

CITY OF NEWPORT, OREGON GOODS AND SERVICES CONTRACT

Generator Preventive Maintenance Project: Generator Service Proposal 2021

BASED UPON the quote submitted for generator service, City of Newport (City) and Peterson Power Systems, Inc. (Contractor) hereby enter into a contract for services in accordance with the specifications and quote provided.

All terms of the following exhibits are hereby incorporated by reference into this Contract, and Contractor agrees to comply with each:

- (1) Exhibit A – ~~Request for Quotes~~ Exempt: See attached exemptions - 2012 rules
- (2) Exhibit B – Contractor Quote
- (3) Exhibit C – Oregon Public Contracting Requirements

To the extent there are any inconsistencies or conflicts between this document and Exhibit B, this document shall control and prevail.

1. Term. The term of this Contract shall extend from its execution to project completion, unless extended for additional periods of time upon written mutual agreement of both parties. Notwithstanding this Term, City reserves the right to terminate this Contract as outlined in this Agreement.
2. Scope of Work. Contractor shall provide all materials, labor, equipment, and all other services and facilities necessary for the services specified in the attached Exhibit B (Project).
3. Compensation.

3.1 Basis of Payment. Contractor shall complete Project as defined above and in the attached exhibits for the prices in Exhibit B. Refer to attached Exhibit B for schedule and prices.

3.2 Invoices. Payments shall be based upon Contractor's invoices submitted to City, detailing the previous month's fees and costs.

- a. City will review Contractor's invoice and within ten (10) days of receipt notify Contractor in writing if there is a disagreement or dispute with the invoice or Project. If there are no such disputes, City shall pay the invoice amount in full within thirty (30) days of invoice date, subject to a five percent (5%) retainage to be paid only after full performance and acceptance by City.

b. If City fails to make any payment due Contractor for services and expenses within thirty (30) days of the date on Contractor's invoice therefore, late fees will be added to amounts due Contractor at the rate of 1.0 percent (1%) per month from original invoice date. Invoices in dispute are not subject to such late fees until such time as they are no longer in dispute.

4. Permits. City will be responsible for obtaining all permits, approvals and authorizations necessary for Contractor's performance.
5. Termination for Convenience. This Contract may be terminated by mutual consent of the parties upon written notice. In addition, City may terminate all or part of this Contract upon determining that termination is in the best interest of City by giving seven (7) days' prior written notice of intent to terminate, without waiving any claims or remedies it may have against Contractor. Upon termination under this paragraph, Contractor shall be entitled to payment in accordance with the terms of this Contract for Contract work completed and accepted before termination less previous amounts paid and any claim(s) City has against Contractor. Pursuant to this paragraph, Contractor shall submit an itemized invoice for all unreimbursed Contract work completed before termination and all Contract closeout costs actually incurred by Contractor. City shall not be liable for any costs invoiced later than thirty (30) days after termination unless Contractor can show good cause beyond its control for the delay.
6. Termination for Cause. City may terminate this Contract effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:
 - 6.1 If City funding is not obtained and continued at levels sufficient to allow for purchases of the indicated quantity of services. The Contract may be modified to accommodate a reduction in funds.
 - 6.2 If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Contract or are no longer eligible for the funding proposed for payments authorized by this Contract.
 - 6.3 If any license or certificate required by law or regulation to be held by Contractor to provide the services required by this Contract is for any reason denied, revoked, or not renewed.
7. Termination for Default. Either City or Contractor may terminate this Contract in the event of a breach of the Contract by the other. Prior to such termination, the party seeking termination shall give to the other party written notice of the breach and intent to terminate. If the party committing the breach has not entirely cured the breach

within fifteen (15) days of the date of the notice, then the party giving the notice may terminate the Contract at any time thereafter by giving a written notice of termination.

If Contractor fails to perform in the manner called for in this Contract or if Contractor fails to comply with any other provisions of the Contract, City may terminate this Contract for default. Termination shall be affected by serving a notice of termination on Contractor setting forth the manner in which Contractor is in default. Contractor shall be paid the Contract price only for equipment installed and services performed in accordance with the manner of performance as set forth in this Contract.

8. Remedies. In the event of breach of this Contract, the parties shall have the following remedies:

8.1 If terminated under paragraph 7 by City due to a breach by Contractor, City may complete the work either itself, by agreement with another contractor, or by a combination thereof. If the cost of completing the work exceeds the remaining unpaid balance of the total compensation provided under this Contract, then Contractor shall pay to City the amount of the reasonable excess.

8.2 In addition to the above remedies for a breach by Contractor, City also shall be entitled to any other equitable and legal remedies that are available.

8.3 If City breaches this Contract, Contractor's remedy shall be limited to termination of the Contract and receipt of Contract payments to which Contractor is entitled.

8.4 City shall not be liable for any indirect, incidental, consequential, or special damages under the Contract or any damages arising solely from terminating the Contract in accordance with its terms.

8.5 Upon receiving a notice of termination, and except as otherwise directed in writing by City, Contractor shall immediately cease all activities related to the services and work under this Contract.

9. Standard of Care. Contractor warrants that the work to be performed pursuant to this Contract shall be done in a good and workmanlike manner and will conform to the highest standards prevalent in the industry or business most closely involved in providing the equipment and services City is purchasing.
10. Reports. The Contractor shall provide City with reports as detailed in Contractor's proposal, at a minimum of once per month, outlining the Project progress, issues of concern and budget status.
11. Change Orders. Contractor and City reserve the right to order changes to the equipment and services to be provided herein. Contractor and City shall determine a

fair and equitable cost and, if required, additional time for such changes. All such changes shall be ordered and agreed to in writing by both parties.

