

**CITY OF STOCKTON
STANDARD AGREEMENT**

Agreement Number:

1. This Agreement is entered into between the City of Stockton ("City") and Anderson's Towing, Advanced Towing, Bob's Towing, City Wide Towing, Delta Valley Towing, J&E Truck Service, Mid-Valley Towing, Mike's Towing, Stan's Auto & Towing, Technique Towing ("Contractor") to provide Vehicle, Vessel, and RV Towing as set forth in Exhibit A to this Agreement.

2. The term of this Agreement is as follows, unless amended as described in Exhibit A and Exhibit C section 8:

Commences on: 1/1/2026

Terminates on: 12/31/2028

3. The maximum not to exceed amount to be paid to Contractor for the term of this Agreement, including if authorized, reimbursement of expenses, is: \$ 100,000

4. The complete Agreement consists of all the following Agreement documents which by reference are incorporated and made a part of this Agreement. The parties agree to comply with the terms and conditions of this Agreement.

- (a) Exhibit A – Statement of Work
- (b) Exhibit B – Insurance
- (c) Exhibit C – General Terms & Conditions
- (d) Exhibit D – Professional Services Special Terms & Conditions
- (e) Exhibit E – Compensation Schedule
- (f) Exhibit F – Timeline
- (g) Exhibit G - Special Funding Terms & Conditions ARPA

(If applicable check box) YES ☐

IN WITNESS WHEREOF, the authorized parties have executed this Agreement.

CITY OF STOCKTON

Will Crew, Acting City Manager

Date

ATTEST:

Katherine Roland, CMC, CPMC, City Clerk

APPROVED AS TO FORM:

Lori M. Asuncion, City Attorney

BY: _____

CONTRACTOR

Advanced Towing & Auto Transport, Inc.

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Bjmmes

Authorized Signature

8/26/2025

Date

Barbi Grimes - CFO/secretary.

Printed Name and Title of Person Signing

1800 E. Channel St. Stockton, CA 95205.

Address

CONTRACTOR

Anderson's Towing Stockton, Inc
Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Kelly Hill
Authorized Signature Date 8/25/25

Kelly Hill President
Printed Name and Title of Person Signing

2383 N Wilson Way Stockton CA 95205
Address

CONTRACTOR

Bob's Towing, Corporation

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Authorized Signature

E. Merga

8/28/25
Date

Printed Name and Title of Person Signing

Esmeralda Merga, owner

Address

2900 Loomis Rd Stockton, CA 95205

CONTRACTOR

CITY WIDE TOW

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Authorized Signature

Date

1096 MA KOWIK

MANAGING MEMBER

Printed Name and Title of Person Signing

375 W HAZEL AVE STOCKTON CA 95203

Address

P O BOX 6306 STOCKTON CA 95206

CONTRACTOR

Delta Valley Towing, LLC (Partnership)

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Authorized Signature

Date

Stephanie Fisher

Printed Name and Title of Person Signing

1919 E Dr MLK Jr Blvd, Stockton, CA 95205

Address

CONTRACTOR

J & E Truck Service and Repair, INC
Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Alfred Wright 8-27-25
Authorized Signature Date

H. Fred Wright
Printed Name and Title of Person Signing

25 East French Camp Rd French Camp CA
Address

MID VALLEY TOWING

CONTRACTOR

Contractor's Name (If other than an individual, state whether a corporation, partnership, etc.):

Kenneth J Mero

08/27/2025

Authorized Signature

Date

KENNETH J MERO

Printed Name and Title of Person Signing

1011 E LINDSAY ST STOCKTON CA 95205

Address

CONTRACTOR

Mike's Towing Service, Inc (Corporation)

Contractor's Name (If other than an individual, state whether a corporation, partnership, etc.):

Andrea D. Olivarez

8/27/2025

Authorized Signature

Date

Andrea D. Olivarez President.

Printed Name and Title of Person Signing

540 W. SCOTTS AVE. STOCKTON, CA. 95203

Address

CONTRACTOR

Stan's Auto & Towing

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

[Handwritten Signature]

8-25-2025

Authorized Signature

Date

Mercedes Kimbrough owner

Printed Name and Title of Person Signing

4035 N. Wilson Way Stockton, CA 95205

Address

CONTRACTOR

GK7 Inc dba Technique Towing Stockton

Contractor's Name (if other than an individual, state whether a corporation, partnership, etc.):

Otto N Gramajo

Authorized Signature

Date

Otto N Gramajo

2025-08-28

Printed Name and Title of Person Signing

Otto N Gramajo

Address

STATEMENT OF WORK

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This Tow Rotation Agreement (TRA) contains terms and conditions between the City of Stockton (CITY), and various vehicle towing service companies wherein the parties agree to comply with in order to receive and maintain a position on a rotational tow listing with the CITY. Participation in this agreement is voluntary. A tow service company (OPERATOR), agreeing to participate in this agreement, does not establish a contractual relationship with the CITY and is not acting as an agent for the CITY when performing services under this agreement. Exceptions to compliance with the agreement shall not be authorized by verbal agreement.

1. TERMS AND CONDITIONS

- A. The term of this agreement is made and entered into on January 1, 2026 ("effective date") and shall be for a Period of (3) three years with the option for (2) two (1) one-year renewals from the effective date, as mutually agreed between the parties.
- B. Any tow service OPERATOR who requests to be included in this agreement acknowledges that the City, at its sole discretion, reserves the right to cancel the rotation and/or discontinue the use of the OPERATORS services by giving advanced written notice of its intent thirty (30) days prior to the effective date of the cancellation. The OPERATOR further acknowledges that under certain circumstances specified in these standards, the SPD may forgo the thirty (30) days notice requirement and impose an immediate suspension or termination, and that upon exercising its discretion as provided in these standards, the CITY shall incur no liability of any kind to the OPERATOR or any subcontractor or supplier of the OPERATOR.
- C. In accordance with the specifications stated herein, each tow service OPERATOR shall provide tow services, subsequent lien sales, and disposal of unclaimed vehicles towed at SPD's request. The services shall include, but not be limited to, the following:

*- For purposes of this contract, "**Vehicle**" means any motorized or non-motorized device, machine, or equipment designed or used for transporting persons, animals, cargo, or materials on land, whether self-propelled, towed, or otherwise mobile. This includes, without limitation, automobiles, trucks, vans, motorcycles, buses, recreational vehicles (RVs), utility trailers, cargo trailers, flatbed trailers, and any other wheeled conveyance, regardless of registration status, operability, or ownership. The term also includes any attachments or accessories affixed to or used in connection with such equipment.

- 1) Towing of vehicles impounded by the SPD that are held for investigation or as evidence in a criminal case.
- 2) Emergency towing of vehicles involved in accidents and/or stalled vehicles obstructing traffic and/or vehicles illegally parked and/or towing of vehicles whose driver is incapacitated or physically unable to drive the vehicle and/or towing of vehicles whose driver has been arrested and/or detained and cannot drive the vehicle and/or towing of vehicles under the 30-day impound authority (Veh. Code 14602.6), and/or vehicles with five (5) or more outstanding parking citations.
- 3) Vehicle Identification Number ("VIN") towing of vehicles necessitating special procedures to ascertain vehicle identification numbers in compliance with requirements of the California Vehicle Code.
- 4) Towing of any abandoned vehicle, inoperative vehicle, abated vehicle, RV, inoperative RV, abated RV, vessels, inoperative vessels, abated vessels, or heavy machinery from any street, alley, highway, or any other private or public property in the CITY pursuant to sections 8.12.010 through 8.12.140, inclusive, of the Stockton Municipal Code and California Vehicle Code section 22669.
- 5) Towing of vehicles being seized per section 8.16.010 through 8.16.090 of the Stockton Municipal Code (Nuisance Vehicles).
- 6) Any other such towing of vehicles, vessels, or RVs as may be ordered by any police officer, police employee, or any other employee or agent of the CITY who is properly authorized to order such removal. This shall include any vehicle that is submerged*. This shall also include the removal and storage of any abandoned vessel from city streets/property and/or private property, whether or not said vessel is attached to a trailer; or

*The determination as to whether a vehicle is submerged shall be at the sole discretion of the SPD representative requesting the tow. Generally, a submerged vehicle is one that requires *substantial* entry into water to recover the vehicle. If the vehicle is only partially in the water and can be recovered without the use of specialized dive equipment, it may be deemed submerged.

- 7) Upon request by the SPD or the CITY'S Fleet Maintenance, OPERATOR shall remove disabled City vehicles to the City Corporation Yard, or a garage designated by CITY or render road service (limited to starting stalled vehicles and changing flat tires) to

City vehicles. The CITY shall pay for these services at the established contract rate. Under no circumstances will a stalled City vehicle be started by pushing.

- D. It shall be the right of any vehicle owner or driver involved in a traffic collision or other similar situation requiring tow service to request service of his/her own choosing, so long as the vehicle does not constitute a hazard and may be removed without undue delay, as determined by responsible SPD personnel.
- E. The SPD reserves the right to periodically audit all charges and services made by OPERATOR for services provided under this agreement. Upon request, OPERATOR agrees to furnish the SPD with necessary information and assistance.
- F. SPD shall provide all OPERATORS with twenty-four (24) hours' notice on large sweeps. Large sweeps shall be defined as an expectation of twelve (12) vehicles or more.
- G. SPD shall only be responsible for the release of impounded vehicles and personal property from impounded vehicles with Police holds. All other releases of vehicles and personal property shall be the responsibility of the OPERATOR.
- H. The sale or transfer of the controlling interest in a company shall immediately terminate this agreement. However, the new owner may apply to participate in the tow rotation at any time during the remainder of the current term, regardless of the enrollment period.
- I. No OPERATOR or applicant shall share equipment with any other OPERATOR or applicant involved with this agreement.

2. ROTATION LISTS

- A. A call to an OPERATOR shall constitute one turn on the list; subsequently, the OPERATOR shall be moved to the bottom of the call list.
 - 1) A call to an OPERATOR includes when the OPERATOR fails to answer the phone, is unable to respond, is unable to perform the required service, refuses to respond or provide service, or is canceled due to excessive response time.
- B. If the OPERATOR responds to an SPD call and is canceled by the vehicle's registered owner or agent, prior to the OPERATOR taking possession of the vehicle, there shall be no charge, and the OPERATOR shall be placed back at the top of the call list.
 - 1) Possession is deemed to arise when the vehicle is removed and is

in transit, or when vehicle recovery operations or load salvage operations have begun (Section 3068.1(a) of the Civil Code).

- C. Nothing in this agreement shall prohibit an SPD supervisor or scene manager from requesting a specific tow company when, in their opinion, the necessary resources to clear a hazard are not available from the tow company currently at the top of the rotation tow list.
 - 1) In such an instance, the selected company would then go to the bottom of the call list and those tow companies which were bypassed, would remain in the same list order.

3. SALVAGE AND RECOVERY ROTATION TOW LIST

- A. The California Highway Patrol's (CHP) Rotation List shall be utilized whenever a large commercial vehicle is overturned and/or down an embankment, or a total burn, regardless of the officer's request.

