



INDEPENDENT CONTRACTOR AGREEMENT

SAN JOAQUIN COUNTY

CONTRACT ID# RFP 12-06-A

Contract Amount NTE \$50,000/year

PARTIES: COUNTY: County of San Joaquin
 Purchasing & Support Services
 44 N. San Joaquin Street
 Suite 540
 Stockton, CA 95202-2931

CONTRACTOR: First Capitol Auction Inc.
 50 Solano Avenue
 Vallejo, CA 94590
 Attention: Brian McKissack
 707-552-0739
 auctioncap@aol.com

This Agreement is made and entered into this 8TH day of November, 2012, by and between First Capitol Auction Inc. an Independent CONTRACTOR (hereinafter "CONTRACTOR"), and San Joaquin County, a political subdivision of the State of California (hereinafter "COUNTY").

ORDER OF PRECEDENCE

Each of the items listed below is hereby incorporated into this Agreement by this reference. In the event of an inconsistency in this Agreement, the inconsistency shall be resolved by giving precedence in the following order:

1. Applicable Federal and State of California statutes and regulations, this Agreement and its exhibits.
2. COUNTY Request for Proposal Number RFP 12-06: Offsite Vehicle/Equipment Auction Services.
3. CONTRACTOR'S Proposal dated July 23, 2012.

1. Scope of Professional Services:

CONTRACTOR agrees to provide nonexclusive service of auctioning County miscellaneous surplus items, vehicles, equipment, and forfeiture vehicles as detailed in RFP 12-06: Offsite Vehicle/Equipment Auction Services

CONTRACTOR shall perform the CONTRACTOR'S work in accordance with currently approved methods and standards of practice in the CONTRACTOR'S professional specialty.

2. Term of Agreement:

This Agreement shall commence when fully executed through the 15th day of November, 2013, unless said work is completed on a date prior thereto or unless terminated earlier as provided herein or extended upon mutual agreement. This represents an estimated initial term of one year. This agreement may be extended by mutual agreement for up to four (4) additional one year periods and/or on a month to month basis.

3. Interpretation

This Agreement shall not be interpreted in favor of any Party by virtue of said Party not having prepared this Agreement.

If any time period provided for in this Agreement ends on the day other than a Business Day, the time period shall be extended to the next Business Day.

4. Compensation:

COUNTY agrees to pay CONTRACTOR as shown in RFP proposal dated 7/23/12:

Selling Fees:

Motor Vehicles and off-road vehicles	3.5%
Misc. Property (non-motor)	20%
Non running vehicles	3.5%
Vehicle Safety Inspection	No Charge
Smog Service	No Charge

Transportation and Other Charges:

Standard Towing; Non-Operational Units	See Low Bed
Standard Towing per car carrier (based on 6-8)	No Charge
Low Bed Trailer Service	\$50/hr
Surplus Personal Property	\$75/hr
Standard Auto Wash	No Charge
Major Auto Wash (inside and outside)	\$25/veh.
Minor De-Identification	No Charge
Complete Painting (Doors and roof)	\$150/veh.
"E" plate processing	No Charge
Storage Fees	No Charge
ARB Administrative fee	No Charge

Fees Charged to the Public:

Buyer's Premium	12.5%
Sales tax and DMV fees as required by law.	
DMV processing fee	\$65/title
Smog Fee	\$58.25/unit

5. Invoicing:

CONTRACTOR shall deduct amounts due CONTRACTOR agreed to in 4. Compensation above from auction proceed amounts. Accounting of this shall be clearly shown in Records provided to COUNTY as described in RFP 12-06.

6. CONTRACTOR'S Status:

In the performance of work, duties and obligations imposed by this Agreement, the CONTRACTOR is at all times acting as an Independent CONTRACTOR practicing his or her profession and not as an employee of the COUNTY. A copy of CONTRACTOR'S current professional, local, state or other business licenses required to conduct the services stated herein, will be provided to COUNTY. The CONTRACTOR shall not have any claim under this Agreement or otherwise against the COUNTY for vacation, sick leave, retirement benefits, social security or workers' compensation benefits. The CONTRACTOR shall be responsible for federal and state payroll taxes such as social security and unemployment. COUNTY will issue a Form 1099 at year-end for fees earned.

7. Assignments:

Inasmuch as this Agreement is intended to secure the specialized services of the CONTRACTOR, CONTRACTOR may not assign, transfer, delegate or subcontract their obligation herein without the prior written consent of San Joaquin County. Any such assignment, transfer, delegation or subcontract without the prior written consent shall be considered null and void.