12. Confidentiality. Contractor shall maintain the confidentiality, both external and internal, of any confidential information to which it is exposed by reason of this Contract. Contractor warrants that its employees assigned to this Contract shall maintain necessary confidentiality.
13. Security and Substance Check. Contractor agrees that each of its employees and subcontractor's employees involved in this Project may, at the option of City and in compliance with Contractor policy, be subject to a security background check and/or substance abuse testing.
14. Access to Records. For a period of not less than three years after City's final payment to Contractor, Contractor shall permit the City, the State of Oregon and the Federal Government (if State or Federal funding is involved) to have access to all books, documents, papers and records of Contractor which are pertinent to the Services provided hereunder for purposes of audit, examination, excerpts and transcripts. Contractor shall retain those records for at least three years, or until litigation is resolved if litigation is instituted.
15. Notice. Any required or permitted notices hereunder must be given in writing at the address of each party set forth below, or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; or nationally-recognized private express courier:

CITY:

City of Newport
169 SW Coast Highway
Newport, OR 97365
Phone: (541) 574-3366
Fax: (541) 265-3301

CONTRACTOR:

Peterson Power Systems Inc.
2828 Teagarden St.
San Leandro, CA 94577
Phone: 503-280-1539
Fax: 503-867-8567

16. Warranty. The City acknowledges that (i) Contractor is not the manufacturer of the Goods; (ii) Contractor will pass through to the City the manufacturer's warranty to the extent permitted by the terms of such warranty as to the Goods or any manufacturer's warranty of or for such Goods. Otherwise, and except as just indicated as to such Goods, Contractor further warrants that all materials, equipment, and/or services provided under this Agreement shall be fit for the purpose(s) for which intended, for merchantability, that materials and equipment shall be properly packaged, that proper instructions and warnings shall be supplied, and that the Project shall conform to the requirements and specifications herein. Acceptance of any

service and inspection incidental thereto by City shall not alter or affect the obligations of Contractor or the rights of City.

17. Insurance. Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this Agreement. The insurance shall cover all activities of the Contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverages:

17.1. Commercial General Liability Insurance

Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this contract, Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form (1996 ISO or equivalent). This coverage shall include Contractual Liability insurance for the indemnity provided under this contract. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Aggregate	\$2,000,000
Products-Completed Operations Aggregate	\$1,300,000
Personal & Advertising Injury	\$1,300,000
Errors & Omissions	\$1,300,000
Each Occurrence	\$1,300,000
Fire Damage (Any one fire)	\$50,000

17.2. Commercial Automobile Insurance

Contractor shall also obtain, at Contractor's expense, and keep in effect during the term of the contract, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,300,000.

17.3. Workers' Compensation Insurance

The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Contract that are either subject employers that will comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon law for all their subject workers, or employers that are exempt under ORS 656.126. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Contractors who perform work without the assistance or

labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

17.4. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City as an additional insured with respect to this Agreement.

17.5. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage of Contractor's insurance without 30 days prior written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. Contractor will notify the City 30 days before cancellation of insurance.

17.6. Certificates of Insurance

As evidence of the insurance coverage required by the Agreement, the Contractor shall furnish a Certificate of Insurance to the City. This Agreement shall not be effective until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within this Agreement. A renewal certificate will be sent to the City 10 days prior to coverage expiration.

17.7. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

17.8. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in all general liability, professional liability, pollution and errors and omissions policies required by this Agreement.

The procuring of required insurance shall not be construed to limit Contractor's liability under this Agreement. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this Agreement.

18. **Indemnity**. To the extent permitted by law, Contractor shall protect, defend, indemnify and hold the City harmless from and against all claims, demands, damages, costs,

actions and causes of actions, liabilities, fines, penalties, judgments, expenses and attorney fees, resulting from the injury or death of any person or the damage to or destruction of property, or the infringement of any patent, copyright, trademark or trade secret, arising out of the work performed or goods provided under this Agreement or Contractor's violation of any law, ordinance or regulation, contract provision or term, or condition of regulatory authorization or permit, except for damages resulting from the negligence of City. Contractor's indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this indemnification.

19. Force Majeure. This section applies in the event that either party is unable to perform the obligations of this Agreement because of a Force Majeure event as defined herein, to the extent that the Agreement obligation must be suspended. A Force Majeure event is an event that prohibits performance and is beyond the control of the party. Such events may include natural or man-made disasters, or an action or decree of a superior governmental body which prevents performance. Should either party suffer from a Force Majeure event and be unable to perform, such party shall give notice to the remaining party as soon as practical and shall do everything possible to resume performance. Upon receipt of such notice, the parties shall be excused from such performance as it is affected by the Force Majeure event for the period of such event. If such event effects the delivery date or warranty provisions of this Agreement, such date or warranty period shall automatically be extended for a period equal to the duration of such event.
20. Independent Contractor. It is the intention and understanding of the parties that Contractor is an independent contractor and that City shall be neither liable for nor obligated to pay sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax that may arise as an incident of employment. Contractor shall pay all income and other taxes as due. Industrial or other insurance that is purchased for the benefit of Contractor shall not be deemed to convert this contract to an employment contract. It is recognized that Contractor may or will be performing work during the term for other parties and that City is not the exclusive user of the services that Contractor provides.
21. Assignment. Contractor shall not assign or subcontract any of its obligations under this Agreement without City's prior written consent, which may be granted or withheld in City's sole discretion. Any subcontract made by Contractor shall incorporate by reference all the terms of this Agreement. City's consent to any assignment or subcontract shall not release Contractor from liability under this Agreement or from any obligation to be performed under this Contract, whether occurring before or after such consent, assignment, or subcontract.