4. TOW OPERATORS QUALIFICATIONS

- A. OPERATORS applying to participate in this agreement shall have a minimum of three (3) verifiable years' for-hire towing experience, as an owner or principal, prior to the final filing date of an enrollment period in order to qualify for a rotation tow listing.
- B. The three (3) verifiable years' for-hire experience shall be decided by the SPD.
- C. OPERATORS and owners who do not meet the three (3) verifiable years for-hire towing experience, may be considered if a full-time manager is employed who possesses three (3) verifiable years for-hire tow experience, as an owner, principal or full-time manager.
- D. Management experience shall be decided and qualified by the SPD as follows:
 - 1) The designation of "manager" implies general power and permits reasonable inferences that the employee so designated is invested with the general conduct and control of his employer's business.
 - 2) An individual who has charge and control of a business and is vested with a certain amount of discretion and independent judgment.
 - 3) If the manager ceases to be employed by the company, this agreement shall be terminated until a new manager is approved by SPD.

- E. In the event an out-of-city limit need arises, outside City agencies can request any tow company of their choosing to provide service. All services shall be the City's responsibility.
- F. Definitions: There are five (5) classes of tow trucks, and a trailer covered under this agreement. Below are the definitions for each category
 - 1) Class A – Light Duty
 - a) A OPERATOR should maintain a minimum of one tow truck which has a manufacturer's gross vehicle weight rating (GVWR) of at least 14,000 pounds.
 - b) After June 30, 2006, Class A 4-wheel drive tow trucks with a GVWR of less than 14,000 pounds may be listed as special equipment. These tow trucks shall be used only for recoveries requiring the use of a 4-wheel drive.
 - 2) Class B – Medium Duty
 - a) A OPERATOR shall own or subcontract a minimum of one tow truck with a GVWR of at least 33,000 pounds. The truck shall be equipped with air brakes and a tractor protection valve or device and be capable of providing continuous air to the towed vehicle.
 - 3) Class C – Heavy Duty
 - a) A OPERATOR shall own or subcontract at least one three-axle tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.
 - 4) Class D – Super Heavy Duty
 - a) A OPERATOR shall own or subcontract at least one three-axle tow truck with a GVWR of at least 54,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.
 - b) If this class of tow truck is used exclusively for salvage and recovery operations, there is no requirement for providing and maintaining continuous air to the towed vehicle. **NOTE:** For purposes of this agreement a "low-boy" trailer is considered special equipment.
 - 5) Rotator Truck
 - a) A OPERATOR shall own or subcontract at least on Class C or D, three axle truck with a boom that rotates a minimum of 180 degrees.

6) Low Boy Trailer

a) A OPERATOR shall own or subcontract a Low boy trailer, which is a trailer with a minimum of eight tires and a deck height of less than 36 inches.

5. TOW OPERATIONS DUTIES AND RESPONSIBILITIES

OPERATORS agree to maintain the following:

- A. A valid City of Stockton business license during the length of the agreement.
- B. A sufficient number of tow truck drivers to fully meet the SPD needs. Failure by OPERATOR to provide sufficient staff to meet SPD's needs shall be deemed a material breach of contract and may constitute grounds for OPERATORS termination under this agreement.
- C. An office facility with a primary storage yard within the Stockton area. All vehicles towed under this agreement will remain at OPERATORS primary storage yard. The Traffic Sergeant may establish a maximum radius for the location of a business office and storage facility from which OPERATOR may provide service.
- D. Own or subcontract at least eight (8) power-operated tow trucks, equipped with two-way radios or cell phones. The minimum requirements will be three (3) Class "A" tows, at least one (1) wrecker with an expandable boom and the ability to subcontract one (1) Class "B" tow, one (1) Class "C" tow, one (1) Class "D" tow, one (1) "Rotator" and one (1) "Lowboy".
- E. All equipment necessary for safe VIN verification. Such verifications will be made by SPD upon request of OPERATOR. OPERATOR shall assist SPD with tools and labor during such VIN verifications.

OPERATOR further agree with the following:

- F. In the event OPERATOR discovers that a vehicle which has been towed has a VIN which is different than the VIN showing on the Motor Vehicle Report ("MVR"), OPERATOR shall notify the SPD, Traffic Section, no later than three (3) days from the date of discovery.
- G. OPERATOR shall be responsible for the protection of all agreement tows and/or stored vehicles in its possession until the vehicles have been released to their owner, or disposed of through legal process, and shall be responsible for safeguarding all articles left in the impounded vehicles. OPERATOR shall comply with SPD regulations regarding the inventory or

removal of property found in towed/stored vehicles.

- H. OPERATOR shall obtain approval from SPD prior to the removal of any property from an impounded vehicle. This requirement may not be waived in cases where a vehicle is impounded for evidence or investigation.
- I. The OPERATOR will display the OPERATORS business name, address, and phone number at the primary business and secondary storage facility and on the doors of all tow trucks when operating under this agreement. The name, business, and phone number of any subcontractor shall also be displayed on the door of any subcontracted tow truck(s).
- J. Upon request, OPERATOR shall provide CITY staff, or designated employee, with a radio to facilitate SPD to OPERATOR radio contact.
- K. Vehicles held for investigation or recovered vehicles shall not be moved until authorized in writing by SPD. Vehicles with holds placed on them by SPD shall not be lien sold; however, OPERATOR may file for a lien but not complete the sale of the vehicle until such time as the hold is removed by SPD. OPERATOR shall not transfer title, nor accept any payment on a vehicle held for evidence until authorized in writing by SPD. Any inquiry into these vehicles should be forwarded to the SPD Traffic Section.

6. TOW OPERATORS BUSINESS LOCATION

- A. An OPERATORS place of business shall have a sign which clearly identifies it to the public as a tow service. The sign shall have letters which are clearly visible to the public from the street and shall be visible at night.
- B. Business hours shall be posted in plain view to the public.
- C. An OPERATORS place of business shall be sufficiently staffed to allow customers to talk face-to-face with a tow company's owner, manager, or employee during normal business hours.
 - 1) "Normal business hours" shall not be less than 8 a.m. to 5 p.m., Monday through Friday, except for the following state recognized holidays: New Year's Day, Martin Luther King Day, Labor Day, Lincoln's Birthday, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Columbus Day, Veteran's Day, Thanksgiving Day, day after Thanksgiving Day, and Christmas Day (Section 22851(b) CVC).
 - 2) Offices staffed with only one employee may be closed for one hour at lunch. A sign shall be posted which reflects a lunch closure and a phone number where a request by a vehicle's owner/agent shall result in an immediate response to release property or a vehicle.

- 3) Response to the office shall be within the time frame required for a normal SPD Class A tow.
- D. The primary office facility shall, during regular business hours, afford the public shelter during rain or bad weather, shall have sufficient space to accommodate members of the public who have business with OPERATOR, and shall have a restroom and telephone available for public use.
- E. The following documents, printed in a minimum of 12-point type, shall be posted by OPERATOR at all business locations and storage facilities in a conspicuous location easily visible to the public:
- 1) A complete copy of the agreement.
 - 2) A schedule of all approved towing, storage, and additional charges as specified in the agreement; and
 - 3) A notice explaining the procedure by which unclaimed vehicles are sold at public auction, including the locations of such auctions and publications in which such auctions are advertised, and stating that all in attendance at such auction shall have an equal opportunity to bid.
- F. OPERATOR shall at all times maintain accurate and complete records of each agreement tow provided, including those tows where no Motor Vehicle Report (MVR) is completed. These records shall contain, but not be limited to the following information:
- 1) Vehicle Identification Number (VIN), license plate number, year, make, model, and color of each vehicle towed.
 - 2) The date and time request for tow was received.
 - 3) Location from which vehicle was towed.
 - 4) Nature of service, start time, end time, location of call, itemized costs of towing and storage, the tow truck driver's name, and truck used; and
 - 5) Name, date of birth, address, and telephone number of person to whom the vehicle is released.
- G. The OPERATOR shall keep a written record of every vehicle stored for a period longer than 12 hours pursuant to Section 10650(a) CVC.
- 1) The record shall contain the name and address of the person storing or requesting the tow, the names of the owner and driver of the vehicle (if ascertainable), and a brief vehicle description (make,

model, license plate number, and any vehicle damage) pursuant to Section 10650(b) CVC.

- H. The OPERATORS primary office shall also maintain business records relating to personnel, insurance, personnel taxes, payroll, applicable operating authorities, local operating authorities, lien sale actions, and Federal Communication Commission licensing (if applicable), for all agreement tows.
- I. The SPD may inspect all OPERATOR records without notice during normal business hours.
- J. OPERATORS shall permit the SPD to make copies of business records at their place of business, or to remove business records for the purpose of reproduction.
- K. The SPD shall provide a receipt for any record removed from the place of business.
- L. Records shall be maintained and available for inspection for a period of two (2) years plus the current term of this agreement.
- M. Failure of the PROP OPERATOR ONENT to comply with the aforementioned inspection requirements shall be the cause for disciplinary action.

7. OPERATORS RESPONSE TO CALLS

- A. The OPERATOR shall respond to calls 24 hours a day, seven (7) days a week, including weekends and holidays, within the maximum response time limits established herein.
- B. The OPERATOR must respond to a dispatch order thirty (30) minutes of receiving the order from SPD or a CITY employee who has been duly authorized to request such tow services.
 - 1) CITY recognizes that Class B, C, and D dispatches may exceed the desired thirty (30) minute response but said responses must be within reasonable time parameters as determined by SPD.
 - 2) In the event OPERATOR fails to respond to a call and furnish a tow truck at the designated point of tow as prescribed above, SPD shall have the right by whatever means it deems appropriate, to have the vehicle towed by another tow provider. Repeated failures to meet the Class A response standards set forth above shall constitute a material breach of the agreement. In the event SPD determines in its sole and absolute discretion that OPERATOR is not meeting the response time standards, the procedures outlined in **Section 20**

"Disciplinary Action" of this agreement will be followed.

- C. An appropriately licensed OPERATOR or tow truck driver shall respond with a properly equipped tow truck of the class required to tow the vehicle and be in possession of the appropriate class of license and applicable endorsements.
 - 1) Any applicable permits (e.g. load variance, oversize) shall be valid and maintained in the tow truck.
- D. OPERATOR shall advise SPD dispatch, at the time of notification, if they are either unable to respond or unable to meet the maximum response time.
- E. If, after accepting the call, OPERATOR is unable to respond or will be delayed in responding, OPERATOR shall immediately notify the SPD communications center.
- F. A failure to respond to towing or service calls, and/or repeated failures to meet maximum response time requirements, shall result in disciplinary action pursuant to the terms of this agreement.
- G. If service, other than towing, recovery, and load salvage, is canceled by the vehicle's registered owner or agent, no lien shall arise for the service unless OPERATOR has presented a written statement to the vehicle's registered owner or agent for the signed authorization of services to be performed pursuant to Section 3068(a) of the Civil Code.
- H. OPERATOR shall not attempt to take possession of a vehicle in order to establish a lien for any non-towing services performed or begun and subsequently canceled.
- I. Nothing shall prohibit a Class B, C, or D OPERATOR from maintaining a place on a lighter class rotation tow list, provided the tow truck meets the equipment specifications for that class of operation.
- J. Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of vehicle towed or serviced.
- K. An SPD Supervisor may establish local policy which allows an OPERATOR to dispatch more than one tow truck to a multiple vehicle collision scene in response to a rotation tow call.
- L. If two or more OPERATORS are called to the same incident, distribution of the vehicles shall be at the discretion of the SPD. Upon arrival, OPERATOR shall not solicit or make any attempt to take multiple vehicles.