8. Non Exclusive Rights:

This Agreement does not grant to CONTRACTOR any exclusive privileges or rights to provide services to COUNTY. CONTRACTOR may contract with other counties, private companies or individuals for similar services.

9. Indemnification:

CONTRACTOR shall, at its expense, defend, indemnify and hold harmless the County of San Joaquin and its employees, officers, directors, contractors and agents from and against any losses, liabilities, damages, penalties, costs, fees, including without limitation reasonable attorneys' fees, and expenses from any claim or action, including without limitation for bodily injury or death, to the extent caused by or arising from the active and/or passive negligence or willful misconduct of CONTRACTOR, its employees, officers, agents or Subcontractors.

CONTRACTOR shall hold the COUNTY, its officers and employees, harmless from liability, of any nature or kind on account of use of any copyrighted, or un-copyrighted

composition, secret process, patented or un-patented invention articles or appliance furnished or used under this order.

10. Insurance

CONTRACTOR, shall submit proof of insurance with liability limits as set forth below to the Purchasing Department showing COUNTY, its officers, employees, agents and volunteers named as Additional Insured to include ongoing operations and products completed operations (On Additional Insured Endorsement CG 20 10 10 93), except for Workers' Compensation and professional Liabilities, and insurance policy shall contain provisions that such policy may not be canceled or reduced except after thirty (30) days written notice to the COUNTY. The COUNTY at its discretion, may waive in part or in full insurance requirements. CONTRACTOR is required to provide insurance unless notified by the COUNTY'S Purchasing Agent of any waivers.

CONTRACTOR agrees that CONTRACTOR is responsible to ensure that the requirements set forth in this article/paragraph are also to be met by CONTRACTOR'S subcontractors/CONTRACTOR'S who provide services pursuant to this Agreement. Copies of insurance certificates shall be filed with the COUNTY'S Purchasing Agent.

General Liability Limits

- | | | |
|----|-------------------------------------|-------------|
| 1. | BI & PD combined/per occurrence | \$1,000,000 |
| | /Aggregate | |
| 2. | Personal Injury/Aggregate | \$1,000,000 |
| 3. | Automobile Liability/per occurrence | \$1,000,000 |
- CONTRACTOR agrees to defend, hold harmless and indemnify the COUNTY for any and all liabilities associated with the use of any automobiles in relation to tasks associated with this Agreement.

Professional Liability

- | | | |
|----|---|-------------|
| 1. | Professional Liability/as appropriately relates to services rendered. Coverage may include medical malpractice and/or errors and omissions. | \$1,000,000 |
|----|---|-------------|

Workers' Compensation and Employer's Liability

Statutory requirement

11. Discrimination:

CONTRACTOR shall not discriminate because of age, ancestry, color, creed, marital status, medical condition (cancer or genetic characteristics), national origin, physical or mental disability, political affiliation or belief, pregnancy, race, religion, sex (includes sexual harassment) and sexual orientation.

12. ADA Compliance:

CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. Sections 12101 et seq.)

13. Notices:

Any notice required to be given pursuant to the terms and conditions hereof shall be in writing, and shall be effected by one of the following methods: personal delivery, prepaid Certified First-Class Mail, or prepaid Priority Mail with delivery confirmation. Unless otherwise designated in writing by either party, such notice shall be mailed to the addresses shown on page one (1) of this Agreement.

14. Termination:

If the CONTRACTOR breaches or habitually neglects the CONTRACTOR'S duties under this Agreement without curing such breach or neglect upon fifteen (15) working days written notice, the COUNTY may, by written notice, immediately terminate this Agreement without prejudice to any other remedy to which COUNTY may be entitled, either at law, in equity, or under this Agreement. In addition, either party may terminate this Agreement upon thirty (30) days written notice to other party.

If the County Board of Supervisors fails to appropriate funds to enable County Departments to continue to make purchases under this Agreement, this Agreement will be cancelled immediately and CONTRACTOR will be given written notice of such termination.

15. Conflict of Interest Statement:

CONTRACTOR covenants that CONTRACTOR, its officers, employees or their immediate family, presently has no interest, including, but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement no person having any such interest shall be employed or retained by CONTRACTOR under this Agreement. CONTRACTOR shall not hire COUNTY'S employees to perform any portion of the work or services provided for herein including secretarial, clerical and similar incidental services except upon the written approval of COUNTY. Performance of services under this Agreement by associates or employees of CONTRACTOR shall not relieve CONTRACTOR from any responsibility under this Agreement.

