

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # \*B-12

Urgent ☐

Routine ☒

AGENDA DATE March 24, 2009

CEO Concurs with Recommendation YES ☒ NO ☐  
(Information Attached)

4/5 Vote Required YES ☒ NO ☐

SUBJECT:

Approval to Award the Construction Contract to Improve and Upgrade the Electronic Security and Fire Alarm Systems at the Juvenile Justice Center to the Lowest Responsible Bidder, Premises Systems, Inc.

STAFF RECOMMENDATIONS:

1. Approval to Award the Construction Contract to Improve and Upgrade the Electronic Security and Fire Alarm Systems at the Juvenile Justice Center to the Lowest Responsible Bidder, Premises Systems, Inc., of Montclair, California, for the lump sum amount of \$599,800.
2. Authorize the Project Manager to issue a notice to proceed contingent upon receipt of proper insurance and bonds.

(Continued on Page 2)

FISCAL IMPACT:

On November 25, 2008, the Board of Supervisors approved the design, plans and specifications to improve and upgrade the electronic security and fire systems at the Juvenile Justice Center. It was estimated that the construction cost for the Fire Alarm and Security System upgrades would be \$513,000; that the cost for the replacement of doors in Units 3 and 4 would be \$330,000; and the cost for the panic buttons in the juvenile courtrooms would be \$15,000 for a total construction only cost of \$858,000 with a total estimated project cost of \$1,031,700. The Board at that time also authorized a call for bids to improve and upgrade the electronic

(Continued on Page 2)

BOARD ACTION AS FOLLOWS:

No. 2009-173

On motion of Supervisor Chiesa, Seconded by Supervisor Grover  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, Monteith, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) \_\_\_\_\_ Denied

3) \_\_\_\_\_ Approved as amended

4) \_\_\_\_\_ Other:

MOTION:

ATTEST:

CHRISTINE FERRARO TALLMAN, Clerk

File No.

**STAFF RECOMMENDATIONS (Continued):**

3. Authorize the Project Manager to negotiate and sign contracts and work authorizations necessary to manage the construction phase including construction management, professional services, and other project related expenses as necessary to manage the project as long as the costs are within the project budget as approved by the Board of Supervisors.
4. Authorize the Auditor-Controller to transfer \$212,756 from the Probation-Administration budget to the Electronic Security and Fire Alarm System Capital Project budget as detailed in the attached Budget Journal form.
5. Authorize the Auditor-Controller to transfer existing appropriations of \$608,417 in the Chief Executive Office Plant Acquisition budget to the Electronic Security and Fire Alarm System Capital Project budget as detailed in the attached Budget Journal form.

**FISCAL IMPACT (Continued):**

security and fire systems at the Juvenile Justice Center. One alternate to install panic buttons in the Court rooms was included in the bid documents, with an estimated cost of \$15,000. The County also received unit prices to replace existing surveillance cameras as part of the bid package.

On January 21, 2009, seven bids were received and opened. The bids ranged from \$599,800 to \$1,071,000 for the base bid. Through a blind bid process comprised of five sequestered team members, it was determined the lowest responsible bid for the base bid in the amount of \$599,800 was from Premises Systems, Inc. of Montclair, California. The bid alternates ranged from \$3,900 to \$10,800. The team did not recommend awarding the alternate. The basis of award was the base bid only. Premises bid for replacing defective cameras was \$650 per camera, and Staff recommends accepting that price.

A total of seven bids were received from Collins Electric of Modesto, California, Harris Electric of Fresno, California, Industrial Electronics Systems, Inc. of Fresno, California, Menghetti Construction, Inc. of Modesto, California, Premises Systems, Inc. of Montclair, California, R & B Electronics of Orangevale, California, and Status Electrical Corporation of Seattle, Washington.

On January 22, 2009 the County received a letter from R & B Electronics of Orangevale, California formally protesting the selection process of the contractor for the Stanislaus County Juvenile Hall Fire Protection and Security Electronics Upgrade Project. On January 28, 2009, the County received a letter from Industrial Electronics Systems, Inc. of Fresno, California protesting the selection process of

the contractor for the Stanislaus County Juvenile Hall Fire Protection and Security Electronics Upgrade Project.

