

Scope of Work

1. Contractor shall provide bare rental of various types of equipment on an as-needed, on call basis to the Department of Transportation (Department or Caltrans).

All rental equipment must be equipped with Global Positioning System (GPS). The minimum capabilities shall be recording run time and unit location with dates and times at no less than five (5) minute intervals. Contractor shall provide a cloud-based GPS fleet management system with data access rights to Caltrans staff specified by the Contract Manager.
2. **DAILY, WEEKLY, OR MONTHLY RATES:** Unless otherwise specified, rental shall be paid for the time the equipment is in possession of the State. Rental time starts when the equipment is delivered by Contractor to the State and will end when the equipment is returned or released to Contractor by the State.
3. Twenty-four (24) hours or less will be paid for as one day, over 24 hours to 48 hours as two days, etc. The weekly rate shall be used if the equipment is in the possession of Caltrans for more than three (3) to 21 days. The monthly rate shall be used if the equipment is in the possession of Caltrans for more than 21 consecutive days but not to exceed 28 days. On day 29 of continuous rental, if the equipment is still in the possession of Caltrans, a new billing cycle shall begin.
4. Rental payment shall be subject to deductions on a prorated basis on account of time loss due to breakdown or repair of the specific item of equipment or of the equipment controlling the operation when such equipment is furnished by the same Contractor, provided that Contractor has been notified of such breakdown and repair or replacement has been requested. Such lost time will be accumulated throughout the rental period and deducted to the nearest full day from the monies owed to Contractor under this Agreement.
5. **Conversion of Rates:**

Unless otherwise specified the daily rate bid will be converted to a weekly or monthly rate whenever the total rental charge for the period will be reduced thereby, except that the weekly or monthly rate will not be prorated for a rental period of less than one week or month duration respectively. For the purpose of such conversion, unless otherwise shown, it is agreed that the weekly rates shall be three and one-third (3 1/3) times the daily rates and monthly rates shall be ten (10) times the daily rates or three (3) times the weekly rates. Monthly rates shall not be converted to weekly rates nor shall weekly rates be converted to daily rates.
6. **Detailed description of work to be performed and duties of all parties:**
 - A. Contractor shall be available by telephone 24 hours a day, 7 day a week.
 - B. A decal type 6" Caltrans logo may be installed on the equipment when the equipment is in Caltrans possession.
 - C. Additional equipment not listed on the **Bid Proposal** may be rented from Contractor during the duration of this Agreement. Equipment shall be rented at Contractor's published rate less ten percent (10%) at the time of rental. Contractor shall supply the Contract Manager an updated published rate book every six (6) months.
 - D. Contractor is responsible for providing the requested equipment within 48 hours after notification by Caltrans.

- E. Contractor shall provide instruction for maintenance and operation of equipment, as requested by the Contract Manager.
- F. Equipment may require Move In/Move Out from and to the rental locations and work sites by Contractor. Move In/Move Out charge shall be a flat rate. Move in/out is considered one move. Equipment will be rented based on daily, weekly, or monthly cost on an as-needed basis. Caltrans does not expressly or by implication guarantee that all the equipment listed on the **Bid Proposal** will be rented during the term of this Agreement.
- G. Equipment will be maintained and repaired by Contractor at its own expense. Caltrans will fuel and perform daily servicing while equipment is in Caltrans' possession. Only wear items noted in Contractor's Published Price Book and on the Pre-Operation Checklist/Repair Request, will be the responsibility of Caltrans. All other wear items will be maintained and provided by Contractor. Contractor shall provide pre-operational forms and/or check sheets when special attention is necessary for the use and/or care of a specific item.
- H. Caltrans agrees to return the equipment to Contractor in good condition subject to reasonable wear and tear. Caltrans shall not be liable for loss or damages to rental equipment from any cause whatsoever during periods of transportation or during the period the equipment is in the possession of Caltrans, except when loss or damages result from the negligent act or omissions of Caltrans. Contractor shall review and complete form [DOT LD-0274](#).
- I. Contractor assumes all responsibility which may be imposed by law for damage or personal injuries caused by defective equipment rented under this contract or by operations of Contractor or its employees under this contract and shall, at its own expense, maintain such as fire, theft, liability, or other insurance as deemed necessary for this protection.
- J. Contractor must provide all equipment, or its equivalent, listed on the bid sheet when requested within 48 hours. If they are unable to, then they shall procure it from another vendor at the contracted bid rate.