SPD, at their discretion, may approve OPERATOR to tow more than one vehicle based on a variety of circumstances. In a situation where multiple

OPERATORS are requested, and no longer needed, those OPERATORS will be placed on top of the rotation list.

- M. When an OPERATOR responds to a major collision and or crime scene, they will make every attempt to contact the scene supervisor or their representative. They should inquire as to what services are required. Special instructions, access routes, evidence collection and storage instructions will be at the direction of the investigating officer.
- N. When an OPERATOR is temporarily unavailable to provide services due to a pre-planned or scheduled activity, OPERATOR shall notify the SPD at least 24 hours prior to the date that services will be unavailable, noting the times and dates of the unavailability.
- O. Only OPERATORS personnel and the equipment requested shall respond to an agreement tow call (e.g. tow truck driver bringing a girlfriend, children, or their dog, is not allowed).
 - 1) An exception would be a responding tow truck driver trainee is permitted to ride with the OPERATOR.
- P. OPERATOR may respond to a call assigned to another OPERATOR or re-assign a call to another OPERATOR upon request for additional assistance.
- Q. OPERATORS shall respond to an incident to ascertain if additional assistance or equipment is required upon request of SPD.
- R. There shall be no additional charge for any personnel or equipment which is not necessary to perform the required service.
- S. There may be times when the OPERATOR assigned the initial call may require assistance from an additional OPERATOR /employee.
- T. The assigned OPERATOR may, with the concurrence of the SPD, request a specific OPERATOR for additional assistance.
- U. OPERATORS request shall be routed through the SPD.
- V. There may be times when a OPERATOR, who was not called to the scene, comes upon a collision scene where a vehicle or vehicles are blocking a roadway and the on-scene officer requests assistance in clearing the roadway, in such case:
 - 1) OPERATOR may be requested by SPD to move the vehicle to a safe location and leave it; and

- 2) There shall be no charge for this assistance and the assistance provided shall not change the OPERATORS place on the call rotation list.
- W. Regardless of the class of tow truck utilized or responding to the call, charges shall not be more than for the class of vehicle towed or serviced, except when vehicle recovery operations require a larger class tow truck.

8. DISPATCH AND TRACKING SYSTEM

- A. Tow requests will be made by the Telecommunications Center of the SPD.
- B. OPERATOR shall be responsible for contracting and paying for a private dispatch service. All OPERATORS will use one dispatch service. Said dispatch service will be staffed twenty-four (24) hours a day, seven (7) days a week, including weekends and holidays.
- C. In a situation where OPERATOR is unable to meet the response requirements due to errors made by a private dispatch center, OPERATOR will be required to write a written summary explaining the circumstances. The written summary will be sent to the Traffic Supervisor or his/her designee within seventy-two (72) hours for review.

9. STORAGE FACILITY AND RELEASE OF PROPERTY

- A. OPERATOR shall maintain the following minimum storage facility standards:
- B. The primary storage facility shall be at the same location as the business address.
- C. This requirement may be waived by written approval from the Traffic Sergeant
- D. A secondary storage facility shall only be utilized if the primary storage facility is full.
- E. There shall be no charge to the vehicle's owner/agent for towing a vehicle from a secondary storage facility to the primary storage facility.
- F. Storage facilities, owned by an OPERATOR and shared with another OPERATOR shall only be approved if the owner/OPERATOR charges for the space exclusively on a flat monthly rate rather than on a vehicle-by-vehicle basis, or combination thereof.
- G. Storage facilities shared by OPERATORS, or other business establishments not owned by the OPERATOR, shall be physically separated and secured from each other.

- H. Prior to the utilization of new storage facilities, or which have not already been approved, the OPERATOR shall obtain written approval from the City.
- I. OPERATORS employees shall be properly trained to conduct business transactions related to towing, storage, and release of vehicles/property.
- J. Upon approval from the SPD, OPERATOR or their employee shall release personal property from a vehicle which has been stored/impounded by the SPD at the request of the vehicle's registered owner or agent (personal property is considered to be items which are not affixed to the vehicle).
 - 1) A receipt shall be provided for the removed property, with a copy placed in the stored vehicle.
- K. This procedure shall also apply to the removal of property by OPERATOR and/or their employee to a secured area within the business.
- L. The requirement to obtain approval from the SPD prior to the release or removal of property may be excused by the SPD Supervisor if it is determined proper safeguards and procedures are utilized by the OPERATOR.
- M. This requirement may not be waived in cases where a vehicle has been impounded for evidence or investigation.
- N. Personal property and/or the vehicle shall only be released at the primary storage facility.
- O. Personal property or a vehicle released from a secondary storage facility shall only be granted if it is acceptable to the vehicle's registered owner or agent.
- P. No fee shall be charged for the release of personal property during normal business hours pursuant to Section 22851(b) CVC.
- Q. The maximum charge for a non-business hours release shall be one-half the hourly tow rate charged, or less, for initially towing the vehicle pursuant to Section 22851(b) CVC.
- R. No lien shall attach to any personal property in or on the vehicle pursuant to Section 22851(b) CVC.
- S. All towed vehicles shall be stored on private property in an approved storage facility. At no time shall towed vehicles be deposited, placed, or stored on public roadways or right of ways.
- T. A request for outside or inside storage by the customer or CITY shall be

honored. If no request is made, the vehicle shall be stored in the least costly manner to the customer.

PRIMARY STORAGE YARD

- A. Primary yards shall follow applicable City/County zoning regulations and permits. Yards must have an approved surface and pass an inspection by the applicable City department(s). Inspection and approval by the proper San Joaquin County agencies will also be required to ensure compliance with applicable County regulations.
- B. If, at time of contract, OPERATOR does not have an approved surface yard, OPERATOR will be given a six-month period (from the date of execution of this agreement) to upgrade the surface and have it approved.
- C. The area must be adequately lit during hours of darkness, adequately, as reasonably determined by the SPD.
- D. Primary yards shall be enclosed by a substantial chain-link fence or wall, which complies with all applicable City and County ordinances, codes, and/or regulations. OPERATOR shall provide security at primary yard that is to the reasonable satisfaction of the SPD.
- E. The area must have sufficient space to store at least one hundred (100) automobiles with at least two (2) feet of clearance between the sides of all vehicles, and at least one (1) foot clearance between the front or rear end of any vehicle and the front or rear end of another vehicle. The OPERATOR shall also maintain inside storage space to adequately store a total of (10) vehicles for "special circumstances/evidence." Said storage facility shall be in compliance with City/County zoning regulations and permits. Secondary storage locations may be included in the total space numbers; however, neither customers nor SPD shall be charged any additional fees above or beyond what customer or SPD would have been charged had the vehicle been stored at the primary storage location.

NOTE: "Special circumstances/evidence" shall mean closed access, controlled, caged, away, inside of building. This area must always be secure. This must be a dedicated area. If using part of a large bay, this area will be secured with no less than a 6 ft. fence. This fencing must be secured to a wall or flooring. Free standing fencing may be used if all sections are secure to each other and both ends are permanently secured to a wall. The gate will be secured with a lock, at all times. The public, tow company employees and animals are prohibited from entering the special circumstances area, unless directed by an investigating officer. Signage must be posted, stating that the area has controlled access. "Keep Out", "Do Not Enter" or anything similar will suffice. Any door leading to this area will be secure and will have the required signage.

The area should be well maintained. OPERATORS should keep it free of debris, unnecessary equipment and or items that would interfere with an inspection. It should not be used to store or work on equipment and or vehicles. OPERATORS personal vehicles should not be stored in this area. The area should be well lit. There should be a minimum of (3) foot clearance on all sides of the vehicles. Access points to this area should not be blocked at any time.

- F. All storage operations shall be performed in such a manner as to prevent damage to vehicles and their contents.

SECONDARY STORAGE YARD

- A. The OPERATOR may maintain secondary yards for vehicle storage. Secondary yards must be within a the "Stockton Metropolitan Area "of the business office.

For purposes of this agreement, "**Metropolitan Area**" means a city and the surrounding towns, suburbs, and communities that are closely connected to it through businesses, transportation, and daily life. For this Agreement, it includes all locations within a 10-mile radius of the center of the City of Stockton.

- B. The facilities shall be maintained to the reasonable satisfaction of the SPD, who may cause the facilities to be inspected from time to time to ensure they meet the following requirements:
 - 1) Secondary yards shall meet the same standards as Primary Storage Yards as stated above.
 - 2) OPERATOR may not impose any additional fees or charges for storage at a secondary location.

10. TOW TRUCK DRIVERS

- A. OPERATOR shall ensure that tow truck drivers responding to agreement calls initiated by the CITY are at least eighteen (18) years old and qualified, competent, and courteous employees of its company (since the public may associate their demeanor and actions with the CITY). OPERATOR shall also ensure that the tow truck drivers are proficient in the use of the tow truck and related equipment, including, but not limited to, the procedures necessary for the safe towing and recovery of the various types of vehicles serviced through an agreement call, and possess the following minimum class of driver's license:
 - 1) Class A tow truck - a valid Class C (3) license or a valid Class A (1) license with a valid medical certificate.

- 2) Class B tow truck - a valid Class C (3) license for nonregulated vehicles or a valid Class A (1) license with valid medical certificate for regulated vehicles pursuant to Vehicle Code section 34500.
 - 3) Class C tow truck - a valid Class A (1) license with a valid medical certificate.
- B. The Class A (1) licenses must be endorsed to allow the operation of special vehicle configurations and/or special cargos.
- C. OPERATOR shall maintain a current list of drivers.
- 1) OPERATOR shall provide a current list of its drivers to the Tow Hearing Officer upon agreement implementation. An updated list shall be provided to said officer within two (2) working days of any change in driver's status.
 - 2) OPERATOR shall, at a minimum, maintain the following information for each employee:
 - (a) Full name.
 - (b) Date of birth.
 - (c) California Driver's License Number.
 - (d) Job title/description.
 - (e) Current home address.
 - (f) Current home phone number.
- D. UNIFORM - Tow truck driver(s) shall wear the established uniform of their company, approved by the SPD. The Traffic Section of the SPD will maintain the approved uniform specifics on file. At a minimum, the name of the company and the name of the employee shall be clearly visible on the uniform.

11. TOW TRUCK INSPECTIONS

- A. All tow trucks utilized by OPERATOR shall be inspected annually. Tow truck inspection costs will be borne by OPERATOR. Only inspections conducted by authorized officers of the California Highway Patrol or authorized SPD Officers will be accepted. The fee for a tow truck inspection by an SPD Officer will be set by the Stockton City Council, and may, from time to time, be adjusted by ordinance or resolution of the City Council.
- B. Storage facilities may also receive an annual inspection by the SPD at no

cost to OPERATOR.