22. Non-Waiver. The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.
23. Non-Discrimination. Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.
24. Errors. Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delay and without additional cost.
25. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to conflict of law principles.
26. Consent to Jurisdiction. Any action or suits involving any question arising under this Agreement must be brought in the appropriate court of the State of Oregon, and the parties hereby consent to venue in Lincoln County Circuit Court, Oregon, unless exclusive jurisdiction is in federal court, in which case venue shall be in federal district court for the District of Oregon.
27. Public Contracting Requirements. Contractor shall comply with all federal, state and local laws and ordinances applicable to the work under this agreement, including, without limitation, applicable provisions of the Oregon Public Contracting Code including ORS 279B.020, 279B.220, 279B.230, and 279B.235, as more particularly set forth in Exhibit C, attached hereto and incorporated herein by this reference.
28. Arbitration. If any disputes, disagreements, or controversies arise between the parties pertaining to the interpretation, validity, or enforcement of this Agreement, the parties shall, upon the request of City, submit such dispute to binding arbitration under the Oregon Uniform Arbitration Act, ORS 36.600 et seq. Arbitration shall be requested by delivering to the other party a written request for arbitration. Within five (5) days of receipt of such request, the parties shall select a mutually agreeable arbitrator and designate mutually agreeable rules of arbitration. If the parties cannot agree upon an arbitrator within five (5) days, an arbitrator may be appointed by the presiding judge of the Lincoln County Circuit Court, upon the request of either party submitted in accordance with ORS 36.645. If the parties have not designated mutually agreeable rules of arbitration at such time as the arbitrator is appointed, the arbitrator shall adopt rules for the arbitration. The arbitrator's decision shall be binding upon the parties.

29. Attorney Fees. If suit, action or arbitration is brought either directly or indirectly to rescind, reform, interpret or enforce the terms of this Agreement, the prevailing party shall recover and the losing party hereby agrees to pay reasonable attorney's fees incurred in such proceeding, in both the trial and appellate courts, as well as the costs and disbursements. Further, if it becomes necessary for City to incur the services of an attorney to enforce any provision of this Agreement without initiating litigation, Contractor agrees to pay City's attorney's fees so incurred. Such costs and fees shall bear interest at the maximum legal rate from the date incurred until the date paid by losing party.
30. Severability/Counterparts. In the event any provision of this Agreement is unenforceable as a matter of law, the remaining provisions will stay in full force and effect. This Agreement may be executed in counterparts and a signed copy transmitted by facsimile or other electronic means, each of which will be deemed an original, but all of which taken together will constitute one and the same agreement.
31. Entire Agreement. This Agreement shall be the exclusive agreement between the parties with respect to the included terms and for the Project. No modification of this Agreement shall be effective unless in writing and signed by an authorized representative of both parties, except as otherwise authorized herein.
32. Signatures. This Agreement is not effective unless and until it is approved, signed and dated by an authorized representative of each party.

CITY:

CONTRACTOR:

CITY OF NEWPORT

Peterson Power Systems, Inc.

By: Spencer Nebel

By: Barry Kreuzer

Signature: 

Signature: 

Title: City Manager

Title: General Manager

Date: 6-17-21

Date: 05/12/2021

EXHIBIT A
Public Contracting Rules - 2012
Class Exemptions

EXHIBIT B
Contractor Quote

EXHIBIT C
Oregon Public Contracting Requirements
ORS CHAPTERS 279B AND 279C REQUIREMENTS

- (1) Contractor shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor. ORS 279B.220(1); 279C.505(1)(a)
- (2) Contractor shall promptly pay all contributions or amounts due the Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the contract. ORS 279B.220(2); 279C.505(1)(b)
- (3) Contractor shall not permit any lien or claim to be filed or prosecuted against the Contracting Agency on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted. ORS 279B.220(3); 279C.505(1)(c)
- (4) Contractor and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. ORS 279B.220(4); 279C.505(1)(d)
- (5) Contractor agrees that if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, the City may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due Contractor by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the Contractor or his surety from his or its obligation with respect to any unpaid claim. If the City is unable to determine the validity of any claim for labor or material furnished, the City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined and the claim, if valid, is paid. ORS 279C.515
- (6) Contractor shall promptly, as due, make payment to any person, copartnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service. ORS 279B.230(1); 279C.530(1)
- (7) All subject employers working under the contractor are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126. ORS 279B.230(2); 279C.530(2)

- (8) Contractor shall pay employees for overtime work performed under the contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, et seq). ORS 279B.235(3); 279C.520(3)
- (9) The Contractor must give notice to employees who work on this contract in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work. ORS 279B.235(2); 279C.520(2)
- (10) All sums due the State Unemployment Compensation Fund from the Contractor or any Subcontractor in connection with the performance of the contract shall be promptly so paid. ORS 701.430
- (11) The contract may be canceled at the election of City for any willful failure on the part of Contractor to faithfully perform the contract according to its terms.
- (12) Contractor certifies compliance with all applicable Oregon tax laws, in accordance with ORS 305.385.
- (13) Contractor certifies that it has not discriminated against minorities, women, service-disabled veterans, or emerging small business or disadvantaged business enterprises in obtaining any required subcontractors. ORS 279A.110
- (14) As used in this section, "nonresident contractor" means a contractor that has not paid unemployment taxes or income taxes in the state of Oregon during the 12 calendar months immediately preceding submission of the bid for the contract, does not have a business address in this state, and stated in the bid for the contract that it was not a "resident bidder" under ORS 279A.120. When a public contract is awarded to a nonresident contractor and the contract price exceeds \$10,000, the contractor shall promptly report to the Department of Revenue on forms to be provided by the department the total contract price, terms of payment, length of contract and such other information as the department may require before the bidder may receive final payment on the public contract. ORS 279A.120