The equivalent equipment must be approved by Caltrans. It shall be the sole discretion of Caltrans whether the equivalent equipment is acceptable in place of the equipment listed.
- K. All equipment with cabs shall be equipped with heating and air conditioning.
- L. If a breakdown of rented equipment occurs, repair assessment shall be provided by Contractor within four (4) hours of notification. Replacement must be provided by Contractor within 24 hours. If Contractor cannot provide repair or replacement within the specified time, Caltrans may rent the equipment from another source and charge Contractor for additional charges incurred by Caltrans. Such additional charges shall be deducted from the monies owed to Contractor under this Agreement.
- M. In emergency situations, it may be necessary for Caltrans to immediately request equipment. If Contractor is unable to provide the equipment to Caltrans, Caltrans reserves the right to rent the equipment from another source with no penalty to Contractor.
- N. Contractor shall maintain maintenance records on equipment as required by California Highway Patrol Basic Inspection of Terminals program, California Air Resources Board (CARB) and California Division of Occupational Safety and Health. These records are

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subject to review at any time.

- O. All equipment shall be CARB compliant.
- P. All towable equipment shall be provided by Contractor with a pintle type hitch, adaptable to size and height. A plug-in adapter to match the standard Caltrans seven (7) pin trailer electrical system shall be supplied by Contractor. The Contract Manager will supply the Caltrans standard wiring diagram.
- Q. The Contract Manager or representative has the right to inspect equipment prior to the delivery at a designated location. All equipment shall be three (3) model years old or less. If the equipment is more than three (3) model years old, the Contract Manager or representative shall determine the suitability of the equipment for the intended use and his/her decision shall be final as of the date of the inspection. No equipment shall be accepted which is considered by Caltrans unsuitable or in unsatisfactory mechanical condition.
- R. The Contract Manager shall meet with Contractor at the beginning of the Agreement to discuss the content of the Agreement prior to services being rendered.

1. Invoicing and Payment

- A. For services satisfactorily rendered and approved by the Caltrans District Equipment Manager, and upon receipt and approval of the invoices, Caltrans agrees to compensate Contractor in accordance with the **Bid Proposal, Attachment 1**. Incomplete or disputed invoices shall be returned to Contractor, unpaid, for correction.
- B. Invoices shall be itemized in accordance with the Agreement and shall include the Agreement Number, dates of services, location of service location of services, and shall be signed and submitted in triplicate not more frequently than monthly in arrears to the Caltrans Equipment Manager listed in **Section 7** on page 1 of the Agreement.
- C. CAL-Card Payment Option
Upon receipt of an itemized invoice, in arrears, stating the goods/services provided, time period covered, detailed costs and the Agreement Number, Caltrans Contract Manager will notify Contractor of payment authorization. Contractor will provide Caltrans Contract Manager a copy of the itemized, transaction receipt showing payment was received, the invoice, the contract number and the CAL-Card card verification number charged. Contractor to send invoices to Caltrans Contract Manager as noted above.

2. Budget Contingency Clause

- A. It is mutually understood between the parties that the Agreement may have been written before ascertaining the availability of congressional or legislative appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made.
- B. The Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government or the California State Legislature for the purpose of this program. In addition, the Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms or funding of the Agreement in any manner.
- C. It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program, the Agreement shall be amended to reflect any reduction in funds.
- D. Pursuant to Government Code (GC), Section 927.13, no late payment penalty shall accrue during any time period for which there is no Budget Act in effect, nor on any payment or refund that is the result of a federally mandated program or that is directly dependent upon the receipt of federal funds by a state agency.
- E. Caltrans has the option to terminate the Agreement under the 30-day termination clause or to amend the Agreement to reflect any reduction of funds.

3. Prompt Payment Clause

- A. Payment will be made in accordance with, and within the time specified in, GC, Chapter 4.5, commencing with Section 927 and all agreements must comply with California Public Contract Code (PCC) Sections 10262 and 10262.5.
- B. Pursuant to California PCC 10262, Contractor shall pay its Subcontractor(s) within seven (7) calendar days from receipt of each payment made to Contractor by Caltrans.
- C. Failure of Contractor adhering to the California PCC 10262 may result in termination of this Agreement per California PCC 10253 and disciplinary action by Contractors' State License Board may be implemented.