- C. OPERATOR agrees to allow the CITY to inspect any and all storage facilities used to store tows under this contract, business office(s), and all equipment owned by OPERATOR at any time and for any reason, with or without notice. OPERATOR shall not utilize a tow truck on a City-generated tow call which has not been inspected and approved for use by either the California Highway Patrol or the SPD.

12. RATES

- A. The following maximum charges are established for services or materials furnished by OPERATOR engaged in the tow truck business in connection with any vehicle tow pursuant to this agreement:

- 1) For tows authorized by SPD, other authorized employees of the CITY, or a citizen's requested tow through SPD the tow rates shall be the following:

Class A tow	\$235.59
Class B tow	\$302.54
Class C tow	\$641.77
Class D tow	\$641.89
Lowboy tow	\$278.99
Rotator tow	\$743.90

Towing of any CITY owned vehicle; or vehicles being seized per sections 8.16.010 through 8.16.090 of the Stockton Municipal Code (Nuisance Vehicles) \$117.80
 Gate Fee \$130.25 per day

- 2) Storage fees per vehicle:

Inside storage.....\$86.83 per day
 Outside storage.....\$75.73 per day

Inside storage (Over 25 feet)\$130.25 per day
 Outside storage (Over 25 feet)\$113.61 per day

Oversized vehicles: any vehicle over the length of 25 ft, will be charged at one and a half times the Class A outside storage rate.

The above rates represent the maximum an OPERATOR may charge on an agreement call. OPERATOR is not precluded from charging less when deemed appropriate. OPERATOR, nor their employee or agent, shall refer to any rate as the minimum required or set by the CITY/SPD.

- 4) Special incidents cost reimbursement: This list is not all inclusive,

and incidents will be taken on a case-by-case basis.

Destruction
Heavy Haul Tow
Subcontracted Tow
Rotator tow (J&E Tow)
Water Submerged
Diver Team

- 5) Markup rates for additional services, heavy haul, dive team, submerged vehicle 25%. For reimbursement, the tow company must submit an itemized invoice, which will be taken into consideration for approval by SPD.

Standard car/truck.....+\$400 to \$450 (If trash inside or no cat \$50)

Up to 20' RV Trailer.....-\$500-\$900

Up to 40' fifth wheel/travel trailer.....-\$1,500 -\$2,000

Less than 39' RV (Motorhome, etc)... - \$1,500 - \$2,000

More than 40': RV (Motorhome, etc)... -\$2,500 (plus fees for garbage etcetera)

Commercial trailer up to 30"..... -\$1,000

Commercial trailer up to 53'..... -\$2,500 (plus fees for garbage etcetera)

- 6) Any vehicle cleared for release by SPD shall be released by the affected tow company.

B. Time expended in excess of sixty (60) minutes on-scene may be charged in fifteen-minute increments apportioned from no more than the proportionate hourly rate and shall be properly documented on the OPERATORS invoice. These additional tow truck or driver service fees may be charged under the following conditions or circumstances:

- 1) When directed to "stand-by" by an authorized SPD/CITY employee or agent.
- 2) Necessary accident and/or recovery operations; or
- 3) Labor per hour for additional personnel as needed.
- 4) The schedule of rates charged by OPERATOR shall be available in

the tow truck and shall be presented upon demand to the person(s) for whom the tow services were provided or his/her agent at the scene.

- 5) Per Civ. Code, 3068.41, if the release is made more than 24+hours after the vehicle is placed in storage, charges may be imposed on a full calendar day basis for each day or part thereof, that the vehicle is in storage.
- 6) If a request for service by OPERATOR is canceled by the CITY or vehicle's owner/agent prior to OPERATOR taking possession of the vehicle, there shall be no charge by CITY to OPERATOR or by OPERATOR to the vehicle owner. However, the tow company will go to the top of the rotation list.
- 7) When any vehicle is ordered towed by SPD, and it is later determined that the City is responsible for the fee, such fee shall not exceed the amount of the fee provided in the schedule of fees for City-owned vehicles. The City shall not incur any storage charges. This includes vehicles seized/stored as evidence.
- 8) OPERATOR or its employees may commence lien sale proceedings after seventy-two (72) hours of possession, OPERATOR may charge lien sale fees to either the legal owner or registered owner of the vehicle after the seventy-two hours, per CVC section 3068.

Any violations of this section will be considered over-charging, a material breach of contract, and shall constitute grounds for termination of the agreement.

13. TOW RATE INCREASE

- A. During the term of this agreement, THE CITY may increase tow and storage rates equal to the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers' United States City Average (CPI_W) for the twelve-month period concluding with the November Index of each preceding year. This rate increase shall not exceed 5% per year.

14. COLLUSION

- A. A OPERATOR and/or applicant shall not conspire, attempt to conspire, or commit any other act of collusion with any other OPERATOR or applicant for the purpose of secretly, or otherwise, establishing an understanding regarding rates or conditions to the agreement that would bring about any unfair condition which could be prejudicial to SPD, the motoring public, or other OPERATORS.

- B. A finding by the SPD that any OPERATOR or applicant has been involved in collusion shall be cause for denial of an application. A OPERATOR or applicant found to be involved in any act, or attempted act of collusion, shall be disqualified from participation on all agreement tows for the current year, plus three years.

15.ANNUAL OPEN ENROLLMENT/MEETINGS

- A. The SPD shall conduct, at a minimum, one (1) annual open meeting meeting to discuss the forthcoming agreement terms and issues concerning the agreement.
- B. SPD shall give the OPERATOR a 30-day written notice of the meeting.
- C. If a OPERATOR or OPERATORS designee fails to attend the annual open enrollment meeting, the OPERATORS application shall be deemed withdrawn and thereby automatically denied.
- D. The OPERATOR shall be provided with written notification of the denial and may re-apply during the next open enrollment.
- E. Any subsequent meetings shall be mandatory for the OPERATOR or OPERATORS designee.
- F. Failure to attend a meeting shall result in disciplinary action
- G. A new OPERATOR can be added to the rotating list during open enrollment meetings.
 - 1) New OPERATORS shall meet all the requirements mentioned in this agreement.

16.SEMI-ANNUAL MEETINGS

- A. The SPD shall conduct meetings on a semi-annual basis to discuss issues concerning this agreement and related policy. These meetings shall be mandatory for the OPERATOR, or its designee. A minimum of fifteen (15) days' advance written notice of these meetings will be given to OPERATOR.

17.SPECIAL MEETINGS

- A. Special meetings may be called by SPD when fifteen (15) days advance notice is given. Meetings may also be requested by all contracted tow OPERATOR (S) with fifteen days' advance notice. Such requests must be made in writing and signed by each OPERATOR.

18. DEMEANOR AND CONDUCT

- A. While involved in the agreement operations or related business, the OPERATOR and/or its employee(s) shall refrain from any act of misconduct, including, but not limited to, any of the following:
- 1) Rude or discourteous behavior to the public or CITY employees;
 - 2) Lack of service or refusal to provide service to the public or CITY employees;
 - 3) Any act of sexual harassment or sexual impropriety;
 - 4) Unsafe driving practices;
 - 5) Exhibiting any objective symptoms of alcohol and/or drug intoxication. OPERATOR /tow truck driver shall submit to a Preliminary Alcohol Screening Test upon demand of SPD; or
 - 6) Appearing at the scene of an agreement call without being attired in the OPERATORS established uniform.
- B. Violation of the above provision may result in a reprimand, suspension, or termination of OPERATOR, as deemed appropriate by the SPD.

19. TOW COMPLAINTS

- A. The OPERATOR shall maintain a formal complaint process and complaint form. The process and form shall be subject to approval by the SPD and shall provide the SPD with sufficient information to document and account for customer claims for damage, theft, or other complaints, and to show the status or resolution of such complaints.
- B. OPERATOR shall respond to customer complaints within five (5) working days and shall fax copies of complaints and documentation indicating the resolution reached to SPD.
- C. The complaint form must include the following language:
- 1) Unresolved complaints may be brought to the attention of (name of insurance company and contact info).
 - 2) Name and address of OPERATORS Insurance Broker handling the insurance coverage required pursuant to this agreement; and
 - 3) The complaint form must be visible and available in the lobby.
- D. All complaints received by SPD against the OPERATOR or its employee(s) will be accepted and investigated in a fair and impartial manner.

- E. The tow OPERATOR and their employees shall cooperate with SPD investigators during an investigation.
- F. The OPERATOR shall be notified in writing of the findings within 30 days of the conclusion of any investigation.
- G. Should the filing of criminal charges be a possibility, SPD shall conduct the investigation to conclusion or assist the lead investigating agency and request prosecution if warranted.

20.COMPLIANCE WITH LAW

- A. OPERATOR and tow truck driver(s) must be in compliance with all applicable Federal, State, County, and Municipal Code provisions which are in force or become effective during the contract period which, in any manner, affect towing and storage of vehicles, including, without limitation, the requirement that any person who drives a tow truck for OPERATOR is properly licensed and that all tow vehicles meet Vehicle Code requirements.
 - 1) In the event of minor traffic violations by a tow truck driver(s), OPERATOR shall be advised of the violations by SPD. The OPERATOR will be granted the opportunity to ensure that its driver(s) is/are in compliance with the law. Any subsequent traffic violations may be cause for action, in the form of a reprimand, suspension, or termination of the OPERATOR and/or the involved employee(s) privilege of performing under the agreement.
 - 2) Any tow truck driver of OPERATOR who is not under the immediate observations of the OPERATOR while on duty and who, while driving a tow truck, is arrested and subsequently convicted for misdemeanor driving under the influence of alcohol and/or drugs, will be subject to suspension and/or termination from participation as a tow truck driver on agreement tows. The length of any suspension will be at the discretion of the City.
- B. Any conviction of the OPERATOR involving stolen or embezzled vehicles, fraud related to the towing business, stolen or embezzled property, crimes of violence, felony driving while under the influence of alcohol and/or drugs, or crimes of moral turpitude shall be cause for OPERATORS termination from participation in this agreement.
- C. OPERATOR shall not allow any of its EMPLOYEES with any convictions involving stolen or embezzled vehicles, fraud related to the towing business, stolen or embezzled property, crimes of violence, felony driving under the influence of alcohol and/or drugs, or crimes of moral turpitude to provide service for any agreement tows.
- D. OPERATOR or any employee of OPERATOR arrested and/or charged for

a violation involving any of the above crimes shall be suspended from providing services under this agreement until the case is adjudicated.

- E. SPD personnel, as well as tow OPERATORS and their employees, shall not be offered or accept gratuities pursuant to CVC section 12110(a).
- F. OPERATORS shall have a Carrier Identification ("CA") number and a valid Motor Carrier Property (MCP) permit. The MCP documentation shall be provided to the SPD during the enrollment period.
- G. Expiration of an OPERATORS MCP and/or suspension of the MCP, pursuant to Section 34623 of the California Vehicle Code, shall result in the immediate suspension of OPERATOR, as well as additional disciplinary action which may be imposed by the City.
- H. OPERATORS supplier(s) and/or subcontractor's involvement requires the use of a licensed, patented, or proprietary process, the OPERATOR is responsible for assuring that the subcontractor, supplier, and/or OPERATOR have been properly authorized to use the process or for providing another process which is comparable to that which is required.
- I. The OPERATOR shall be in compliance with all California Vehicle Code requirements pertaining to the operation and maintenance of said tow trucks and operation of their business.
- J. OPERATOR shall comply with Section 22651.1 of the California Vehicle Code with respect to acceptance of payment. OPERATOR, or its employees, shall accept a valid bank credit card or cash, at the customer's discretion, for payment of towing and/or storage costs.