On February 6, 2009, after thorough review, staff faxed and mailed written responses to R & B Electronics and to Industrial Electronics Systems, Inc. Based upon the contract documents staff denied both protests but provided the Protestors five days to provide any written rebuttal or further evidence or information for the County's consideration. Staff received no response from the Protestors even after calling and talking with the Protestors. Based on the Protestor's failure to provide any response as required by the County's protest procedure, the Protestors have forfeited their right to proceed with their protests.

At this time the Chief Executive Office is returning to the Board for approval to award a construction contract to improve and upgrade the electronic security and fire alarm systems at the Juvenile Justice Center to the lowest responsible bidder, Premises Systems, Inc., of Montclair, California, for the lump sum amount of \$599,800.

In order to secure the required bonds for this Project, Premises Systems has asked the County to execute an Assignment Agreement whereby the County would pay directly to Premises' surety the construction contract payments owed to Premises for this Project. Premises provided reasons its surety is requiring such an Agreement, is due to the bid amount and their lack of significant bonding history. Premises explained the reason it was able to provide a lower bid is that Premises will be performing the work itself, whereas the other bidders planned to subcontract portions of the work. County Staff have independently investigated the reason Premises' surety seeks such an arrangement to ensure it was not based on any perceived lack of ability, financial or otherwise, of Premises to perform the work of the Project. Premises' surety and the surety's agent have confirmed that they have performed a financial analysis of Premises, and are satisfied that Premises is financially viable. They have further confirmed that the reason they seek this arrangement for this Project is because Premises is a new client to them without a significant bonding history. County Staff has conferred with counsel regarding these matters, who confirmed that the increased surety involvement will assist with the project completion.

The original project budget funded in the Plant Acquisition budget was \$650,000. The total project cost with the current bid is \$821,173. This is substantially less than the projected construction cost of \$858,000 and projected project cost of \$1,031,700 estimated for this project in November 2008.

At this time, staff are recommending the Board authorize the Auditor-Controller to transfer \$212,756 from the Probation-Administration budget to the Electronic Security and Fire Alarm System Capital Project budget as detailed in the attached Budget Journal form. The Probation Department will provide \$212,756 toward the

completion of the project. They will use savings from staff vacancies and the reduction in Juvenile Hall operation costs, as the result of a lower than expected census in the first four months of Fiscal Year 2008-2009, to fund these costs.

Staff are also recommending the Board authorize the Auditor-Controller to transfer existing appropriations of \$608,417 in the Chief Executive Office Plant Acquisition budget to the Electronic Security and Fire Alarm System Capital Project budget as detailed in the attached Budget Journal form, previously approved by the Board.

## **DISCUSSION:**

The purpose of this project is to improve and upgrade the electronic security and fire alarm and services systems at the County's Juvenile Justice Center, located on Blue Gum Avenue in Modesto, California.

The original Juvenile Detention Facility was constructed in 1976 and expansions were completed in 2000 and 2002. The security electronics and fire alarm systems currently in place include components installed at various times over the last 30 years. The present security electronics system infrastructure is located in three separate equipment rooms with each room housing a generation of control equipment for a specific phase of the facility; original construction, 2000 expansion and 2002 expansion. The facility is experiencing significant operational issues due to the status and conditions of the various systems. Problem areas include: connectivity issues between various systems and control stations; ergonomic problems in central control; unreliable operation of remote controlled security doors, unreliable status indication of security doors, difficult resetting of the fire alarm system; lack of adequate closed circuit television camera surveillance in some areas; deteriorating condition of equipment, difficulty in obtaining service; poor documentation of existing installations, and vendor management.

Staff, with the assistance of On-line Consulting Services, completed a Security and Fire Alarm Systems Assessment in August 2007, which involved investigating the existing conditions of the security and fire alarm systems and providing recommendations for replacement upgrades to improve system reliability and efficiency. The assessment determined little confidence in the viability of the existing system and noted that over forty services related incidents occurred between September 2006 and March 2007.