- D. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this clause.

4. Cost Limitation

- A. Total amount of the Agreement shall not exceed the amount listed in **Section 3** on page 1 of the Agreement.
- B. It is understood and agreed that this total is an estimate, and that Caltrans will pay only for those services actually rendered as authorized by the Caltrans District Equipment Manager or its designee.

5. Rates

Contractor shall be reimbursed for work performed under the Agreement at the bid rates quoted on ADM-3015B-RFB.

6. Costs Included in Bid Rates

The cost of employer payments to or on behalf of employees, subsistence, travel, compensation insurance premiums, unemployment contributions, social security taxes, Agreement bond premiums, and any other taxes or assessments **including sales and use taxes** required by law or otherwise shall be included in the Agreement rates and no additional allowance will be made thereof, unless separate payment provision should specifically so provide.

7. Cost Principles

- A. Contractor agrees that the Contract Cost Principles and Procedures, 48 CFR, Part 31, and the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, in 2 CFR, Part 200, shall be used to determine the allowable individual items of cost.
- B. Any costs for which payment has been made to Contractor that are determined by subsequent audit to be unallowable under 48 CFR Part 31 or 2 CFR Part 200 are subject to repayment by Contractor to Caltrans.
- C. Any subcontract entered into as a result of this Agreement shall contain all the provisions of this clause.

8. Bare Equipment

- A. Hourly Rate Basis: Rental shall be paid for the actual time equipment is used, as shown on Caltrans "Record of Rental Equipment" signed by both State's and Contractor's representatives. This form will be the final record of hours worked unless objected to by Contractor in writing within one day of return of the equipment. No payment will be made for time lost due to unfavorable weather or other conditions not within the control of Caltrans. No payment will be made for time of breakdown or repairs when the down time exceeds 30 minutes. Hourly rates are not to be converted to daily, weekly, or monthly rates.
- B. DAILY, WEEKLY, OR MONTHLY RATES: Unless otherwise specified, rental shall be paid for the time the equipment is in possession of the State. As shown on Caltrans "Record of Rental Equipment, rental time starts when the equipment is delivered by Contractor to the State and will end when the equipment is returned or released to Contractor by the State.
- C. Rental time shall not be subject to deduction on account of inclement weather or any other condition not under Contractor's control. The daily rate, when applicable, shall be allowed for each calendar day (except Saturdays, Sundays, and State legal holidays on which the equipment is not operated). Twenty-four (24) hours or less will be paid for as one day, over 24 hours to 48 hours as two days, and so on and so forth.

- D. Weekly and monthly rates when applicable shall be the weekly or monthly rates prorated according to the number of days the equipment is continuously in the possession of the State.
- E. Rental payment shall be subject to deductions on a prorated basis on account of time loss due to breakdown or repair of the specific item of equipment or of the equipment controlling the operation when such equipment is furnished by the same Contractor, provided that Contractor has been notified of such breakdown and repair or replacement has been requested. Such lost time will be accumulated throughout the rental period and deducted to the nearest full day.
- F. **CONVERSION OF RATES:** Unless otherwise specified the daily rate bid will be converted to a weekly or monthly rate whenever the total rental charge for the period will be reduced thereby, except that the weekly or monthly rate will not be prorated for a rental period of less than one week or month duration respectively. For the purpose of such conversion, unless otherwise shown, it is agreed that the weekly rates shall be three and one-third (3 1/3) times the daily rates and monthly rates shall be ten (10) times the daily rates or three (3) times the weekly rates. Monthly rates shall not be converted to weekly rates nor shall weekly rates be converted to daily rates.

9. Settlement of Disputes

- A. Any dispute concerning a question of fact arising under the Agreement that is not disposed of by Agreement shall be decided by the Caltrans Contract Officer, who may consider any written or verbal evidence submitted by Contractor. The decision of the Caltrans Contract Officer, issued in writing, shall be Caltrans' final decision on the dispute.
- B. Neither the pendency of a dispute nor its consideration by the Caltrans Contract Officer will excuse Contractor from full and timely performance in accordance with the terms of the Agreement.
- C. The final decision by Caltrans Contract Officer does not preclude subsequent litigation of the dispute in a court of competent jurisdiction.