21. DISCIPLINARY ACTION

- A. The Traffic Sergeant or their designee, shall take disciplinary action against OPERATOR for violations that are investigated and determined to be substantiated by the SPD. Furthermore, the OPERATOR agrees that failure by the OPERATOR, or their agent, to comply with these terms and conditions of an application, or termination from the SPD Rotation Tow Program – Section 2424[d]CVC.
 - 1) The Traffic Sergeant or their designee shall retain discretion regarding the length of any suspension or termination imposed pursuant to the terms and conditions of this agreement. However, such discretion shall not be unreasonably exercised, and except as otherwise indicated in these standards (e.g. where conditions warrant immediate and/or summary suspension or termination), discipline shall be imposed in a progressive manner, taking into consideration such factors as the OPERATORS overall performance and prior violations, if any.

B. Nothing shall preclude the SPD from taking appropriate enforcement or administrative action for any violation of law. Depending on the circumstances, a violation of the equipment requirements related to safety may be cause for either suspension or termination from the agreement. Any period of suspension shall be determined by the City in its sole discretion. Suspensions will remain in effect until the period of suspension is completed and the SPD has conducted an inspection and found that the OPERATOR is in compliance.

C. Nothing herein shall be deemed to prohibit SPD from immediately suspending, terminating, or denying an application of any OPERATOR or employee for any of the following.

1) Whose conduct, in the opinion of the Traffic Sergeant or their designee is deemed to be a danger to the motoring public (e.g. registered sex offender, acts of violence, fraud)

2) A violation of equipment requirements, related to safety.

3) Who has engaged in conduct constituting a flagrant violation of the agreement.

Depending on the circumstances, a violation of overcharging, based upon fees set in these standards, may be cause for suspension or termination from providing agreement towing. Any period of suspension shall be determined by the City. Any suspension will remain in effect until the period of suspension is completed and the OPERATOR has presented proof to SPD that reimbursement has been made to the aggrieved customer(s).

D. Records of violations shall be retained by SPD for 36 months, plus the current agreement terms. Failure of the OPERATOR to satisfy a court order mandating that the OPERATOR reimburses a vehicle or property owner for damage or loss which occurred while the vehicle was in the OPERATORS custody may result in the OPERATORS suspension or termination from providing agreement towing, depending on the circumstances. Any period of suspension shall be determined by the City. Any suspension shall remain in effect until the' period of suspension is completed and the OPERATOR has presented proof of the reimbursement.

E. Disciplinary action taken against a OPERATOR by the Traffic Sergeant or their designee should be honored by all SPD areas being serviced by the OPERATOR in question. Failure of the OPERATOR to comply with the inspection requirements of these standards may result in a suspension. The period of any such suspension shall be determined by the City. The suspension shall remain in effect until the period of suspension is completed and the OPERATOR has complied with the inspection requirement.

- F. Failure of the OPERATOR to maintain the **minimum insurance requirements, as set forth in "Exhibit B."** shall constitute a violation of these standards and shall result in the OPERATORS immediate suspension from providing agreement towing. Such suspension shall remain in effect until such time as the OPERATOR has complied with the applicable insurance requirements and the Traffic Sergeant or their designee, in his sole discretion, decides what, if any, additional disciplinary action, up to and including termination from providing agreement towing, should be imposed. The OPERATOR may be subject to additional disciplinary action for failing to notify the SPD, in advance, of any insurance policy expiration and/or cancellation.
- G. In the event SPD determines in its sole and absolute discretion that OPERATOR does not meet the response time standards, the following procedures will be followed:
- 1) SPD will notify OPERATOR that OPERATOR performance is unacceptable.
 - 2) As part of the notification, SPD will provide sufficient details concerning instances of non-performance to allow OPERATOR to identify responsible employees involved in the delays.
 - 3) OPERATOR will take immediate and specific steps to improve its performance.
 - 4) Within thirty (30) days, OPERATOR shall provide a written report to SPD on the steps it has taken to improve OPERATORS performance; and
 - 5) If, after these procedures, OPERATOR has failed to take adequate steps to improve its performance, as determined by SPD in its reasonable discretion, such failure shall constitute a material breach and grounds for termination of OPERATORS privilege to provide services under this agreement.
- H. In lieu of termination: the city may impose additional suspensions for longer periods if deemed appropriate.
- I. Nothing herein shall be deemed to prohibit the City from imposing an immediate suspension or termination from providing City-generated towing of OPERATOR and/or any employee(s) of OPERATOR whose conduct, in the Chiefs sole opinion, is a danger to the motoring public or constitutes a gross violation of these standards set.
- J. A suspended or terminated OPERATOR, and/or the tow business owner at the time of the suspension or termination, shall not be eligible for a rotation listing for the duration of the suspension or termination.

- K. If OPERATOR is serving a suspension for one year or more, the OPERATOR shall be required to have complied with all terms and conditions of the current agreement at the time of reinstatement.
- L. An OPERATOR shall comply with all the terms of the suspension (e.g. restitution to victims, court orders) prior to reinstatement or re-application.
- M. Records of any violations of agreement standards committed by OPERATOR while operating under these standards, or at any prior time during which the OPERATOR provided towing services for the CITY pursuant to an agreement with the CITY, shall be retained by the SPD for the duration of the OPERATORS participation in City-generated towing (and such additional periods as required under applicable state law), and may be considered in determining the levels of progressive discipline.

22. TERMS OF DISCIPLINARY ACTION

- A. Violations of the terms and conditions of the agreement may be cause for disciplinary action in the following manner.
 - 1) First violation within a 12-month period – letter of reprimand.
 - 2) Second violation within a 12-month period – one to 30-day suspension.
 - 3) Third violation within a 12-month period – 60–90-day suspension.
 - 4) Fourth Violation within a 12-month period – termination of the agreement.

NOTE: Nothing may preclude a Traffic Sergeant or their designee from imposing a suspension for a first violation.

- B. Violations of the terms and conditions of the agreement which warrant suspension for the first violation are categorized as major violations. Any subsequent or continuing major violation may be cause for termination.
 - 1) In lieu of termination, SPD may impose additional suspensions for longer periods, if deemed appropriate.
 - 2) When considering disciplinary action for a major violation of the agreement, the city should take into consideration all violations which have occurred within this agreement period
- C. A suspended or terminated OPERATOR, and/or the tow business owner at the time of the suspension or termination, shall not be eligible for a rotation listing for the duration of the suspension or termination.

- 1) This provision applies to the OPERATOR working in any capacity within any tow business or operating any tow business, even if operated under new ownership.
- D. If the OPERATOR is serving a suspension, the OPERATOR shall be required to have complied with all terms and conditions of the current agreement at the time of reinstatement.
- E. A OPERATOR shall comply with all the terms of the suspension (ie: restitution to victims, court orders) prior to the reinstatement or reapplication.

23. HEARING/APPEALS FOR DISCIPLINE

- A. A hearing shall be granted, upon an OPERATORS request, within ten (10) calendar days for any of the following circumstances:
- 1) OPERATOR is served with disciplinary action.
 - 2) Denial of an OPERATORS rotation tow application or a OPERATOR /driver application.
- B. The Traffic Sergeant or their designee shall provide written notification to the OPERATOR requesting a hearing, indicating acknowledgement of the hearing request and a hearing date assigned.
- C. A hearing shall be held as soon as practicable.
- D. The hearing shall be conducted by the Traffic Sergeant or designee, and the OPERATOR shall be entitled to present all relevant facts and circumstances in support of the OPERATORS position.
- 1) The OPERATOR shall be entitled to present the testimony of at least one qualified person (i.e. representation by counsel or attorney).
- E. OPERATOR shall be notified in writing of the Traffic Sergeant or their designee's decision(s) within ten (10) business days of the date of completion of the hearing.
- F. Upon receipt of the Traffic Sergeant or their designee's written hearing decision, if the OPERATOR is dissatisfied with the decision(s), the OPERATOR may appeal by submitting a written request to the SPD Police Lieutenant within ten (10) business days.
- G. The appeal shall be conducted by the City or designee and shall be held as soon as practicable.

- H. The City or designee shall provide written notification to the OPERATOR requesting an appeal indicating acknowledgement of the appeal request and an appeal date assigned.
 - 1) The OPERATOR shall have the same rights as afforded at the area level.
 - 2) The OPERATOR shall be notified in writing of the City's decision(s) within ten (10) business days of the appeal.
 - 3) The City's decision(s) shall be subject to no further administrative appeal.
- I. Disciplinary action shall not take effect until the hearing and appeal process has been exhausted, with the exception of OPERATORS whose conduct is deemed to be a danger to the motoring public or who continue to violate the terms and conditions of this agreement.
- J. If a OPERATOR fails to request a hearing or appeal within the specified time or fails to appear at a scheduled hearing or appeal, the action taken by the CITY shall be final and the disciplinary action shall take effect upon written notification to the OPERATOR by the City.

24. MIDTERM REVIEW

- A. The purpose of this section is to provide a process for a Mid-Term Review of the terms and conditions of the agreement in the event there is a legitimate and substantial change in conditions or law affecting OPERATORS, CITY, or the SPD. Examples of conditions may include, but not be limited to:
 - 1) Substantial increase or decrease in business expenses;
 - 2) Advances in technology in the industry related to safety issues;
 - 3) Changes in law requiring the CITY or the OPERATORS to perform specific functions or operations in order to comply; or
 - 4) Changes in the terms and conditions of the agreement were brought about as a result of recommendations from the Police City and approved by the City Manager.
- B. A request for a Mid-Term Review of the terms and conditions of the agreement shall be communicated to SPD in writing from all OPERATORS. The CITY may also request a Mid-Term Review if it is in the best interests of the motoring public, the OPERATORS, and/or the CITY.
- C. Conditions indicating a need for a Mid-Term Review must be substantial.

The review process is not intended to provide relief for OPERATORS who might wish to increase rates or change any other term or condition of the agreement to compensate for financial problems brought about as a result of business decisions or conditions which affect OPERATORS.

- D. A Mid-Term Review, when granted, will not automatically authorize a change in the terms and conditions of the agreement. If a Mid-Term Review is announced, it is the responsibility of SPD to conduct a review of the conditions which initially caused the request to be communicated and to determine if the change(s) is/are justified.
- E. Any change in the terms and conditions of the agreement which may result from the Mid-Term Review shall not be effective until approved in writing by the CITY.

25. ADVERTISING

OPERATOR shall not display any sign or engage in any advertisement indicating an official connection with the CITY or the SPD; e.g., "Official Stockton Police Tow," "Approved by SPD," etc. This will not preclude the Traffic Sergeant from implementing a system of marking and/or identifying particular tow trucks as having passed a Stockton Police Department or California Highway Patrol inspection or as being certified for this agreement towing.

