

**Installation of a Sludge Collection System in Primary Clarifier 1
At the Visalia Water Reclamation Facility
(Wastewater Operations Division)**

This Project Agreement, entered into and effective this _____ day of _____, 2025 [“Effective Date”], by and between the City of Visalia, hereinafter referred to as the “CITY”, and **W.M. Lyles, Co.**, hereinafter referred to as the “CONTRACTOR”, “BIDDER”, or “SUBRECIPIENT”.

RECITALS

WHEREAS, CONTRACTOR is a Corporation with a primary business address of **1210 W. Olive Avenue Fresno, CA 93728** and SSN or EIN: 77-0004110; and

WHEREAS, CITY is a municipal corporation and Charter Law City; and

WHEREAS, CITY desires completion of the Installation of a Sludge Collection System in Primary Clarifier 1 at the Visalia Water Reclamation Facility, (the “Project”); which was approved by the Visalia City Council on November 17, 2025, and

WHEREAS, CONTRACTOR represents it is licensed, qualified and willing to complete this Public Works Project pursuant to terms and conditions of this Agreement; and

WHEREAS, CONTRACTOR agrees to abide by the requirements of the City of Visalia Labor Compliance Manual, the State of California Department of Industrial Relations requirements and California Labor Codes and City of Visalia Change Order Committee review process; and

WHEREAS, Contractor acknowledges this is a public works project and work performed under this contract is subject to payment of State Prevailing wages, project registration with the Department of Industrial Relations and monitoring by the Labor Commissioner; and

WHEREAS, Contractor agrees to obtain and maintain the minimum insurance coverage outlined Exhibit Attachment 2 of this Agreement and shall provide evidence of such insurance to City’s Purchasing Division prior to commencement of work on the project; and

WHEREAS, Contractor agrees to supply to the City of Visalia: 1) a “Performance Bond” and 2) a “Payment Bond”, each in the amount of 100% of the contract prior to City issuing a Purchase Order for project. According to City standard the surety company must be either a California Admitted Surety to its specified dollar limitation AND a current A.M. Best A: VIII rated surety. The Performance bond shall remain in force for one year after the date of completion.

NOW, THEREFORE, CITY and CONTRACTOR agree as follows:

1. **TERM**:

The term of this Agreement shall commence on the Effective Date and expire upon completion of all obligations of the parties, unless earlier terminated by the parties. The indemnification and defense provisions shall survive expiration and termination. Suspension or termination of this Agreement may occur if CONTRACTOR materially fails to comply with any term of the award. Additionally, this Agreement may be terminated for convenience. In the event of termination or expiration of this

Agreement, CONTRACTOR shall transfer to CITY any funds and/or accounts receivable on hand attributable to the use of CITY funds.

2. ATTACHMENTS INCORPORATED:

The following are attachments for this Agreement. Said attachments are incorporated into this Agreement as if included in full in the body:

ATTACHMENT NO.	DESCRIPTION OF ATTACHMENT
Attachment 1	Contract General Provisions
Attachment 2	Insurance Requirements
Attachment 3	Contractor's Proposal
Attachment 4	City of Visalia Labor Compliance Manual

3. CONTRACTOR SCOPE OF SERVICES:

CONTRACTOR shall provide all services/products as identified in Attachment 3, (Scope of Work) for the stated price in Attachment 3, on or before any stated completion dates.

4. CITY COMMITMENTS:

CITY shall perform the following tasks on or before the stated completion dates:

TASK	COMPLETION DATE
Register Project with Department of Industrial Relations	Prior to Issuance of City Purchase Order
Pay Contractor as work is completed and invoiced	Within 30 days of receipt of approved invoice, less 5% retention until 35 days after work is completed and accepted by CITY as evidenced by the recordation of a Notice of Completion.

5. COMPENSATION:

CITY shall pay CONTRACTOR compensation for services as indicated in Paragraph 4 above; however, CITY shall pay no more than the following amount as total compensation under this Agreement, unless otherwise agreed in writing. Such sum shall be expended and paid by CITY on a reimbursement basis for services actually performed based on invoices, receipts, time sheets and similar documents presented by CONTRACTOR to CITY.

Total Compensation:	\$ Not to Exceed \$218,842.00
Payment Schedule:	Within 30 days from receipt of approved invoice for completed work, less 5% retention as described above.

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

CONTRACTOR

Dated: _____

By: _____

Authorized Officer: I certify under penalty of perjury under the laws of the State of California that I am fully authorized to execute this Agreement for CONTRACTOR in the capacity I have stated, and that such execution is sufficient to bind the CONTRACTOR.