10. Termination

- A. If, after award and execution of the Agreement, Contractor's performance is unsatisfactory, the Agreement may be terminated for default. Additionally, Contractor may be liable to Caltrans for damages, including the difference between Contractor's original bid price and the actual cost of performing the work by another Contractor. Default is defined as Contractor failing to perform services required by the Agreement in a satisfactory manner.
- B. Caltrans reserves the right to terminate the Agreement without cause upon 30 days written notice to Contractor or immediately in the event of default or material breach by Contractor.
- C. The State may terminate the Agreement immediately for good cause. The term "good cause" may be defined as "impossibility of performance" or "frustration of purpose", but does not include material breach, default, or termination without cause. In this instance, the Agreement termination shall be effective as of the date indicated on the State's notification to Contractor.
- D. In the event that the total Agreement amount is expended prior to the expiration date, Caltrans may, at its discretion, terminate the Agreement with 30 days' notice to Contractor.

11. Retention of Records/Audits

- A. For the purpose of determining compliance with Government Code Section 8546.7, Contractor and Subcontractors shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three (3) years from the date of final payment under the Agreement. Caltrans, the State Auditor, Federal Highway Administration

(FHWA), or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to Contractor's books, records, and documents that are pertinent to the Agreement for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.

- B. Any subcontract entered into as a result of this Agreement shall contain all the provisions of this clause.

12. Subcontractors

- A. Nothing contained in the Agreement or otherwise, shall create any contractual relation between the State and any Subcontractors, and no subcontract shall relieve Contractor of his/her responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its Subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by Contractor. Contractor's obligation to pay its Subcontractors is an independent obligation from the State's obligation to make payments to Contractor.
- B. Contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted.
- C. Any subcontract in excess of \$25,000 entered into as a result of this Agreement shall contain all of the provisions stipulated in this Agreement to be applicable to Subcontractors.
- D. Any substitution of Subcontractors shall comply with the requirements of Public Contract Code Sections 4100 et seq. and must be approved in writing by Caltrans Contract Manager in advance of assigning work to a substitute Subcontractor.

13. Disabled Veterans Business Enterprise (DVBE) Participation (Without Goals)

Caltrans has established no goals for the DVBE participation for the Agreement. However, Contractor shall be fully informed respecting the California Public Contract Code Sections 10115 et seq., which is incorporated by reference. Contractor is urged to obtain DVBE Subcontractor participation should clearly defined portions of the work become available.

14. Laws to be Observed

Contractor shall keep fully informed of all existing and future laws, including State and Federal, county and municipal ordinances and regulations including but not limited to Senate Bill 1383 of 2016 Title 14, CCR, General Provisions section 18981.2, Public Resources Code sections 42652 et. seq., and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same, which in any manner affect those engaged or employed in the work, the materials used in the work, or which in any way affect the conduct of the work. Contractor shall at all times observe and comply with and shall cause all agents and employees to observe and comply with, all such existing and future laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the Agreement. Contractor shall protect and indemnify the State of California and all officers and employees thereof connected with the work against any claim, injury, or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by Contractor, its Subcontractor(s), or an employee(s). If any discrepancy or inconsistency is discovered in the plans, drawings, specification, or Agreement for the work in relation to any such law, ordinance, regulation, order, or decree, Contractor shall immediately report the same to Caltrans Contract Manager in writing.

15. Specific Legal References

Any reference to specific statutes, regulations, or other legal authority in this Agreement shall not relieve Contractor from the responsibility of complying with all existing and future laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the Agreement.

16. Force Majeure

Neither party shall be liable to the other for any delay in, or failure of, performance, nor shall any such delay in, or failure of, performance constitute default, if such delay or failure is [directly or indirectly] caused by "Force Majeure" without the fault, intentional act or negligence of the Contractor. As used in this section, "Force Majeure" shall include, but shall not be limited to, acts of God, fire, flood, earthquake, other natural disaster, nuclear accident, strike, lockout, riot, freight embargo, interruption in service by a regulated utility, or governmental statutes or regulations superimposed after the fact.