26. TOW TRUCK CLASSIFICATIONS

- A. OPERATOR shall equip and maintain for each class of tow truck designated herein the equipment designated below in accordance with the provisions set forth in the California Vehicle Code, Title 13 of the California Code of Regulations, and the specifications contained in this agreement.
- B. Tow truck equipment and specifications listed in this agreement are the minimum acceptable. Auxiliary equipment will be required in each class. All references to "tow trucks" shall have the same applicability as "tow cars" under CVC section 615.

C. EQUIPMENT LIMITATIONS:

All towing equipment, recovery equipment, and carrier ratings are based on structural factors only. Actual towing, carrying, and recovery capacity may be limited by the capacity of the chassis and the optional equipment selected

D. TOWING LIMITATIONS:

The criteria to use in determining the safe towing limits for a truck are:

- 1) The total weight of the truck, including the lifted load, must fall within

the manufacturer's Gross Vehicle Weight Rating (GVWR) and not exceed either the Front or Rear Axle Weight Ratings (FAWR/RAWR).

- 2) The truck must meet all applicable state and/or federal standards.
- 3) For proper steering and braking, the front axle load must be at least 50% of its normal or unladen weight after the load is lifted.

E. IDENTIFICATION LABELS:

Each piece of towing equipment shall have a label or identification tag permanently affixed to the equipment in a prominent location to identify the manufacturer, serial number, model, and rate capacity.

F. RECOVERY EQUIPMENT RATING:

The basic performance rating of the recovery equipment is the weight the equipment can lift in a winching mode when the boom is static at a 30-degree elevation with the load lines vertical and the lifting cables sharing the load equally, measured with a live load (weight or load cell).

- 1) The structural design of the recovery equipment must have a higher load capacity than the performance rating(s).
- 2) Winches shall conform to or exceed the specifications set forth by the Society of Automotive Engineers (SAE) Handbook, SAE J706.
- 3) All ratings for cable and chain assemblies are for the undamaged assembly condition. All cable and chain assemblies should be the same type, construction, and rating as specified by the Original Equipment Manufacturer (OEM) for the equipment.

G. SAFETY CHAINS:

Safety chains shall be rated at no less than the rating specified by the OEM.

H. CONTROL/SAFETY LABELS:

All controls shall be clearly marked to indicate proper operation as well as any special warnings or cautions.

I. WIRE ROPE

Wire rope shall be maintained in good condition. Only wire rope with swaged ends with metal sleeves in the loops shall be approved for use by the SPD. Wire rope is not in good condition when it is stranded, knotted, crushed, excessively rusty, kinked, badly worn, when there are two or more

wires broken in lay length, or when there is other visible evidence of loss of strength.

J. Class A Tow Trucks

1) Class A Tow Truck Equipment Specifications:

- (a) 14,000-19,500-pound GVWR chassis.
- (b) Four-ton boom and recovery equipment rating.
- (c) Hydraulic or mechanical winch.
- (d) 100 feet of 3/8", 6X19 cable or Original Equipment Manufacturers (OEM) specifications.
- (e) Tow chains, 5/16" alloy or OEM specifications, J/T hook assembly.
- (f) Minimum of two safety chains, 5/16" alloy or OEM specifications.
- (g) Tow sling rating of 3,000 pounds.
- (h) Wheel-lift safety straps or equivalent mechanical device.

NOTE: All required wheel safety straps or equivalent wheel retention devices, tie-down straps, and two safety chains shall be used during towing operations.

- (i) Tow dolly.
- (j) One three-ton snatch block.
- (k) Wheel lift rating or under lift rating:
 - (l) Retracted - 3,000 pounds.
 - (m) 85" extension - 3,000 pounds.

2) Class A Car Carrier (One Car) Equipment Specifications:

- (a) 14,500 - 16,000 pounds GVWR chassis.
- (b) Hydraulic or mechanical winch.
- (c) 50 feet of 3/8", 6X19 wire rope or OEM specifications.
- (d) J/T hook loading bridle/chains.

- (e) Safety chains, 5/16" alloy or OEM specifications, two pairs of safety chains for the vehicle being transported.

NOTE: All required tie-down straps and four safety chains shall be used during vehicle transportation.

3) Class A Car Carrier (Two Cars) Equipment Specifications:

- (a) Minimum 16,001 pounds GVWR chassis.
- (b) Hydraulic or mechanical winch.
- (c) 50 feet of 3/8", 6X19 cable or OEM specifications.
- (d) J/T hook loading bridle/chains.
- (e) Safety chains, 5/16" alloy or OEM specifications; two pairs of safety chains for the vehicle being transported and two safety chains for the vehicle being towed.

NOTE: All required tie-down straps and four safety chains shall be used during vehicle transportation.

K. CLASS B:

1) Class B Tow Truck Equipment Specifications:

- (a) 19,501-33,000 pounds GVWR chassis.
- (b) Air brakes or hydraulic with air hookup package and single control compressor.
- (c) 14-ton boom and recovery equipment rating.
- (d) Hydraulic or mechanical winch(es).
- (e) 150 feet of 7/16", 6X19 wire rope or OEM specifications.
- (f) Tow chains, 5/16" alloy or OEM specifications.
- (g) Two safety chains, 5/16" alloy or OEM specifications.
- (h) Tow sling rating 7,000 pounds (when applicable).
- (i) Two eight-ton snatch blocks.
- (j) Wheel lift safety straps or equivalent mechanical device.

NOTE: All required wheel safety straps, or equivalent wheel

retention devices, tie-down straps, and two safety chains shall be used during towing operations.

- (k) Wheel lift or under lift rating:
 - (1) Retracted - 10,000 pounds.
 - (2) 85" extension - 8,000 pounds.

2) Class B Car Carrier (One Car) Equipment Specifications:

- (a) 19,501 pounds or more GVWR chassis.
- (b) Hydraulic or mechanical winch.
- (c) 50 feet of 3/8", 6X19 cable or OEM specifications.
- (d) J/T hook loading bridle/chains.
- (e) Safety chains, 5/16" alloy or OEM specifications; two pairs of safety chains for the vehicle being transported and two pairs of safety chains for the vehicle being towed.

NOTE: All required tie-down straps and four safety chains shall be used during transportation.

L. CLASS C:

1) Class C Tow Truck Specifications:

- (a) 33,000-50,000 pounds GVWR chassis.
- (b) Air brakes with air hookup package and single control compressor.
- (c) 25-ton recovery equipment rating.
- (d) Hydraulic or mechanical winch(es).
- (e) 200 feet of 5/8", 6X19 cable or OEM specifications.
- (f) Tow chains, 5/8" alloy or OEM specifications.
- (g) Safety chains, 5/8" alloy or OEM specifications.
- (h) Tow sling rating of 12,000 pounds (when applicable).
- (i) Two 12-ton snatch blocks.

- (j) Under lift rating:
 - (1) Retracted - 25,000 pounds.
 - (2) 100" extension - 12,000 pounds.

NOTE: All required tie-down devices and two safety chains shall be used during towing operations.

27.AUXILIARY EQUIPMENT

A. CLASS A TOW TRUCKS:

For each type or classification of towing equipment (sling, wheel lift, or carrier), certain types of equipment are required, at a minimum.

- 1) Required Equipment:
 - (a) Towing Sling - A J/T hook tow chain assembly, a 4"X4"X60" wooden crossbeam, a pair of spacer blocks, a steering wheel clamp, a towing dolly, and safety chains.
 - (b) Wheel lift - Wheel safety straps or equivalent mechanical device, steering wheel clamp, towing dolly, and safety chains.
 - (c) Car Carrier - A J/T hook loading bridle, a 4"X4"X48" and a 4"X4"X60" wooden crossbeam, a pair of spacer blocks, and two pairs of safety chains.
 - (d) Extension - Brake and tail lamps.
 - (e) Fire Extinguisher.
 - (f) Broom.
 - (g) Shovel.
 - (h) Reflective triangles.
 - (i) Flares.
 - (j) Trash can(s) with absorbent.
 - (k) One, 3-ton snatch block.
 - (l) Shop-to-truck communication system (C/B excluded).
- 2) Service and Other Equipment:

- 3) Adequate emergency supply of fuel in an approved container.
- 4) Booster battery or hot box starting system.
- 5) Hydraulic jack capable of handling passenger cars and light trucks.
- 6) Metric and standard lug wrenches.
- 7) Rubber mallet/hubcap tool.
- 8) Lockout tools.
- 9) Motorcycle straps.
- 10) First-Aid kit.
- 11) Sledgehammer.
- 12) Bolt cutters.
- 13) Crowbar.
- 14) Tool kit containing tools appropriate for job specification.

B. CLASS B TOW TRUCKS:

For each type or classification of towing equipment (sling, wheel lift, or carrier), certain types of equipment are required, at a minimum.

- 1) Required Equipment:
 - (a) Towing Sling - A J/T hook tow chain assembly, a 4"X4"X48" and a 4"X4"X60" wooden crossbeam, a pair of spacer blocks, a steering wheel clamp, a towing dolly, and safety chains.
 - (b) Wheel Lift - Wheel safety straps or equivalent mechanical device, steering wheel clamp, towing dolly, and safety chains.
 - (c) Truck Hitch - Tow chain assembly, a 4"X4"X60" and a 6"X6"X60" wooden crossbeam (as necessary), aluminum tow angle(s), and safety chains.
 - (d) Under Lift - An assortment of lift forks/adapters, safety tie-down chains, and safety chains.
 - (e) Extension - Brake and tail lamps.
 - (f) Fire extinguisher(s).

- (g) Broom.
- (h) Shovel.
- (i) Reflective triangles.
- (j) Flares.
- (k) Trash can(s) with absorbent.
- (l) Two 8-ton snatch blocks.
- (m) Axle covers/caps.
- (n) Air hoses and necessary fittings to provide aid to the towed vehicle.
- (o) Shop-to-truck communication system (C/B excluded).

2) Service and Other Equipment:

- (a) Adequate emergency supply of fuel in an approved container.
- (b) Booster battery or hot box starting system.
- (c) Hydraulic jack capable of handling passenger cars and light trucks.
- (d) Metric and standard lug wrenches.
- (e) Rubber mallet/hubcap tool.
- (f) Lockout tools.
- (g) Motorcycle straps.
- (h) First-Aid kit.
- (i) Sledgehammer.
- (j) Bolt cutters.
- (k) Crowbar.
- (l) Tool kit containing tools appropriate for job specification.

C. CLASS C TWO TRUCKS:

For each type or classification of towing equipment (sling, wheel lift, or

carrier), certain types of equipment are required, at a minimum.