CITY OF VISALIA

Dated: _____

By: _____

City Manager

Dated: _____

By: _____

City Attorney

Dated: _____

By: _____

City of Visalia Risk Manager

Dated: _____

By: _____

City of Visalia Project Manager

Attachment 1 - CONTRACT GENERAL PROVISIONS

- A. **Successors and Assigns**: This Agreement shall be binding upon and shall inure to the benefit of any successors to or assigns of the parties.
- B. **Prohibition of Assignment**: Neither party shall assign, delegate or transfer their rights and duties in this Agreement without the written consent of the other party.
- C. **Notices**: Notice shall be sufficient hereunder if personally served upon the City Clerk of the CITY or an officer or principal of the CONTRACTOR, or if sent via the United States Postal Service, postage prepaid, addressed as follows:

CITY OF VISALIA
707 W. Acequia Ave.
Visalia, CA 93291
Attention: City Clerk

W.M. Lyles Co.

Attention: _____

- D. **Independent Contractor**: It is understood and agreed by the parties herein that CONTRACTOR, in the performance of this Agreement, shall act as an independent contractor, and therefore shall obtain no rights to any fringe benefits that accrue to regular full-time CITY employees.
- E. **Jurisdiction/Venue/Waiver Of Removal**: This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be in California. Any action brought to interpret or enforce this Agreement, or any of the terms or conditions hereof, shall be brought in Tulare County, California. The CONTRACTOR hereby expressly waives any right to remove any action to a county other than Tulare County as permitted pursuant to Section 394 of the California Code of Civil Procedure.
- F. **Integration/Modification**: This Agreement and each of the documents and exhibits or attachments referenced herein, which are incorporated by reference, represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing signed by the parties, unless otherwise explicitly authorized.
- G. **Conflict With Law**: If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null and void insofar as it is in conflict with said law, but the remainder of the Agreement shall be in full force and effect.
- H. **Indemnification**: The CONTRACTOR waives any and all claims and recourse against the CITY, including the right of contribution of loss or damage to person or property arising from, growing out of, or in any way connected with or incidental to the CONTRACTOR's performance of this Agreement, except claims arising from the concurrent or sole negligence of the CITY or its officers, agents or employees. The CONTRACTOR will indemnify, hold harmless, and defend (at CITY's option) the CITY against any and all claims, demands, damages, costs, expenses, or liability arising out of the CONTRACTOR's performance of this Agreement except for liability arising out of the concurrent or sole negligence of the CITY or its officers, agents, or employees.
- I. **Guarantees and Warranties**:
1. **IN GENERAL**: All guarantees and warranties specifically called for by the specifications and/or this Agreement shall expressly run to the benefit of the CITY.

2. ONE YEAR GUARANTEE: Besides guarantees required elsewhere, CONTRACTOR shall and hereby does guarantee the project work for a period of one year after the date of acceptance by CITY.
3. WARRANTIES: Warranties required by the Invitation to Bid or this Agreement shall commence on the date of acceptance of the work by CITY, unless otherwise provided in a Certificate of Substantial Completion.

CONTRACTOR warrants that the materials and equipment furnished under the Agreement will be new and of recent manufacturer unless otherwise specified, and that all work will be of good quality, free from faults and defects, and in conformance with the Agreement. Work that does not conform may be considered defective. This warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the CONTRACTOR, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage.

CONTRACTOR warrants that title to all work covered by an application for payment will pass to the CITY either by incorporation in the construction or upon the receipt of payment by the CONTRACTOR, whichever occurs first, free and clear of all liens.

CONTRACTOR warrants and guarantees that title to all work, materials, and equipment covered by any application for payment, whether incorporated in the project or not, will pass to CITY no later than the time of payment free and clear of all liens.

No materials or supplies for the project shall be purchased by the CONTRACTOR or SUBCONTRACTOR subject to any mortgage or under a condition of sale contract or other agreement by which an interest is retained by the seller. CONTRACTOR warrants that it has good title to all materials and supplies used by it in the project, free from all liens.

CONTRACTOR shall indemnify and hold CITY harmless from all claims growing out of the lawful demands of SUBCONTRACTORS, laborers, workers, mechanics, material persons, and furnishers of machinery and parts thereof, equipment, power tools, and all supplies, incurred in furtherance of the performance of this Agreement. CONTRACTOR shall, at CITY's request, furnish satisfactory evidence that all obligations of the nature here and above designated have been paid, discharged, or waived. If CONTRACTOR fails to do so, then CITY may, after having served written notice on the CONTRACTOR, either pay directly unpaid bills, of which the CITY has written notice, or withhold from the CONTRACTOR's unpaid compensation a sum of money deemed reasonably sufficient to pay any and all such lawful claims until satisfactory evidence is furnished that all liabilities have been fully discharged where upon payment to the CONTRACTOR shall be resumed, in accordance of the terms of this Agreement, but in no event shall the provisions of this sentence be construed to impose any obligations on the CITY to either the CONTRACTOR or its surety. In paying any unpaid bills of the CONTRACTOR, the CITY shall be deemed the agent of the CONTRACTOR and any payment so made by the CITY shall be considered as payment made under the contract by the CITY to the CONTRACTOR and the CITY shall not be liable to the CONTRACTOR for any such payments made in good faith.

Any defective work that is either corrected or replaced shall be warrantied and guaranteed for a period of one year from the date of such correction or replacement.