The current fire alarm system in the Juvenile Detention Facility is not integrated with the existing fire alarm system for the adjoining building occupied by the Probation Department Administration and Field Services Divisions, the Public Defender's Office, the District Attorney, and Superior Court. The fire alarm system for this adjoining area, as well as the original construction area, does not have the capability of pinpointing the location that is triggering the alarm; therefore, the entire facility

must be evacuated and each area visually inspected to determine the cause of the alarm.

Subsequent to the Needs Assessment completed by Staff and On-line Consulting, the Fire Marshal conducted an annual inspection of the Juvenile Justice Center. As a result of the inspection, concerns were raised regarding the adjoining administration building, which is currently connected to a separate panel. The panel must be continuously monitored due to the number of sprinkler heads installed in the building. The department has been directed by the Fire Marshal to resolve this issue. The doors and locks currently installed in housing Units 3 and 4 are outdated and in need of replacement. The type of doors and locks in use are from the original construction of the facility and are deemed to be antiquated by today's standards. These doors and locking mechanisms require more frequent replacement due to the wear of repeatedly opening and closing the doors or from damage caused from juveniles hitting or kicking the doors. The County locksmith has notified the facility that the current locking mechanisms within Units 3 and 4 are no longer being manufactured. There are currently 42 doors with the antiquated locking devices in Units 3 and 4 combined. Once the locksmith utilizes all replacement parts on hand, individual cells with damaged or worn locking mechanisms will no longer be viable to house offenders. Staff recommended that the replacement of the doors and locks be studied as part of this project and be replaced if funds are available.

#### **POLICY ISSUES:**

The Board should determine if the recommended actions are consistent with the Board priority of *A safe community* as well as safety of the County Staff working at the Juvenile Hall and detainees.

#### **STAFFING IMPACT:**

Existing Capital Projects and construction management staff will coordinate this project working directly with the Probation Department to deliver this phase of the Juvenile Hall security and fire alarm system design team.

# County of Stanislaus: Auditor-Controller

## Legal Budget Journal

Database  
Set of Books

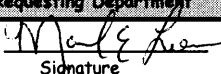
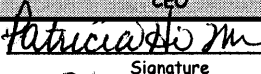

FMSDBPRD.CO.STANISLAUS.CA.US.PROD  
County of Stanislaus

<b>Balance Type</b>	<b>Budget</b>
<b>Category</b>	* List - Text Budget - Upload
<b>Source</b>	* List - Text AC GL TCF
<b>Currency</b>	* List - Text USD
<b>Budget Name</b>	List - Text LEGAL BUDGET
<b>Batch Name</b>	Text
<b>Journal Name</b>	Text AC GL KG JV103992 3/18/09
<b>Journal Description</b>	Text
<b>Journal Reference</b>	Text
<b>Organization</b>	List - Text Stanislaus Budget Org

Upl	Fund	Org	Acc't	GL Proj	Loc	Misc	Other	Debit	Credit	Period	Line Description
								incr appropriations decr est revenue	decr appropriations incr est revenue	Upper case MMM-YY	
	4	7	5	7	6	6	5	(format > number > general)		List - Text	Text
Pb	2054	0061130	62400	0000000	000000	000000	00000	12387		MAR-09	
Pb	2054	0061130	62600	0000000	000000	000000	00000	500		MAR-09	
Pb	2054	0061130	62630	0000000	000000	000000	00000	10000		MAR-09	
Pb	2054	0061130	62730	0000000	000000	000000	00000	725		MAR-09	
Pb	2054	0061130	63000	0000000	000000	000000	00000	50		MAR-09	
Pb	2054	0061130	63430	0000000	000000	000000	00000	3737		MAR-09	
Pb	2054	0061130	63640	0000000	000000	000000	00000	2400		MAR-09	
Pb	2054	0061130	64220	0000000	000000	000000	00000	86180		MAR-09	
Pb	2054	0061130	64600	0000000	000000	000000	00000	36344		MAR-09	
Pb	2054	0061130	65000	0000000	000000	000000	00000	5000		MAR-09	
Pb	2054	0061130	66210	0000000	000000	000000	00000	1400		MAR-09	
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Pb	2054	0061130	73512	0000000	000000	000000	00000	600		MAR-09	
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Pb	2054	0061130	74080	0000000	000000	000000	00000	150		MAR-09	
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Pb	2054	0061130	46600	0000000	000000	000000	00000		70302	MAR-09	
Pb	2054	0061130	46600	0000000	000000	000000	00000		212756	MAR-09	
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Pb	0100	0016031	64220	0004526	000000	000000	00000		56025	MAR-09	
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<b>Totals:</b>	1642346	1642346
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**Explanation:**