1) Required Equipment:

- (a) Towing Sling - A tow chain assembly, a 4"x4"x60" and a 6"x6"x60" wooden crossbeam, a pair of spacer blocks, a steering wheel clamp, and safety chains.
- (b) Truck Hitch - Tow chain assembly, a 4"x4"x60" and a 6"x6"x60" wooden crossbeam (as necessary), aluminum tow angle(s), and safety chains.
- (c) Under Reach -An assortment of lift forks/adapters, safety tie-down chains, and safety chains.
- (d) Extension - Brake and tail lamps.
- (e) Fire Extinguisher(s).
- (f) Broom.
- (g) Shovel.
- (h) Reflective Triangles.
- (i) Flares.
- (j) Trash can(s) with absorbent.
- (k) Steering wheel clamp.
- (l) Two 12-ton snatch blocks.
- (m) Axle covers/caps.
- (n) Air hoses and necessary fittings to provide air to the towed vehicle.
- (o) Shop-to-truck communication system (C/B excluded).

2) Service and Other Equipment:

- (a) Adequate emergency supply of fuel in approved container.
- (b) Booster battery or hot box starting system.
- (c) Hydraulic jack capable of handling passenger cars and light trucks.

- (d) Metric and standard lug wrenches.
- (e) Rubber mallet/hubcap tool.
- (f) Lockout tools.
- (g) Motorcycle straps.
- (h) First-Aid kit.
- (i) Sledgehammer.
- (j) Bolt cutters.
- (k) Crowbar.
- (l) Tool kit containing tools appropriate for job specification.

28. INDEMNITY AND HOLD HARMLESS

To the fullest extent permitted by law, Contractor shall hold harmless, defend at its own expense, and indemnify the City of Stockton and its officers, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions of contractor or its officers, agents, OPERATORS, or employees in rendering services under this contract; excluding, however, such liability, claims, losses, damages, or expenses arising from the City of Stockton's sole negligence or willful acts. This obligation is independent of, and shall not in any way be limited by, the minimum Insurance obligations contained in this agreement. These obligations shall survive the completion or termination of this agreement.

29. SIGNATURE AUTHORITY AND COUNTERPARTS

The undersigned hereby represents and warrants that they are authorized to execute this agreement and may be executed in counterparts which shall together constitute one document.

OPERATOR APPROVAL

I certify that all drivers operating under this agreement are qualified and competent. I further certify that I have read and understand this agreement and agree to abide by all the provisions stated herein

Exhibit B:
Insurance Requirements
(Tow Operator)

Operator shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Operator, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Operator has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Uninsured Motorist:** Legal minimum, combined single limit.
4. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and **Employer's Liability** Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
5. **Garage Liability:** Includes premises and operations. Coverage for bodily injury and property damage with a combined single limit of not less than **\$500,000**.
6. **Garage Keeper's Liability:** Shall be the same minimum as on-hook coverage for vehicles in the care, custody, and control of the operator in the storage yard.
7. **On-Hook Coverage/Cargo:** Insuring the vehicle in tow with limits based on the size of the tow truck.

a.	Class A tow truck	\$50,000
b.	Class B tow truck	\$100,000
c.	Class C tow truck	\$200,000
d.	Class D tow truck	\$250,000

- 8. Minimum Level of Financial Responsibility** (as required by Section 34631.5 CVC) – Bodily injury and property damage with a combined single limit of not less than \$750,000 for Class A tow trucks. The combined limits for Classes B, C, and D shall not be less than \$1,000,000. These minimum standards are to include non-owned and hired auto coverage.

If the Operator maintains broader coverage and/or higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to the broader coverage and/or the higher limits maintained by the operator. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

The City of Stockton, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Operator including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Operator's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 if a later edition is used). Additional insured Name of Organization shall read "City of Stockton, its officers, officials, employees, and volunteers." Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.

Primary Coverage

For any claims related to this contract, the **Operator's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 04 13 as respects the City of Stockton, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its officers, officials, employees, or volunteers shall be excess of the Operator's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies. The City of Stockton does not accept endorsements limiting the Operator's insurance coverage to the sole negligence of the Named Insured.

Umbrella or Excess Policy

The Operator may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. This form of insurance will be acceptable provided that all

of the Primary and Umbrella or Excess Policies shall provide all of the insurance coverages herein required, including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until the Operator's primary and excess liability policies are exhausted.

Notice of Cancellation

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City of Stockton.

Waiver of Subrogation

Operator hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Operator may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Operator agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer.

Self-Insured Retentions

Self-insured retentions must be declared to and approved by the City of Stockton. The City of Stockton may require the Operator to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Stockton. The CGL and any policies, including Excess liability policies, may not be subject to a self-insured retention (SIR) or deductible that exceeds \$25,000 unless approved in writing by City of Stockton. Any and all deductibles and SIRs shall be the sole responsibility of Operator or subcontractor who procured such insurance and shall not apply to the Indemnified Additional Insured Parties. City of Stockton may deduct from any amounts otherwise due Operator to fund the SIR/deductible. Policies shall NOT contain any self-insured retention (SIR) provision that limits the satisfaction of the SIR to the Named. The policy must also provide that Defense costs, including the Allocated Loss Adjustment Expenses, will satisfy the SIR or deductible. City of Stockton reserves the right to obtain a copy of any policies and endorsements for verification.

Acceptability of Insurers

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City of Stockton.

Claims Made Policies (Professional & Pollution only)

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.***
3. If coverage is canceled or non-renewed, and not replaced ***with another claims-made policy form with a Retroactive Date prior to*** the contract effective date, the Operator must purchase "extended reporting" coverage for a minimum of ***five (5)*** years after completion of work.

Verification of Coverage

Operator shall furnish the City of Stockton with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause **and a copy of the Declarations and Endorsements Pages of the CGL and any Excess policies listing all policy endorsements.** All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City of Stockton before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Operator's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Special Risks or Circumstances

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Certificate Holder Address

The address for mailing certificates, endorsements and notices shall be:

City of Stockton
Its Officers, Officials, Employees, and Volunteers

400 E Main St, 3rd Floor – HR
Stockton, CA 95202

EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. **Goods, Equipment and Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in Exhibit A of the Agreement. Contractor shall provide said services at the time, place and in the manner specified in Exhibit A of the Agreement.

2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A, Contractor shall, at its sole cost and expense, furnish and maintain all facilities and equipment that may be required for furnishing services pursuant to this Agreement. If applicable, City shall furnish to Contractor only the facilities and equipment listed in Exhibit A to the Agreement.

3. **Compensation.** City shall pay Contractor for services rendered pursuant to this Agreement as described more particularly in Exhibit A and Exhibit E to the Agreement.

3.1 Invoices submitted by Contractor to City must contain a brief description of work performed, time spent and City reference number. Within thirty (30) days of receipt of Contractor's invoice, City will review invoice, and if acceptable make payment on approved invoice.

3.2 Upon completion of work and acceptance by City, Contractor shall have sixty (60) days in which to submit final invoicing for payment. An extension may be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Contractor fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

4. **Sufficiency of Contractor's Work.** All Contractor services, work, and deliverables shall be performed in a good and workmanlike manner with due diligence in accordance with the degree of skill normally exercised by similar contractors supplying services and work of a similar nature, and in conformance with applicable laws, codes and professional standards. Contractor's work shall be adequate and sufficient to meet the purposes of this Agreement.

5. **Ownership of Work.** All reports, work product, all other documents completed or partially completed by Contractor or its approved subcontractors, in performance of this Agreement, and if applicable, drawings, designs, and plan review comments shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Contractor and its approved subcontractors agree

to execute any additional documents that may be necessary to evidence such assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Contractor shall replace them at its own expense. Contractor and its approved subcontractors shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

6. Timeliness. Time is of the essence in this Agreement. Further, Contractor acknowledges that the failure of Contractor to comply with the time limits described in Exhibit A and Exhibit F may result in economic or other losses to the City.

7. Changes. Both parties to this Agreement understand that it may become desirable or necessary during the term of this Agreement for City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with City and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work. Until the amendment is so executed, City will not be responsible to pay any charges Contractor may incur in performing such additional services, and Contractor shall not be required to perform any such additional services.

8. Amendment. No variation of the terms of this Agreement shall be valid unless an amendment is made in writing and signed by both parties.

9. Contractor's Status.

9. 1 In performing the obligations set forth in this Agreement, Contractor shall have the status of an independent contractor and Contractor shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Contractor are its agents and employees and are not agents or employees of City. Contractor by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of City. Except as expressly provided in Exhibit A, Contractor has no authority or responsibility to exercise any rights or power vested in the City. No agent, officer or employee of the City is to be considered an employee of the Contractor. It is understood by both Contractor and City that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9.2 Contractor shall determine the method, details and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to City only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to City's

control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

9.3 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages, working conditions, discipline, hiring and discharging or any other term of employment or requirements of law shall be determined by the Contractor.

9.4 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

10. Subcontractor.

10.1 Subcontractors shall not be recognized as having any direct or contractual relationship with City. Contractor shall be responsible for the work of subcontractors, which shall be subject to the provisions of this Agreement. Subcontractors will be provided with a copy of the Agreement and be bound by its terms. Contractor is responsible to City for the acts and omissions of its subcontractors and persons directly or indirectly employed by them.

10.2 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment including hours, wages working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law shall be determined by Contractor.

10.3 It is further understood and agreed that all Subcontractors must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Subcontractors personnel.

11. Termination.

11.1 Termination for Convenience of City. The City may terminate this Agreement at any time by mailing a notice in writing to Contractor. The Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for the work actually completed at the time the notice of termination is received.

11. 2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

11.3 Funding- Non-Appropriation. It is mutually understood between the Parties that payment to the Contractor for performance shall be dependent upon the availability of appropriations by the City Council for the purposes of this Agreement. No legal liability on the part of the City for any payment may arise under this Agreement until funds are made available and until the Contractor has received funding availability, which will be confirmed in writing. If funding for any fiscal year is reduced or deleted, or if the City loses funding for any reason, the City, in its sole discretion, shall have the option to either (a) cause this Agreement to be canceled or terminated pursuant to applicable provisions of the Agreement; or (b) offer to amend the Agreement to reflect the reduced funding for this Agreement.

12. Non-Assignability. The Contractor shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Contractor shall be solely responsible for reimbursing subcontractors.

13. Indemnity and Hold Harmless. To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify City of Stockton and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in this agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City of Stockton. This obligation is independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this agreement. These obligations shall survive the completion or termination of this agreement.

14. Insurance. During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached Exhibit B to this Agreement and shall otherwise comply with the other provisions of Exhibit B to this Agreement.

15. Notices. All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed in Exhibit A to this Agreement.

16. Conformance to Applicable Laws. Contractor shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Contractor shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

17. **Licenses, Certifications and Permits.** Prior to the City's execution of this Agreement and prior to the Contractor's engaging in any operation or activity set forth in this Agreement, Contractor shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Contractor covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement. Such licenses, certificates and permits shall be maintained in full force and effect during the term of this Agreement.

18. **Records and Audits.** Contractor shall maintain all records regarding this Agreement and the services performed for a period of three (3) years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit. To the extent Contractor renders services on a time and materials basis, Contractor shall maintain complete and accurate accounting records, in a form prescribed by City or, if not prescribed by City, in accordance with generally accepted accounting principles, such records to include, but not be limited to, payroll records, attendance cards, time sheets, and job summaries.