16. Drug Free Workplace:

CONTRACTOR shall comply with the provisions of Government Code Section 8350 et seq., otherwise known as the Drug-Free Workplace Act.

17. Force Majeure:

It is agreed that neither party shall be responsible for delays in delivery, acceptance of delivery, or failure to perform when such delay or failure is attributable to Acts of God, war, strikes, riots, lockouts, accidents, rules or regulations of any governmental agencies or other matters or conditions beyond the control of either the CONTRACTOR or the COUNTY.

18. Compliance:

CONTRACTOR shall comply with all federal, state and local laws, regulations and requirements necessary for the provision of contracted services. Furthermore, CONTRACTOR shall comply with all laws applicable to wages and hours of employment, occupational safety, fire safety, health and sanitation. CONTRACTOR shall maintain current throughout the life of this Agreement, all permits, licenses, certificates and insurances that are necessary for the provision of contracted services.

19. Governing Law and Venue:

The Laws of the State of California shall govern this Agreement. Venue is San Joaquin County. The provision of this paragraph shall survive expiration or other termination of this Agreement regardless of the cause of such termination.

20. Documents:

All drawings, specifications, documents and other memoranda or writings relating to the work and services hereunder, shall remain or become the property of the COUNTY whether executed by or for the CONTRACTOR for COUNTY, or otherwise by or for the CONTRACTOR, or by or for a subcontractor operating under the CONTRACTOR'S supervision, or direction, and all such documents and copies thereof shall be returned or transmitted to COUNTY forthwith upon COUNTY written demand, termination or completion of the work under this Agreement.

21. Work Product:

COUNTY and CONTRACTOR acknowledge and agree that "Work Product", and all components of it, provided or developed by CONTRACTOR hereunder or in connection herewith shall constitute "works made for hire" within the meaning of Title 17 United States Code Section 101 et seq. (the "Copyright Act"), and all right, title, and interest in and to the Custom Products shall vest in the COUNTY immediately upon development. To the extent any such Custom Products may not be the sole and exclusive property of the COUNTY and/or may not be a "work made for hire" as defined in the Copyright Act upon development, then CONTRACTOR agrees to and hereby does sell, transfer, grant and assign to the COUNTY all copyrights, patents, trade secrets, inventions, and other proprietary rights, title, and interest in and to such Custom Products upon development. On all written material, whether in print, electronic, or any media form, constituting "Work Product", CONTRACTOR shall place or cause to be placed the following legend preferably in the lower right corner:

© 201_ County of San Joaquin. All rights reserved.

22. Data Security – Confidentiality

a. Acknowledgment of access to information characterized as covered data

Contractor acknowledges that its contract/purchase order ("Agreement") with the County of San Joaquin, California("County") may allow the Contractor access to confidential County information or County provided information including, but not limited to, personal information, records, data, or financial information

notwithstanding the manner in which or from whom it is received by Contractor ("Covered Data") which is subject to state laws that restrict the use and disclosure of County information, including the California Information Practices Act (California Civil Code Section 1798 et seq.), California Constitution Article 1, Section 1, and other existing relative or future adopted State and/or Federal requirements. Contractor shall maintain the privacy of, and shall not release, Covered Data without full compliance with all applicable state and federal laws, County policies, and the provisions of this Agreement. Contractor agrees that it will include all of the terms and conditions contained in this clause in all subcontractor or agency contracts providing services under this Agreement. Where a federal, state or local law, ordinance, rule or regulation is required to be made applicable to this Agreement, it shall be deemed to be incorporated herein without amendment to this Agreement.

b. Prohibition on unauthorized use or disclosure of covered data and information

Contractor agrees to hold Covered Data received from or created on behalf of County in strictest confidence. Contractor shall not use or disclose Covered Data except as permitted or required by the Agreement or as otherwise authorized in writing by County. If required by a court of competent jurisdiction or an administrative body to disclose Covered Data, Contractor will notify County in writing prior to any disclosure in order to give County an opportunity to oppose any such disclosure. Any work using, or transmission or storage of, Covered Data outside the United States is subject to prior written authorization by the County.

c. Safeguard standard

Contractor agrees that it will protect the Covered Data according to commercially acceptable standards and no less rigorously than it protects its own confidential information, but in no case less than reasonable care. Contractor shall develop, implement, maintain and use appropriate administrative, technical and physical security measures which may include but not be limited to encryption techniques, to preserve the confidentiality, integrity and availability of all such Covered Data.