<b>Requesting Department</b>	<b>CEO</b>	<b>Data Entry</b>	<b>Auditors Office Only</b>
 Signature 3-18-09 Date	 Signature 3/20/09 Date	Keyed by Date	 Approved By 3/18/09 Date

**AGREEMENT**

THIS AGREEMENT, dated this 24<sup>th</sup> day of **March, 2009**, by and between **PREMISES SYSTEMS, INC.** ("Contractor"), and the **COUNTY OF STANISLAUS** ("County"), acting under and by virtue of the authority vested in the County by the laws of the State of California.

WHEREAS, County, by its Board Agenda item No \_\_\_\_\_ adopted on the 24<sup>th</sup> day of **March, 2009** awarded to Contractor the following Contract:

**JUVENILE JUSTICE CENTER FIRE PROTECTION  
AND SECURITY ELECTRONICS UPGRADES**

**at**

**2215 BLUE GUM AVENUE  
MODESTO, CA 95358**

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and County agree as follows:

**Article 1. Work**

- 1.1 Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents. Alternate No. 2, Court Area has **not** been selected for award with this contract.

**Article 2. Architect/Engineer and Project Manager**

- 2.1 **AVS Engineers, Inc** designed the Project and furnished the Plans and Specifications. **AVS Engineers, Inc** shall have the rights assigned to Architect/Engineer in the Contract Documents.
- 2.2 County has designated **Patricia Hill Thomas** as its Project Manager to act as County's Representative in all matters relating to the Contract Documents. The Project Manager shall have final authority over all matters pertaining to the Contract Documents and shall have sole authority to modify the Contract Documents on behalf of the County, to accept work, and to make decisions or actions binding on the County, and shall have sole signature authority on behalf of the County.
- 2.3 The County may assign all or part of the Project Manager's rights, responsibilities and duties to a Construction Manager.

**Article 3. Contract Time and Liquidated Damages**

3.1 Contract Time

Contractor shall commence Work on the date established in the Notice to Proceed. County reserves the right to modify or alter the Commencement Date of the Work.

Contractor shall achieve Substantial Completion of the entire Work within **300 Calendar Days** from the date when the Contract Time commences to run as provided in Document 00700 (General Conditions). Contractor shall achieve Final Completion of the entire Work and be ready for Final Payment in accordance with Section 01770 (Contract Closeout) 60 Days from the date when the Contract Time commences to run as provided in Document 00700 (General Conditions).

### 3.2 Liquidated Damages

County and Contractor recognize that time is of the essence of this Agreement and that County will suffer financial loss in the form of Contract administration expenses (such as Project management and consultant expenses), if all or any part of the Work is not completed within the times specified above, plus any extensions thereof allowed in accordance with the Contract Documents. Contractor and County agree that because of the nature of the Project, it would be impractical or extremely difficult to fix the amount of actual damages incurred by County because of a delay in completion of all or any part of the Work. Accordingly, County and Contractor agree that as liquidated damages for delay Contractor shall pay County:

3.2.1 Two Thousand dollars (\$2,000.00) for each Day that expires after the time specified herein for Contractor to achieve Substantial Completion of the entire Work, until achieved.