- J. Attorney's Fees: In the event either party commences any action, arbitration or legal proceedings for the enforcement of this Agreement, the prevailing party, as determined by the court or arbitrator, shall be entitled to recovery of its attorney's fees and court costs incurred in the action brought thereon.

- K. Headings:** Section headings are provided for organizational purposes only and do not in any manner affect the scope or intent of the provisions thereunder.
- L. Firearms Prohibited:** Guns may not be carried by contractors /vendors/consultants while working on City of Visalia premises without the expressed written approval of a City of Visalia Department Head, or an exemption in the contract. If a contractor/vendor/ consultant is caught carrying a gun, without City permission, their contract will be terminated.
- M. 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. 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.
- N. Time is of the Essence:** Time is of the essence in the performance of the construction anticipated by this Contract.

Attachment 2 - CONTRACT INSURANCE REQUIREMENTS

1. CONTRACTOR Insurance. CONTRACTOR, at its sole cost and expense, for the full term of this Agreement (and any extensions thereof), shall obtain and maintain at a minimum compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects CITY and any insurance or self-insurance maintained by CITY shall be in excess of CONTRACTOR's insurance coverage and shall not contribute to it.
2. Subcontractor(s)' Insurance. If CONTRACTOR utilizes one or more subcontractors in the performance of this Agreement, CONTRACTOR shall obtain and maintain independent insurance as to each subcontractor or otherwise provide evidence of insurance coverage for each subcontractor equivalent to that required of CONTRACTOR in this Agreement.
3. Types of Insurance and Minimum Limits. The following types of insurance and minimum limits are required providing at least the following minimum coverage and limits of liability:
 - a. Worker's Compensation written in accordance with the laws of the State of California providing coverage for any and all employees of CONTRACTOR in the minimum statutorily required coverage amounts;
 - b. Automobile Liability Insurance for each of CONTRACTOR's vehicles used in the performance of this Agreement, including owned, non-owned (e.g. owned by CONTRACTOR's employees or contractors), leased or hired vehicles, in the minimum amount of \$1,000,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage shall not be required if vehicle used by CONTRACTOR is not a material part of performance of this Agreement.
 - c. Comprehensive or Commercial General Liability Insurance coverage in the minimum amount of \$1,000,000 combined single limit, including coverage for:
 - (1) bodily injury;
 - (2) personal injury;
 - (3) broad form property damage;
 - (4) contractual liability;
 - (5) cross-liability;
 - (6) products and completed operations liability
4. Other Insurance Provisions.

If any insurance coverage required in this Agreement is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees to maintain the required coverage for a period of three (3) years after the expiration of this Agreement (hereinafter "post agreement coverage") and any extensions thereof. CONTRACTOR may maintain the required post agreement coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post agreement coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Agreement. For purposes of interpreting this requirement, a cost not exceeding 100% of the last annual policy premium during the term of this Agreement in order to purchase prior acts or tail coverage for post agreement coverage shall be deemed to be reasonable.
5. Endorsements.

All required Automobile and Comprehensive or Commercial General Liability Insurance shall be endorsed to contain the following clauses:

- a. The City of Visalia, its officers, agents, employees, representatives, and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured, performed under contract with the City of Visalia.
- b. It is agreed that any insurance maintained by the City of Visalia shall apply in excess of and not contribute with insurance provided by this policy.
- c. This insurance shall not be canceled, limited in scope or coverage, or non-renewed until after thirty (30) days prior written notice has been given to the City Clerk, City of Visalia, 707 W. Acequia, Visalia, CA, 93291

6. Proof of Coverage.

CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide CITY on or before the effective date of this Agreement with Certificate(s) of Insurance for all required coverages. Copies of all the required Endorsements shall be attached to the Certificate(s) of Insurance or other evidence of insurance acceptable to the City of Visalia, which shall be provided by CONTRACTOR's insurance company as evidence of the stipulated coverages. This Proof of Coverage shall then be mailed to the City of Visalia at the following address:

City of Visalia
707 W. Acequia
Visalia, CA 93291
Attn: Purchasing Division

Contractor shall complete the following form and submit with final payment request.

SAMPLE FINAL PAYMENT AFFIDAVIT

I, _____ declare under penalty of perjury
(Affidavit's Name)

under the laws of the State of California and the provisions of the California Labor Code §1771, §1773.1, §1775, §1776, §1777.5, §1813 and §1815 that:

1. I am the _____ of _____ and I
(Officer, Owner, Partner) (Company)

am responsible for the payment of persons employed by

(Company)

who performed work on the City of Visalia Project entitled:

**Installation of a Sludge Collection System in Primary Clarifier 1
At the Visalia Water Reclamation Facility**

2. During all payroll periods from _____ through _____,
(first work date) (last work date)

All persons employed by _____ on this project
(Company)

have at all times been paid, at a minimum, the specified general prevailing rate of
per diem wages and any amounts due.

3. During all payroll periods on this project, all apprenticeship requirements have been
complied with.

Executed and sworn to this _____ day of _____, _____
(Day) (Month) (Year)

(Signature)

(Date)