d. Return or destruction of covered data and information

Upon termination, cancellation, expiration or other conclusion of the Agreement, Contractor shall return the Covered Data to County unless County requests that such data be destroyed. This provision shall also apply to all Covered Data that is in the possession of subcontractors or agents of Contractor. Contractor shall complete such return or destruction not less than thirty (30) calendar days after the conclusion of this Agreement. Within this thirty (30) day period, Contractor shall certify in writing to County that the return or destruction has been completed.

e. Reporting of unauthorized disclosures or misuse of covered data and information

Contractor shall report, either orally or in writing, to County any use or disclosure of Covered Data not authorized by this Agreement or in writing by County, including any reasonable belief that an unauthorized individual has accessed Covered Data. Contractor shall make the report to County immediately upon

discovery of the unauthorized disclosure, but in no event more than two (2) business days after Contractor reasonably believes there has been unauthorized use or disclosure. Contractor's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the County Covered Data used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Contractor has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Contractor has taken or shall take to prevent future similar unauthorized use or disclosure. Contractor shall provide County other information, including a written report, as reasonably requested by County.

f. Examination of records

County and, if the applicable contract or grant so provides, the other contracting party or grantor (and if that be the United States, or an agency or instrumentality thereof, then the Controller General of the United States) shall have access to and the right to examine any pertinent books, documents, papers, and records of Contractor involving transactions and work related to this Agreement until the expiration of five years after final payment hereunder. Contractor shall retain project records for a period of five years from the date of final payment.

g. Assistance in litigation or administrative proceedings

Contractor shall make itself and any employees, subcontractors, or agents assisting Contractor in the performance of its obligations under the Agreement available to County at no cost to County to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings against County, its directors, officers, agents or employees based upon a claimed violation of laws relating to security and privacy and arising out of this Agreement.

h. No third-party rights

Nothing in this Agreement is intended to make any person or entity who is not signatory to the Agreement a third-party beneficiary of any right created by this Agreement or by operation of law.

i. Attorney's fees

In any action brought by a party to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs, including the reasonable value of any services provided by in-house counsel. The reasonable value of services provided by in-house counsel shall be calculated by applying an hourly rate commensurate with prevailing market rates charged by attorneys in private practice for such services.

j. Survival

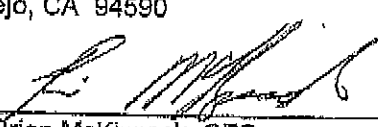
The terms and conditions set forth shall survive termination of the Agreement between the parties.

23. Entire Agreement and Modification:

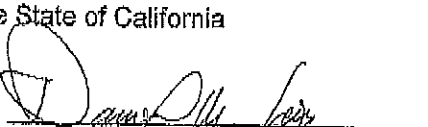
This Agreement and all documents incorporated by reference supersedes all previous Agreements either oral or in writing and constitutes the entire understanding of the parties hereto. No changes, amendments or alterations shall be effective unless in writing and signed by both parties.

IN WITNESS WHEREOF, COUNTY and CONTRACTOR have executed this Agreement on the day and year first written above.

First Capital Auction Inc
50 Solano Avenue
Vallejo, CA 94590

By: 
Brian McKissack, CFO

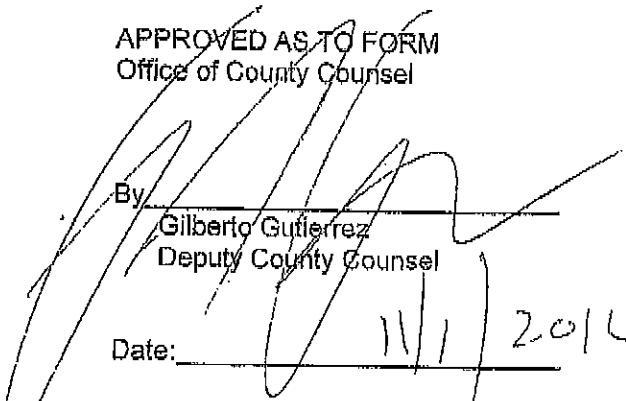
COUNTY OF SAN JOAQUIN, a
political subdivision of
the State of California

By: 
David M. Louis,
C.P.M., CPPQ, CPPB
Director
Purchasing & Support Services

Date: 11/5/2012

Date: 11/8/12

APPROVED AS TO FORM
Office of County Counsel

By: 
Gilberto Gutierrez
Deputy County Counsel

Date: 11/1/2012

Buyer of Record: JD