PUBLIC CONTRACTING RULES - 2012

CLASS EXEMPTIONS

E-1 Purpose and Statutory Authority

These rules establish classes of public contracts which are exempt from the formal competitive solicitation requirements of the Public Contracting Code. These exemptions may be used by Contracting Agency without additional findings of fact except as otherwise set forth herein. These exemptions are in addition to all contracting exemptions as set forth in the Code and Contracting Agency's Public Contracting Rules, Divisions 46, 47, 48, and 49. Additional contracts or classes of contracts may be expressly exempted from competitive solicitation requirements by ordinance or resolution of Contracting Agency pursuant to Contracting Agency Rules and ORS 279B.085 or 279C.335.

E-2 Advertising Contracts

Contracting Agency may purchase advertising without a competitive process, regardless of dollar value and including that intended for the purpose of giving public or legal notice.

E-3 Equipment Repair and Overhaul

Contracting Agency may enter into a public contract for the purchase of services, equipment or supplies for maintenance, repair or conversion of existing equipment, if required for efficient utilization of such equipment.

E-4 Contracts for Price Regulated Items

Contracting Agency may, regardless of dollar value and without competitive bidding, contract for the direct purchase of goods or services where the rate or price for the goods or services being purchased is established by federal, state, or local regulatory authority.

E-5 Copyrighted Materials

Contracting Agency may, without competitive bidding and regardless of dollar amount, purchase copyrighted materials if there is only one supplier available within a reasonable purchase area for such goods. Examples of copyrighted materials covered by this exemption may include, but are not necessarily limited to, new books, periodicals, workbooks, curriculum materials, reference materials, audio and visual media, and non-mass-marketed software.

E-6 Investment Contracts

Contracting Agency may, without competitive bidding, and regardless of dollar amount, contract for the purpose of the investment of public funds or the borrowing of funds by Contracting Agency when such investment or borrowing is contracted pursuant to duly enacted statute, ordinance, charter, or Constitution.

E-7 Requirements Contracts

(1) Contracting Agency may enter into requirements contracts whereby it is agreed to purchase goods or services for an anticipated need at particular prices, provided the original contract is let by a competitive procurement process.

(2) Purchase may also be made at prices established by a requirement contract or other agreement between another public body and a contractor, if the requirement contract was established by a competitive procurement process.

- (3) The term of any requirement contract, including renewals, shall not exceed five years.

E-8 Office Copier Purchases

- (1) Contracting Agency may enter into multiple requirements contracts for either the purchase, rental or lease of office copying equipment. Except for this multiple award exemption, such contracts shall otherwise conform to the requirements of Public Contracting Rule E-7.
- (2) In exercising this exemption, Contracting Agency shall fully consider the operating capabilities, limitations and cost of each brand or model and select the brand which will produce the best combination of performance and cost per copy for each application.

E-9 Manufacturer Direct Supplies

Contracting Agency may purchase goods directly from a manufacturer without a competitive solicitation process if a large volume purchase is required and the cost from the manufacturer is the same or less than the cost the manufacturer charges to its distributor(s). Procurements of this type are made on a contract-by-contract basis, and are not requirements contracts.

E-10 Gasoline, Diesel Fuel, Heating Oil, Lubricants and Asphalt

Contracting Agency is exempt from competitive bidding requirements for the purchase of gasoline, diesel fuel, heating oil, lubricants and asphalts if Contracting Agency seeks competitive quotes from at least three vendors in the area, and accepts quotes from all vendors in the area who offer quotes, and Contracting Agency makes its purchase from the least expensive source, and retains written justification for the purchase made.

E-11 Hazardous Material Removal; Oil Cleanup

Contracting Agency may enter into public contracts without competitive bidding, regardless of dollar amount, when ordered to clean up oil or hazardous waste pursuant to the authority granted the Department of Environmental Quality (DEQ) under ORS Chapter 466, and such DEQ order necessitates the prompt establishment and performance of the contract in order to comply with the statutes regarding spill or release of oil or hazardous material that have created an emergency condition. Comprehensive cleanup rules are set forth at OAR 340-122-205 to 340-122-360. In exercising its authority under this exemption Contracting Agency shall:

- (a) To the extent reasonable under the circumstances, encourage competition by attempting to make informal solicitations or to obtain informal quotes from potential suppliers of goods or services;
- (b) Make written findings describing the circumstances requiring cleanup or a copy of the DEQ order ordering such cleanup;
- (c) Record the measures taken under subsection (a) of this section to encourage competition, the amount of the quotes or proposals obtained, if any, and the reason for selecting the contractor selected.

E-12 Insurance, Employee Benefit

Contracting Agency may purchase employee benefit insurance without a competitive solicitation process, regardless of dollar amount.