17. Employment of Undocumented Workers

By signing this Agreement, Contractor swears or affirms that it has not, in the preceding five (5) years, been convicted of violating a State or Federal law relative to the employment of undocumented workers.

18. Equipment Indemnification

- A. Contractor shall indemnify Caltrans for any claims against Caltrans for loss or damage to Contractor's property or equipment during its use under the Agreement and shall, at Contractor's own expense, maintain such fire, theft, liability, or other insurance as deemed necessary for this protection. Contractor assumes all responsibility, which may be imposed by law for property damage or personal injuries caused by equipment furnished under the Agreement or by operations of Contractor or Contractor's employees under the Agreement.
- B. Such indemnification obligations by Contractor shall not apply to any loss or damage caused by the gross negligent or intentional acts of the State or any employee or agent of the State. However, the State is not responsible for loss or damage to rented equipment arising from causes beyond the control of the State, including reasonable wear and tear to any equipment.

19. Non-Solicitation

Contractor warrants, by execution of the Agreement, that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained or contracted by Contractor for the purpose of securing business. For breach or violation of this warranty, the state shall have the right to annul the Agreement without liability, paying only for the value of the work actually performed, or in its discretion, to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

20. Interfacing With Pedestrian Vehicular Traffic

Pursuant to the authority contained in Section 591 of the Vehicle Code, Caltrans has determined that within such areas as are within the limits of the project and are open to public traffic, Contractor shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14 and 15 of the Vehicle Code. Contractor shall take all necessary precautions for safe operations of Contractor's equipment and the protection of the public from injury and damage from such property.

21. Operation and Maintenance

- A. Contractor shall at its own expense maintain the equipment and its appurtenances in good repair and operative condition and replace any equipment not in good mechanical condition.
- B. The State will furnish all fuel and lubricants necessary for the operation of the equipment while being used by the State. Contractor shall make all repairs including labor, material, parts, and other items at its own expense. The State will not be responsible for wear and tear on the equipment or its appurtenances.
- C. The equipment is to be operated only by employees of the State while on the job.

22. Ownership

When the specifications require Contractor to be the owner or part owner of each piece of equipment it proposes to furnish under the Agreement, ownership shall be determined by registration certificate when law requires registration. A part owner must be able to show that it has made a substantial payment on the equipment and that Contractor intends to complete the purchase within a reasonable time.

23. Use Tax

- A. If the equipment to be rented is in substantially the same form as when it was acquired by Contractor, and if Contractor has paid the sales or use tax on the purchase price of the equipment, then the California sales or use tax (Revenue and Taxation Code Sections 6010 and 6023) will not apply to the work to be done under the Agreement.
- B. If the equipment is not in substantially the same form as required or if Contractor has not previously paid sales tax, then said sales tax applies to the equipment rental rate.
- C. If use tax applies to this equipment rental Agreement:
 - 1) The bidder shall include the amount of the tax in his/her bid.
 - 2) The tax should be applied only to the portion of the fully operated rental rate that is attributable to the equipment itself.
 - 3) Invoices shall separately itemize the amount of the tax.
 - 4) Invoices shall state the serial number of Contractor's seller's permit or certificate of registration-use tax.
 - 5) In case of doubt concerning the applicability of the tax, the bidder should refer any questions to an office of the California Department of Tax and Fee for determination.

24. Assumption of Risk and Indemnification Regarding Exposure to Environmental Health Hazards

In addition to, and not a limitation of, Contractor's indemnification obligations contained elsewhere in this Agreement, Contractor hereby assumes all risks of the consequences of exposure of Contractor's employees, agents, Subcontractors, Subcontractors' employees, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, to any and all environmental health hazards, local and otherwise, in connection with the performance of this Agreement. Such hazards include, but are not limited to, bodily injury and/or death resulting in whole or in part from exposure to infectious agents and/or pathogens of any type, kind, or origin. Contractor also agrees to take all appropriate safety precautions to prevent any such exposure to Contractor's employees, agents, Subcontractors, Subcontractors' employees, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement. Contractor also agrees to indemnify and hold harmless Caltrans, the State of California, and each and all of their officers, agents, and

employees, from any and all claims and/or losses accruing or resulting from such exposure. Except as provided by law, Contractor also agrees that the provisions of this paragraph shall apply regardless of the existence or degree of negligence or fault on the part of Caltrans, the State of California, and/or any of their officers, agents, and/or employees.