3.2.2 One Thousand dollars (\$1,000.00) for each Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

These measures of liquidated damages shall apply cumulatively and except as provided below, shall be presumed to be the damages suffered by County resulting from delay in completion of the Work.

3.3 Liquidated damages for delay shall only cover administrative, overhead, interest on bonds, and general loss of public use damages suffered by County as a result of delay. Liquidated damages shall not cover the cost of completion of the Work, damages resulting from Defective Work, lost revenues or costs of substitute facilities, or damages suffered by others who then seek to recover their damages from County (for example, delay claims of other contractors, subcontractors, tenants, or other third-parties), and defense costs thereof.

### **Article 4. Contract Sum**

4.1 County shall pay Contractor the Lump Sum of Five Hundred Ninety-Nine Thousand Eight Hundred Dollars (\$599,800.00) for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

4.2 Unit price for replacement of existing cameras is to be Six Hundred Fifty Dollars (\$650.00) per each. Quantity of Work to be paid for under any item for which a unit price is fixed in Contract Documents shall be, as determined by County, number of units of Work satisfactorily completed in accordance with Contract Documents or as directed by County. Unless otherwise provided, determination of number of units of Work so completed will be based, so far as practicable, on actual measurement or count within prescribed or ordered limits, and no payment will be made for Work done outside of limits. Unit prices shall apply to Work covered by unit prices so long as actual quantities performed on the Project are not less than 75 percent or greater than 125 percent of the estimated quantities contained in Document 00400 (Bid Form) or otherwise referenced in Section 01100 (Summary). If actual quantities exceed these parameters, then the unit price shall be adjusted by an amount to reflect the Contractor's incremental cost differential resulting from increased or decreased economies of scale.

### **Article 5. Contractor's Representations**

In order to induce County to enter into this Agreement, Contractor makes the following representations and warranties:

5.1 Contractor has visited the Site and has examined thoroughly and understood the nature and extent of the Contract Documents, Work, Site, locality, actual conditions, as-built conditions, and all local conditions, and federal, state and local laws and regulations that in any manner may affect cost, progress, performance or furnishing of Work or which relate to any aspect of the means, methods, techniques, sequences or procedures of construction to be employed by Contractor and safety precautions and programs incident thereto.

- 5.2 Contractor has examined thoroughly and understood all reports of exploration and tests of subsurface conditions, as-built drawings, drawings, products specifications or reports, available for Bidding purposes, of physical conditions, including Underground Facilities, which have been made available for Bidders or which may appear in the Drawings. Contractor accepts the determination set forth in these Documents and Document 00700 (General Conditions) of the limited extent of the information contained in such materials upon which Contractor may be entitled to rely. Contractor agrees that except for the information so identified, Contractor does not and shall not rely on any other information contained in such reports and drawings.
- 5.3 Contractor has conducted or obtained and has understood all such examinations, investigations, explorations, tests, reports and studies (in addition to or to supplement those referred to in Section 5.2 of this Document 00520) that pertain to the subsurface conditions, as-built conditions, Underground Facilities and all other physical conditions at or contiguous to the Site or otherwise that may affect the cost, progress, performance or furnishing of Work, as Contractor considers necessary for the performance or furnishing of Work at the Contract Sum, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Document 00700 (General Conditions); and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are or will be required by Contractor for such purposes.
- 5.4 Contractor has correlated its knowledge and the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents.

#### **Article 6. Contract Documents**

- 6.1 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:
- |                                       |  |
|---------------------------------------|--|
| Document 00520                        | Agreement                                    |
| Document 00550                        | Notice to Proceed                            |
| Document 00610                        | Construction Performance Bond                |
| Document 00620                        | Construction Labor and Material Payment Bond |
| Document 00700                        | General Conditions                           |
| Document 00800                        | Supplementary General Conditions             |
| Document 00821                        | Supplementary Conditions – Insurance         |
| Addenda                               | Addenda 1, 2 and 3                           |
| Specifications                        | Divisions 1 through 16                       |
| Drawings listed in Drawing No. EC0-01 |  |
- 6.2 There are no Contract Documents other than those listed in this Document 00520, Article 6. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

