued)

no way diminish any 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: Liyan Jin.  
13802 Newhope Street  
Garden Grove, CA 92843  
(714) 741-5977  
(714) 638-9906 Fax

TO CONTRACTOR:

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**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: \_\_\_\_\_

**Lisa Kim**  
**General Manager**

**ATTEST:**

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

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

**"CONTRACTOR"**

\_\_\_\_\_  
CONTRACTOR'S State License No. \_\_\_\_\_  
(Expiration Date: \_\_\_\_\_)

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

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

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

**APPROVED AS TO FORM:**

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

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

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