19. **Confidentiality.** Contractor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

20. **Conflicts of Interest.** Contractor covenants that other than this Agreement, Contractor has no financial interest with any official, employee or other representative of the City. Contractor and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Contractor's services under this Agreement. If such an interest arises, Contractor shall immediately notify the City.

21. **Waiver.** In the event either City or Contractor at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation. No payment, partial payment, acceptance, or partial acceptance by City shall operate as a waiver on the part of City of any of its rights under this Agreement.

22. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the Federal District Court of California, Eastern District, Sacramento Division.

23. **No Personal Liability.** No official or employee of City shall be personally liable to Contractor in the event of any default or breach by the City or for any amount due Contractor.

24. Severability. If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or city statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.

25. Non-Discrimination. During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, gender identity, gender expression, sex or sexual orientation, family and medical care leave, pregnancy leave, or disability leave. Contractor and its officers, employees, agents, representative or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the City's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12990 (et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulation or Code of Federal Regulations. Title VI of the Civil Rights Act of 1964 requires that "no person in the United States shall, on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." (42 USC Section 2000d). <http://www.dol.gov/oasam/regs/statutes/titlevi.htm>. The City requires compliance with the requirements of Title VI in all of its programs and activities regardless of funding source.

26. Force Majeure. Neither party shall be responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, terrorism, fire, flood, strikes, war, epidemics, pandemics, shortage of power or other acts or causes reasonably beyond the control of that party. The party experiencing the force majeure event agrees to give the other party notice promptly following the occurrence of a force majeure event, and to use diligent efforts to re-commence performance as promptly as commercially practicable.

27. Taxes and Charges. Contractor shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of the Contractor's business.

28. Cumulative Rights. Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative of all other rights and remedies to which may be legally entitled.

29. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

30. Heading Not Controlling. Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

31. Entire Agreement, Integration, and Modification.

31.1 This Agreement represents the entire integrated agreement between Contractor and the City; supersedes all prior negotiations, representations, or agreements, either written or oral between the parties and may be amended only by a written Amendment signed by the Contractor and City Manager.

31.2 All Exhibits to this Agreement and this Agreement are intended to be construed as a single document.

32. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

33. Authority. The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

EXHIBIT D

PROFESSIONAL SERVICES SPECIAL TERMS AND CONDITIONS

1. **Definitions.** The following words and phrases have the following meanings for purposes of this Agreement:

1.1 "Services" means, collectively, the services, duties and responsibilities described in Exhibit A of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

1.2 "Deliverable" means quantifiable goods or services that will be provided upon completion of a project. A deliverable is any tangible material, work or thing delivered by one party to the other, including associated technical documentation. A deliverable can be tangible or intangible parts of the development process, and often are specified functions or characteristics of the project.

2. **General.** The following terms and conditions are applicable for the Professional Services only. The special conditions shall be read in conjunction with the Standard Agreement, General Terms and Conditions ("GTC") Exhibit C, and all other Exhibits identified in the Standard Agreement.

2.1 Where any portion of the GTC is in conflict to or at variance with any provisions of the Special Conditions of the Agreement, then unless a different intention stated, the provision(s) of the Special Conditions of the Agreement shall be deemed to override the provision(s) of GTC only to the extent that such conflict or variations in the Special Conditions of the Agreement are not possible of being reconciled with the provisions of the GTC.

2.2 In the case of modification of a part or provision of the GTC, the unaltered part or provision, or both shall remain in effect. The Special Conditions shall relate to a particular project and be peculiar to that project but shall not weaken the character or intent of the GTC.

3. **Time for Performance.**

3.1 Contractor shall perform the services according to the schedule contained in Exhibit F.

3.2 Timeliness of Performance i) Contractor shall provide the Services, and Deliverables within the term and within the time limits required under this Agreement, pursuant to the provisions of Exhibit A and Exhibit F. ii) Neither Contractor nor Contractor's agents, employees nor subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other

losses or expenses incurred by Contractor by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.

4. Standard of Performance

In addition to Exhibit C, Section 4 and 17, Contractor agrees as follows:

4.1 Contractor's Services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Contractor's profession currently practicing under similar conditions. Contractor shall comply with the profession's standard of performance, applicable laws, regulations, and industry standards. By delivery of completed work, Contractor certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. If Contractor is retained to perform services requiring a license, certification, registration or other similar requirement under California law, Contractor shall maintain that license, certification, registration or other similar requirement throughout the term of this Agreement.

4.2 Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. Contractor shall assure that all services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Using Agency and delivered in a timely manner consistent with the requirements of this Agreement.

4.3 If Contractor fails to comply with the foregoing standards, Contractor must perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor either under this Agreement, at law or in equity.

5. Compensation

5.1 In addition to Section 3 Compensation in Exhibit C – GTC, the Contractor shall be compensated for the services provided under this Agreement as follows:

5.1.1 Contractor shall be compensated for services rendered and accepted under this Agreement and shall be paid monthly, in arrears on a not to exceed

basis, based upon the rates set forth in Exhibit E attached hereto and made a part of this Agreement. Contractor may vary the compensation for each task in Exhibit E provided that the total project compensation listed in Exhibit E and the Standard Agreement is not exceeded.

6. Personnel

6.1 None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written agreement and shall be subject to each provision of this Agreement. Contractor shall provide subcontractor a copy of this fully executed Agreement.

6.2 Contractor agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The payment made to Contractor pursuant to this Agreement shall be the full and complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Contractor nor Contractor's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Contractor. The City shall not be required to pay any workers' compensation insurance on behalf of Contractor. Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

6.3 Key Personnel: Because of the special skills required to satisfy the requirements of this Agreement, Contractor shall not reassign or replace key personnel without the written consent of the City, which consent the City will not unreasonably withhold. "key personnel" means those job titles and the persons assigned to those positions in accordance with the provisions of this Agreement. The City may at any time in writing notify Contractor that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice Contractor shall immediately suspend the services of the key person or persons and must replace him or them in accordance with the terms of this Agreement. A list of key personnel is found in Exhibit A, Scope of Services.

7. Reports and Information

Contractor shall at such times and in such forms as the City may require furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters are covered by this Agreement as specified in Exhibit A and Exhibit E.

8. Findings Confidential

All of the reports, information, data, et cetera, prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City. Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is required by applicable law or by proper legal or governmental authority, is already rightfully in the Contractor's possession without obligation of confidentiality, is independently developed by Contractor outside the scope of this Agreement or is rightfully obtained from third parties. Contractor shall give City prompt notice of any such legal or governmental demand and reasonably cooperate with City in any effort to seek a protective order or otherwise to contest such required disclosure.

9. Copyright

No materials, including but not limited to reports, maps, or documents produced as a result of this Agreement, in whole or in part, shall be available to Contractor for copyright purposes. Any such materials produced as a result of this Agreement that might be subject to copyright shall be the property of the City and all such rights shall belong to the City, and the City shall be sole and exclusive entity who may exercise such rights.

10. Deliverables

Contractor shall prepare or provide to the City various Deliverables. "Deliverables" include work product, such as written reviews, recommendations, reports and analyses, produced by Contractor for the City. The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Contractor has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Contractor of its failure. If Contractor does not correct the failure, or if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement. Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Contractor of its commitments under this Agreement.

11. Applicable Laws

Deliverables must conform with all applicable federal, state, and local laws. Such conformity includes compliance with federal sanctions, and Contractor certifies that it has not and will not engage in prohibited transactions with sanctioned persons or entities.

EXHIBIT E

COMPENSATION SCHEDULE

The Contractor shall be compensated for the services identified in Exhibit A, Exhibit C, and Exhibit D to this Agreement as follows:

1. **Project Price**

1.1 The maximum the Contractor shall be paid on this Agreement is \$100,000 (hereafter the “not to exceed” amount). The “not to exceed” amount includes all payments to be made pursuant to this Agreement, including City approved reimbursable expenses, if any. Nothing in this Agreement requires the City to pay for work that does not meet the Standard of Performance identified in Exhibit D section 4 or other requirements of this Agreement.

1.2 **Standard Reimbursable Items:** Only the reimbursable items identified in Exhibit A, C, and D (Compensation), shall be compensated to the Contractor. Reimbursable expenses will be reimbursed without markup. Fees plus reimbursable expenses shall not exceed the amount set forth in section 1.1 of this Exhibit and a copy of the original invoice for the items listed in i, ii or iii below shall be attached to the invoice submitted to the City for reimbursement. Payments shall be based upon work documents submitted by the Contractor to the City and accepted by the City as being satisfactory to City’s needs. The City shall not pay a markup on any of the items listed in i, ii or iii. Additionally, items such a telephone, fax, postage or freight are already included in the billable hourly rate. Contractor shall be reimbursed the direct expenses, which are the actual cost of the following items that are reasonable, necessary and actually incurred, by the Contractor in connection with the services:

- i. Expenses, fees or charges for printing, reproduction or binding of documents at actual costs with no markup added to the actual cost.
- ii. Any filing fees, permit fees, or other fees paid or advanced by the Contractor at actual costs with no markup added to the actual cost.
- iii. Travel expenses shall be reimbursed in accordance with the City’s travel policy, which is incorporated herein by reference. Reimbursement shall be made at actual costs with no markup added to the actual cost.

1.3 The Contractor shall be entitled to receive payments for its work performed pursuant to the Agreement. The City will pay Contractor based on invoices for acceptable work performed and approved until the “not to exceed” amount is reached. Thereafter, Contractor must complete services based on the Agreement without additional compensation unless there is a material change to the Statement of Work and Scope by a written Amendment.

1.4 If work is completed before the “not to exceed” amount is reached, the Contractor’s compensation will be based on the Contractor’s invoices previously submitted for acceptable work performed and approved.

1.5 Subcontractor Costs: Compensation for subcontractors shall be limited to the same restrictions imposed on the Contractor. Maximum markup Contractor may apply to subcontractor fees, minus reimbursable expenses, shall not exceed 0%.

2. **Task Price**. Below is the price for the services and reimbursable expenses as described in Exhibit A of this Agreement.

Description	Task Price
Class A Tow	\$235.59
Class B Tow	\$305.54
Class C Tow	\$641.77
Class D Tow	\$641.89
Lowboy Tow	\$278.99
Rotator Tow	\$743.90
Nuisance Vehicle	\$117.80
Gate Fee	\$130.25
Inside Storage	\$86.83
Outside Storage	\$75.73
Inside Storage (over 25 feet)	\$130.25
Outside Storage (over 25 feet)	\$113.61

2.1 A 5% increase in tow and storage fees per fiscal year.

3. **Invoice to Address**. Each invoice submitted shall identify the specific task(s) listed in Exhibit A and this Exhibit, and the completed work product/deliverable for the agreed upon price listed in this Exhibit. Invoices shall be submitted to the below address:

City of Stockton Police Department
 Attention: Fiscal Affairs
 22 E. Weber Ave., Fourth Floor
 Stockton, CA 95202

EXHIBIT F

TIMELINE

1. Contractor shall complete the requested services identified in Exhibit A as follows:

1.1 **TIMELINE FOR COMPLETION OF WORK**

1.1.1 Operator shall complete all tasks specified in this Agreement on an as-needed basis as requested by the City.