E-13 Medical and Laboratory Supplies

Contracting Agency is not required to purchase the following specified laboratory and medical supplies on the basis of a single award to the lowest responsible bidder, but instead may purchase different brands of the same item by awarding contracts, after competitive bidding, to the lowest responsible bidder for each brand. The laboratory and medical supplies affected by this rule include, but are not limited to:

- (1) Drugs, biologicals, blood fractions, and blood components;
- (2) Intravenous solutions and associated supplies for administration;
- (3) Microbiologicals, biochemicals, and diagnostic reagents;
- (4) Surgical dressings;
- (5) Heart valves;
- (6) E.E.G., E.K.G., electrodes, charts, and associated supplies;
- (7) Sterilizing wraps;
- (8) Catheters, medical tubes, and associated supplies;
- (9) Surgical and orthopedic instruments;
- (10) Hearing aids;
- (11) Pacemakers;
- (12) Dental supplies;
- (13) Laboratory small package chemicals;
- (14) Biology supplies; and
- (15) Therapeutic or cosmetic implants.

E-14 Concession Agreements

- (1) A concession agreement is a contract that authorizes and requires a private entity or individual to promote or sell, for its own business purposes, specified types of goods or services from a site within a building or upon land owned or controlled by Contracting Agency, and under which the concessionaire makes payments to Contracting Agency based, in whole or in part, on the concessionaire's sales revenues. The term "concession agreement" does not include an agreement which is merely a flat-fee or per-foot rental, lease, license, permit, or other arrangement for the use of public property.
- (2) Concession agreements are not required to be competitively bid. However, when it is in Contracting Agency's best interests to do so and in Contracting Agency's sole discretion, Contracting Agency may obtain competitive proposals for concession agreements using the procedures described in ORS 279B.060.

USED PERSONAL PROPERTY

E-15 Used Personal Property, Purchase of

- (1) Subject to the provisions of this rule, Contracting Agency may purchase used property or equipment without competitive bidding and without obtaining competitive quotes, if it has determined that the purchase will be unlikely to encourage favoritism or substantially diminish competition, and will either result in cost savings to Contracting Agency or the public, or otherwise promote the public interest in a manner that could not be realized by a formal competitive solicitation process.
- (2) "Used personal property or equipment" is property or equipment which has been placed in its intended use by a previous owner or user for a period of time recognized in the relevant trade or industry as qualifying the personal property or equipment as "used," at the time of Contracting Agency purchase. "Used personal property or equipment" generally does not include property or equipment if Contracting Agency was the previous user, whether under a lease, as part of a demonstration, trial or pilot project, or similar arrangement.

(3) For purchases of used personal property or equipment, Contracting Agency shall, where feasible, obtain three competitive quotes, unless Contracting Agency has determined and documented that a purchase without obtaining competitive quotes will be unlikely to encourage favoritism or substantially diminish competition and will either result in substantial cost savings to Contracting Agency or the public, or otherwise promote public interest in a manner that could not be realized by a formal competitive solicitation process.

E-16 Surplus Personal Property, Disposition of

(1) Contracting Agency may dispose of surplus personal property by any means determined to be in the best interest of Contracting Agency, including but not limited to: transfer to other departments; donation to other government agencies, or non-profit organizations; negotiated or advertised sale; trade; auction; liquidation through commercially recognized third party liquidator; or destruction.

(2) Prior to surplusing property, Contracting Agency must find that the chosen disposition will substantially promote the public interest in a manner that could not practicably be realized by a competitive solicitation process and either that the disposition will result in a cost savings to Agency or will probably result in a higher net return than if the property were sold by a competitive solicitation process.

(3) All items of personal property having a residual value of more than \$10,000 are subject to prior authorization of the local contract review board.

PERSONAL SERVICES

E-17 Personal Services for Other than Architect, Engineer, and/or Surveying Services

(1) Either the following procedures or those set forth in Contracting Agency's Public Contracting Rules, Division 47, will be used to retain the services of independent contractors, other than architects, engineers, land surveyors, or other professionals otherwise exempt from these Rules or the Code.

(2) Nothing in this section shall apply to the employment of regular Contracting Agency employees unless otherwise approved by the local contract review board or its designee, or personal service contract.

(3) Unless otherwise approved by Contracting Agency, personal service contracts shall require the contractor to defend, indemnify, and hold harmless Contracting Agency, its officers, agents and employees from and against any and all claims or demands for damages of any kind arising out of or connected in any way with the contractor's performance thereunder and shall include a waiver of contractor's right to indemnification and defense under the Oregon Tort Claims Act.

(4) Unless otherwise approved by Contracting Agency, all personal service contracts shall contain a provision requiring the person or entity providing the service to obtain and maintain liability insurance coverage in at least Contracting Agency's tort liability limits, naming Contracting Agency as an additional named insured during the life of the contract.

(5) All personal service contracts shall contain all contract provisions mandated by State law. These provisions may be incorporated in the personal service contract by reference to State law, unless State law provides otherwise. Contracting Agency's Attorney's Office will prepare model contract provisions for use in Contracting Agency personal service contracts.

(6) The following procedure shall be observed in the selection of personal service contractors:

(a) For personal service contracts involving an anticipated fee of \$10,000 or less per annum, Contracting Agency may negotiate a contract for such services with any qualified contractor it selects.

(b) For personal service contracts involving an anticipated fee of more than \$10,000 per annum, Contracting Agency shall solicit at least three (3) prospective contractors who shall appear to have at least minimum qualifications for the proposed assignment, notify each prospective contractor in reasonable detail of the proposed assignment, and determine the prospective contractor's interest and ability to perform the proposed assignment.