25. Mandatory Organic Waste Recycling

It is understood and agreed that pursuant to Public Resources Code Sections 42649.8 et seq., if Contractor generates two (2) cubic yards or more of organic waste or commercial solid waste per week, Contractor shall arrange for organic waste or commercial waste recycling services that separate/source organic waste for organic waste recycling. Contractor shall provide proof of compliance, i.e., organic waste recycling services or commercial waste recycling services that separate/source organic waste recycling, upon request from the Caltrans Contract Manager.

26. Waste Disposal

Prior to the commencement of waste disposal, Contractor must adhere to the provisions highlighted in Senate Bill 1383 (Lara) of 2016 Title 14, CCR, General Provisions section 18981.2, Public Resources Code sections 42652 et. Seq.

27. Bonds

Payment Bond Requirement: If the total Agreement price exceeds \$25,000, Contractor shall furnish a Payment Bond for not less than 100 percent (100%) of the total amount payable by the terms of this Agreement. The Payment Bond is due prior to the start date of work. No work may commence without receipt of a valid Payment Bond. The Payment Bond must be in effect at all times for the duration of the Agreement. If the Payment Bond expires during the term of the Agreement, a new Payment Bond must be provided to Caltrans Contract Manager not less than 10 business days prior to its expiration. Failure to maintain a Payment Bond for the full term of this Agreement will be grounds for termination for default in addition to other legal remedies Caltrans may have. Inadequate or lack of a Payment Bond does not negate Contractor's obligations under this Agreement.

28. ADA Compliance

All entities that provide electronic or information technology or related services that will be posted online by Caltrans must be in compliance with Government Code Sections 7405 and 11135 and the Web Content Accessibility Guidelines (WCAG) 2.0 or subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success. All entities will respond to and resolve any complaints/deficiencies regarding accessibility brought to their attention.

29. Electronic Signatures

Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for this Agreement. Documents that are referenced by this Agreement may still require manual signatures.

30. Executive Order N-6-22 – Russia Sanctions

On March 4, 2022, Governor Gavin Newsom issued Executive Order [N-6-22](#) (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law unless the contract has been Federalized (i.e., there is federal participation in any phase). The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of

Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this agreement. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least 30 calendar days to provide a written response. Termination shall be at the sole discretion of the State.

31. Insurance: General Requirements

- A. Deductible: Contractor is responsible for any deductible or self-insured retention contained within the insurance program.
- B. Coverage Term: Coverage must be in force for the complete term of the Agreement. If insurance expires during the term of the Agreement, a new certificate must be received by the Caltrans District Equipment Manager at least ten (10) days prior to the expiration of the insurance. Any new insurance must continue to comply with the original terms of the Agreement.
- C. Policy Cancellation or Termination and Notice of Non-Renewal: Contractor shall provide, to the Caltrans District Equipment Manager within five (5) business days, following receipt by Contractor, a copy of any cancellation or non-renewal of insurance required by the Agreement. In the event Contractor fails to keep, in effect at all times, the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the Agreement upon the occurrence of such event, subject to the provisions of the Agreement.
- D. Primary Clause: Any required insurance contained in the Agreement shall be primary, and not excess or contributory, to any other insurance carried by the State.
- E. Inadequate Insurance: Inadequate or lack of insurance does not negate Contractor's obligations under the Agreement.
- F. Endorsements: Any required endorsements requested by the State must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.
- G. Insurance Carrier Required Rating: All insurance companies must carry a rating acceptable to the Department of General Services Office of Risk and Insurance Management. If Contractor is self-insured for a portion or all its insurance, review of financial information, including a letter of credit, may be required.
- H. Contractor shall include all of its Subcontractors as insureds under Contractor's insurance or supply evidence of insurance to the State equal to the policies, coverages, and limits required of Contractor.
- I. The State will not be responsible for any premiums or assessments on the policy.

32. Insurance Requirements

- A. Commercial General Liability
 - 1) Contractor shall maintain general liability for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured Agreement. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Contractor's limit of liability. The policy must include:

“Caltrans, State of California, its officers, agents, and employees are included as additional insured but only with respect to work performed for the State of California under the Agreement. The additional insured endorsement must accompany the certificate of insurance.”

2) This endorsement must be supplied under form acceptable to the DGS, ORIM.

B. Automobile Liability

Contractor shall maintain motor vehicle liability with limits not less than **\$1,000,000** combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. The same additional insured designation and endorsement required for general liability is to be provided for this coverage.

C. Workers' Compensation and Employer's Liability

Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Agreement. When work is performed on State owned or controlled property the workers' compensation policy shall contain a waiver of subrogation in favor of the State. The waiver of subrogation endorsement shall be provided to the Caltrans District Equipment Manager.

D. Satisfying a Self-Insured Retention (SIR)

All insurance required by this contract must allow, but not require, the State to pay any SIR and/or act as Contractor's agent in satisfying any SIR. The choice to pay any SIR and/or act as Contractor's agent in satisfying any SIR is at the State's discretion. If the State chooses to pay any SIR and/or act as Contractor's agent in satisfying any SIR, Contractor shall reimburse the State for the same.

E. Available Coverages/Limits

In the event the insurance coverages obtained by Contractor is broader in scope than, and/or the limits are higher than, those required under the contract, all such broader coverage and/or higher limits available to Contractor shall also be available and applicable to the State.

33. Motor Carrier Permit Requirements

- A. Contractor must have a valid Motor Carrier Permit(s) (MCP) issued from the Department of Motor Vehicles (DMV) for its services as a Motor Carrier of Property under the Agreement. Contractor shall pay any required fees necessary to obtain and maintain in good standing the required MCP(s).
- B. The MCP(s) required for Contractor's Motor Carriers of Property under California Vehicle Code Sections 34601 and 34620 shall be on file with Contractor for the duration of the Agreement. Upon request of the Caltrans District Equipment Manager or his/her designee, Contractor must immediately provide to Caltrans a copy of the required MCP(s).

34. Licenses and Permits

- A. Contractor shall be an individual or firm licensed to do business in California and shall obtain at its expense all license(s) and permit(s) required by law for accomplishing any work required in connection with the Agreement.
- B. If Contractor is headquartered within the State of California, Contractor must have a business license or equivalent from the city/county in which it is headquartered. If Contractor is a corporation or other business entity (apart from a sole proprietorship or general partnership), Contractor must be registered and active/in good standing with the California Secretary of State.

3015B STANDARD TERMS AND CONDITIONS (STC)

STC-3015B (REV 05/2025)

- C. If Contractor is headquartered outside the State of California, Contractor must submit to Caltrans a copy of its business license or equivalent. If Contractor is a foreign corporation or other business entity (apart from a sole proprietorship or general partnership), then Contractor must be registered and active/in good standing with the California Secretary of State.
- D. In the event any license(s) and/or permit(s) expire at any time during the term of the Agreement, Contractor agrees to provide Caltrans Contract Manager a copy of the renewed license(s) and/or permit(s) within 30 days following the expiration date. In the event Contractor fails to keep in effect at all times all required license(s) and permit(s), Caltrans may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

35. Prohibition of Delinquent Taxpayers

Public Contract Code Section 10295.4 prohibits the State from entering into an Agreement for goods or services with any taxpayer, whose name appears on either list maintained by the California Department of Tax and Fee Administration or the Franchise Tax Board pursuant to Revenue and Taxation Code sections 7063 and 19195, respectively, of the 500 largest tax delinquencies. Public Contract Code Section 10295.4 provides no exceptions to these prohibitions.

36. Debarment and Suspension Certification

- A. Contractor's signature affixed herein shall constitute a certification under penalty of perjury under the laws of the State of California, that Contractor or any person associated therewith in the capacity of owner, partner, director, officer, or manager:
 - 1) is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
 - 2) has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal agency within the past three (3) years;
 - 3) does not have a proposed debarment pending; and
 - 4) has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.
- B. Any exceptions to this certification must be disclosed to Caltrans. Exceptions will not necessarily result in denial of recommendation for award but will be considered in determining bidder responsibility. Disclosures must indicate the party to whom the exceptions apply, the initiating agency, and the dates of agency action.