(c) Contracting Agency may arrange for any or all interested prospective contractors to be interviewed for the assignment by an appropriate Contracting Agency employee or by an interview committee.

(d) Following a review of the qualifications and interview, where conducted, of the interested prospective contractors, Contracting Agency may select the prospective contractor, and shall prepare a personal service contract.

(7) The above provisions regarding selection procedures do not apply to extensions, amendments, modifications or supplements to executed personal service contracts.

(8) Criteria to be considered in the evaluation and selection of a personal service contractor may include, but is not limited to:

(a) Total cost of services to Contracting Agency.

(b) Specialized experience in the type of work to be performed.

(c) Capacity and capability to perform the work, including any specialized services within the time limitations for the work.

(d) Educational and professional record, including past record of performance on contracts with governmental agencies and private parties with respect to cost control, quality of work, ability to meet schedules, and contract administration, where applicable.

(e) Availability to perform the assignment and familiarity with the area in which the specific work is located, including knowledge of design or techniques peculiar to it, where applicable.

(f) Any other factors relevant to the particular contract.

(9) The selection procedures described in this section may be waived by Contracting Agency, in its discretion, where an emergency exists that could not have been reasonably foreseen which requires such prompt execution of a contract to remedy the situation that there is not sufficient time to permit utilization of these selection procedures.

(10) Contracting Agency or its designee is authorized to sign all personal service contracts, unless otherwise established by Contracting Agency policy.

(11) Nothing contained in this section shall preclude Contracting Agency from complying with provisions of Federal or State law that require Contracting Agency to utilize a different selection or contracting procedure.

E-18 Insurance Contracts

Contracts for insurance where either the annual or aggregate premium exceeds \$10,000 must be let using one of the following procedures:

(1) Agent of Record: Contracting Agency may appoint a licensed insurance agent ("agent of record") to perform insurance services in connection with more than one insurance contract. Among the services to be provided is the securing of competitive proposals from insurance carriers for all coverages for which the agent of record is given responsibility.

(a) Prior to the selection of an agent of record, Contracting Agency shall make reasonable efforts to inform known insurance agents in the competitive market area that it is considering such selection. These efforts shall include a public advertisement in at least one newspaper of general circulation in the area where the contract is to be performed. The advertisement shall generally describe the nature of the insurance that the public contracting agency will require. If the amount of the annual premium for insurance, other than employee benefits insurance, is likely to exceed \$20,000 per year, such notice shall also include a public advertisement in at least one insurance trade publication of general circulation in the state.

(b) Any appointment period shall not exceed five years. Agents may serve more than one appointment period. Agents must qualify for appointment prior to each period as if each appointment period were the first.

(c) In selecting an agent of record, Contracting Agency shall select the agent(s) most likely to perform the most cost-effective services.

(2) Specific Proposals for Insurance Contracts: Contracting Agency may solicit proposals from licensed insurance agents for the purpose of acquiring specific insurance contracts subject to the following conditions:

(a) Contracting Agency shall make reasonable efforts to inform known insurance agents in the competitive market area of the subject matter of the contract, and to solicit proposals for providing the services required in connection with the contract. Such efforts shall include public advertisements in at least one newspaper of general circulation in the area where Contracting Agency is located. If the amount of annual premium for insurance, other than employee benefits insurance, is likely to exceed \$20,000 per year, such notice shall also include a public advertisement in at least one insurance trade publication of general circulation in the state.

(b) Contracting Agency shall select an agent on the basis of the most competitive offer considering coverage, premium cost, and service to be provided.



Date: 03/22/2021
Proposal #: RAC210332R

☐ Prevailing Wage

Service Agreement Prepared for City Of Newport

Acct. #: 7332420
Contact: Clare Paul
Email: c.paul@newportoregon.gov
Phone: 541-574-3370
Fax:

Billing Address: 169 SW Coast Hwy
Newport, OR 97365

Prepared by: Ron Camacho
Email: racamacho@petersonpower.com
Phone: (503) 280-1539
Cell Phone: (503) 209-2363
Fax: (503) 867-8567
Business Address: 2828 Teagarden Street
San Leandro, CA 94577

Peterson Power Systems, Inc. agrees to perform the services listed below for City Of Newport. The agreement will be for a period of ONE year with the option to extend pricing for THREE years, commencing on acceptance date. These services will be performed on the units listed below at the stated price.

The units are located at: various locations, Newport, OR. The services have been designed around the Manufacturer's Recommended Standards, will be performed on a flat fee basis and include labor, travel and service parts as indicated below. Taxes, if applicable, are not reflected, unless otherwise noted. Following is a summary of charges for the agreement.

Unit	Loc	Make	Model	Serial	\$ Inspection x Freq	Annual	Green Annual	Load Test	3 Yr Service	Battery Replace	Megger	Other	Total
1	City Of Newport			SEE ATTACHMENT PRICING WORKSHEET RAC210322R	x 0	0	0	0	0	0	0	32390	\$32,390
Total						\$0	\$0	\$0	\$0	\$0	\$0	\$32,390	\$32,390

***Annual price: See 3 year term option in pricing table on page 5**

NOTES

- 1) Peterson offers this proposal under Sourcwell contract number #120617. City of Newport Sourcwell member number is 84821. Pricing in attached proposal exceeds minimum discount off of list pricing.
- 2) Several optional additional services based on Manufacturer recommendation, NFPA, and industry best practices are listed on pricing worksheet. If desired, please notify Peterson inside product support representative Ron Camacho to have them amended into pricing spreadsheet.
- 3) Annual services include SOS-1 oil and coolant samples. Mid level SOS-CSA fuel samples for diesel generators (tests for water, sediment, microbe growth)
- 4) Load testing reflects NFPA 1.5 hour duration
- 5) Inspections will be built using Cat Inspect software. Report to be emailed to customer live to customer from jobsite site. Any additional recommended repair items will be presented to customer in separate formal quote.

The services listed above include, but are not limited to, the following. For a complete listing of service options

available through Peterson Power please see Attachment B.

An **Inspection** includes an individual inspection of each unit. The technician will verify the fluid levels (oil, coolant and fuel), service the batteries, ensure proper operation of battery charging system, perform an operational check of the engine and generator (as applicable), and provide a completed service report detailing the service and any potential problems that should be addressed.

An **Annual Service** includes a full inspection (see description above) of each unit and a full service which includes; the replacement of engine oil, oil filters and fuel filters. Air filters are replaced on an as needed basis for an additional charge. Please contact your PSSR if you would like your air filters replaced.


Load Bank Testing is recommended annually for any generator that is not run "under load" (maintaining a load of at least 30% of its kilowatt (kW) rating) regularly, to ensure the proper operation of your generator. A Load Bank Test will include the connection of a portable resistive Load Bank. The load will be varied in steps for a 1.5 hour duration.

Every three years, engine manufacturers recommend replacement of cooling system belts, cooling system hoses and coolant. In addition, the (PM-3) includes upgrading block heater hoses to high temperature silicone hoses. Block heater isolation ball valves will be installed on any engine not already (if applicable) equipped. Engine thermostat and radiator cap are also replaced.

Batteries are recommended for replacement on a three year cycle, and will be replaced with Maintenance Free batteries unless otherwise specified by the customer.

Notes and/or Exclusions:

Results of services will be forwarded to you in a detailed report listing any components and/or areas requiring further attention for repair.

	<u>06/17/21</u>	
Customer Signature	Date	Purchase Order

THANK YOU FOR THE OPPORTUNITY TO SERVE ALL OF YOUR POWER NEEDS

The pricing in this proposal is valid for 90 days from the date above. The Purchaser identified above accepts and agrees, upon the signing of this proposal, to purchase and pay for the products and labor furnished by Peterson Power Systems, Inc., specifically for the above-identified equipment in this proposal. Services are quoted to be performed during normal working hours. Peterson Power Systems, Inc. will bill upon completion of the service. Any repair work required over and above the quoted service will be performed on a time-and-material basis, subject to the customer's written authorization. Warranty and Customer Registry coverage on Caterpillar parts, where applicable, will apply as a credit to the customer. The Purchaser will be charged for travel time and mileage associated with any service cancelled on the same date it was scheduled. For further terms and conditions please see Peterson Power Systems, Inc. Customer Service Agreement Terms and Conditions please see Attachment A..

**Peterson Power Systems
Detail of Service Options
Attachment B**

Inspection Service

Before Starting Engine:

- Check engine oil and coolant levels
- Check block heater (should maintain a coolant temperature of 90° F in the block)
- Check fuel level in storage tank
- Check battery water level and top as necessary
- Check battery terminals for corrosion and connections for tightness (lead acid)

With Engine Running:

- Check oil pressure
- Check fuel pressure
- Check oil level and add oil as required
- Check RPM (frequency)
- Check generated voltage
- Check for leaks or unusual noises

After Stopping Engine:

- Check/verify all switches are in proper positions for automatic start.
- Check fuel level in tank
- Record battery charger volts, check for proper operation
- Remove, clean and reinstall all battery connections (lead acid)
- Inspect generator for cleanliness

Reporting:

- Provide written service report for each visit
- Advise customer of any/all unusual situations or potential problems which will require further attention
- Advise when main fuel tank is below ¾ full

Annual Service

Includes all Inspection Services and the following:

- Drain crankcase oil and replace with new oil
- Remove and replace oil and fuel filters
- Inspect air filter(s)
- Check generator output
- Take oil sample for analysis

Load Test

- Start engine and load with contractor supplied resistive load bank. As per NFPA 110 Code 8.4.2.3 (2013 Edition)

Three Year Service (PM-3)

- Replace all rubber coolant hoses
- Replace drive belts
- Replace block heater hoses
- Replace coolant regulators (Thermostat)
- Standard antifreeze will be replaced every three years
- Extended life coolants will be upgraded after the first three years and replaced after six years

Additional Services Upon Request

Thermal Image Inspections:

- Thermo Images reveal temperature variations that signal electrical and mechanical problems before they become failures.

Fuel Conditioning:

Extend life of stored diesel fuel by adding CAT Diesel Fuel Conditioner and polishing with high efficiency kidney loop filtration system.

ATS Hot Inspection:

Inspect enclosure, anchorage, door seal, connections for thermal variance, loose or damaged wires, overheating or mechanical malfunction, and indicator lamps. Record serial number, set points, voltage drop across contacts, and amps per phase (access permitting). Transfer load up to 30 minutes (as permitted). Replace 9V battery (as applicable).

ATS Major:

Visual and electrical/mechanical inspection of automatic transfer switch. Includes checking the following: Indication light; Lug Connections; Condition of main & Aux arcing contacts; Freedom of movement; Loose wiring; and Inphase monitor. Inspect and clean controller and relays; brush and vacuum enclosure. take infrared image for diagnostic heat detection.

Megger Testing:

Vibration, general usage or moisture can break down generator insulation and cause electrical shorts. Megohmmeter testing identifies decreasing generator insulation before it becomes a major repair or replacement. CAT recommends annual testing.

Emergency Servicing: Provide 24-hour emergency repair coverage **800.963.6446**

Pricing Worksheet RAC210322R - City Of Newport

2021 perform annual service and load test

Kilowatt (KW) rating	Make	Model	Serial #	Annual Service	Load test 1.5 hr	Unit Totals
800	Caterpillar	C27	2A300677	\$ 1,680.00	\$ 1,115.00	\$ 2,795.00
125	Caterpillar	G125G1	NGG00101	\$ 695.00	\$ 450.00	\$ 1,145.00
85	Cummins	GGHJ-1794922	J170258243	\$ 695.00	\$ 450.00	\$ 1,145.00
50	Generac	SG0050	9833717	\$ 695.00	\$ 450.00	\$ 1,145.00
60	Cummins	GGHE-1409251	F140700655	\$ 695.00	\$ 450.00	\$ 1,145.00
SUBTOTALS				\$ 4,460.00	\$ 2,915.00	

Division Total \$ 7,375.00

65	John Deere	4045TF250	T04045T701339	\$ 695.00	\$ 450.00	\$ 1,145.00
80	Kohler	80REOZJF	33JVGMGF0005	\$ 695.00	\$ 450.00	\$ 1,145.00
180	Kohler	180REOZJG	337RGMGF0008	\$ 850.00	\$ 515.00	\$ 1,365.00
20	Onan	GGDB-3386156	L990032205	\$ 550.00	\$ 450.00	\$ 1,000.00
150	Cat/Olympian	D150P1	NAT00303	\$ 755.00	\$ 515.00	\$ 1,270.00
300	Cummins	QQDAC-1623908	F160970444	\$ 850.00	\$ 740.00	\$ 1,590.00
20	Onan	GGMA	A100080545	\$ 495.00	\$ 450.00	\$ 945.00
110	John Deere	4045TF001	T04045T514444	\$ 695.00	\$ 450.00	\$ 1,145.00
100	Cat/Olympian	D100P1	NPS00472	\$ 695.00	\$ 450.00	\$ 1,145.00
N/A - Pump	Wisconsin	V465D1	94-466-AX	\$ 695.00		\$ 695.00
SUBTOTALS				\$ 6,975.00	\$ 4,470.00	

Division Total \$ 11,445.00

1100	Cat	3512	CMJ00302	\$ 2,630.00	\$ 1,150.00	\$ 3,780.00
500	Cat	3412	9EP02146	\$ 1,100.00	\$ 850.00	\$ 1,950.00
1000	Cat	3508	CN800397	\$ 2,250.00	\$ 1,050.00	\$ 3,300.00
SUBTOTALS				\$ 5,980.00	\$ 3,050.00	

Division Total \$ 9,030.00

100	John Deere	6068TF250	T06068T700648	\$ 695.00	\$ 465.00	\$ 1,160.00
100	Cummins	GGHH-1334060	G130538941	\$ 610.00	\$ 450.00	\$ 1,060.00

(City Engineer Chris Janigo)

Division Total \$ 2,220.00

35	Cummins	GDDG	E070066224	\$ 695.00	\$ 465.00	\$ 1,160.00
100	MTU	GS00100L6S	371868-1-1-0514	\$ 695.00	\$ 465.00	\$ 1,160.00
SUBTOTALS				\$ 1,390.00	\$ 930.00	

Division Total \$ 2,320.00

hine

**Service Agreement Total
(year 2021)**

\$ 32,390.00

Switch)
Re-energization)
Stat(s) (Recommended every 3 years)
re recommended annually)

NOTE: Pricing is per year. To lock in this pricing for a total of THREE years (Grand Total: \$97,170), initial here



**AUTHORIZATION FOR
AGREEMENTS, MOUs, OR
OTHER DOCUMENTS OBLIGATING
THE CITY**

All contracts, agreements, grant agreements, memoranda of understanding, or any document obligating the city (with the exception of purchase orders), requires the completion of this form. The City Manager will sign these documents after all other required information and signatures are obtained.

Document: Goods and Services Contract - Generator Preventive Maintenance Project:
Generator Service Proposal 2021 Date: June 8,
2021

Statement of Purpose: City-Wide Generator Maintenance

Department Head Signature: Chen C. Paul

Remarks, if any: _____

City Attorney Review and Signature: Daniel W. Allen Date: 6/10/2021

Other Signatures as Requested by the City Attorney:

Name/Position
Date:

Budget Confirmed: Signature Yes ☐ No ☐ N/A ☐

Certificate of Insurance Attached: Yes ☐ No ☒ N/A ☐

City Council Approval Needed: Yes ☒ No ☐ Date: June 7, 2021

After all the above requested information is complete and signatures obtained, return this form, along with the original document to the City Manager for signature. No documents should be executed prior to the City Manager's approval as evidenced by signature of this document.

City Manager Signature: [Signature] Date: 6/17/21

Once all signatures and certificates of insurance have been obtained, return this document, along with the original, fully-executed agreement, MOU, or other document to the City Recorder. A copy of grant agreement and all project funding documents, must be forwarded to the Finance Department for tracking and audit purposes.

City Recorder Signature: [Signature] Date: 6/18/2021

Date posted on website: 6/21/21