#### **Article 7. Miscellaneous**

- 7.1 Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01420 (References and Definitions) and will have the meaning indicated therein.
- 7.2 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of County or acting as an employee, agent, or representative of County, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of the County is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

- 7.3 Contractor shall not assign any portion of the Contract Documents, and may subcontract portions of the Contract Documents only in compliance with the Subcontractor Listing Law, California Public Contract Code §4100 *et seq.*
- 7.4 The Contract Sum includes all allowances (if any).
- 7.5 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time County tenders final payment to Contractor, without further acknowledgment by the parties.
- 7.6 Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at County's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §1861, Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.
- 7.7 Should any part, term or provision of this Agreement or any of the Contract Documents, or any document required herein or therein to be executed or delivered, be declared invalid, void or unenforceable, all remaining parts, terms and provisions shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby. If the provisions of any law causing such invalidity, illegality or unenforceability may be waived, they are hereby waived to the end that this Agreement and the Contract Documents may be deemed valid and binding agreements, enforceable in accordance with their terms to the greatest extent permitted by applicable law. In the event any provision not otherwise included in the Contract Documents is required to be included by any applicable law, that provision is deemed included herein by this reference (or, if such provision is required to be included in any particular portion of the Contract Documents, that provision is deemed included in that portion).
- 7.8 This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Stanislaus, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in Stanislaus County Superior Court. Contractor accepts the Claims Procedure in Document 00700, Article 12, as a claims procedure by agreement under the California Government Code, Title 1, Division 3.6, Part 3, Chapter 5.

IN WITNESS WHEREOF the parties have executed this Agreement in quadruplicate the day and year first above written.

**CONTRACTOR:**

**Premises System, Inc.**  
**4791 Arrow Highway**  
**Montclair, California 91763**  
**Phone: (909) 621-1187**  
**Fax: (909) 621-1197**

By:   
(Signature)

Its: PRESIDENT  
Title (If Corporation: Chairman, President  
or Vice President)


**COUNTY:**

**County of Stanislaus**  
**1010 10<sup>th</sup> Street, Suite 6800**  
**Modesto, California 95354**

By: \_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Title)

By:   
(Signature)

Its: CFO  
Title (If Corporation: Secretary, Assistant  
Secretary, Chief Financial Officer or  
Assistant Treasurer)

Attest: \_\_\_\_\_  
Secretary

\_\_\_\_\_  
(Print Name)

APPROVED AS TO FORM AND LEGALITY

THIS 4 DAY OF March, 2009

By:   
John P. Doering, County Counsel

COUNTY BOARD AGENDA ITEM NO. \_\_\_\_\_

END OF DOCUMENT

As of March 10, 2009

Juvenile Hall Fire Alarm and Security Electronics

		Fund 2054		Prior Fiscal Year		Current Fiscal Year	
		Org 0061130		Org 16031		Org 16031	
		BUDGET		GL Proj #004526		GL Proj #004526	
		FY07/08		FY07/08		FY 08/09 as of Feb 2009	
DESCRIPTION	REVISED BUDGET	3/9/2009 Don's Adjustments					Per Oracle Total Expenses
Services & Supplies							
62400 Misc Expenses	\$ 525	(\$525)	\$ -			\$ -	
62400 Owner Contingency	\$ 12,387		\$ 12,387			\$ -	
62600 Office Supplies	\$ 500		\$ 500			\$ -	
62630 Outside Printing Services	\$ 10,000		\$ 10,000			\$ 500.00	\$ 500.00
62730 Postage	\$ 250	\$475	\$ 725	\$ 42.78		\$ 427.85	\$ 470.63
63000 Professional & Special Services	\$ -	\$50	\$ 50			\$ 50.00	\$ 50.00
63090 Accounting, & Finance	\$ -		\$ -			\$ -	
63110 Outside Auditing	\$ -		\$ -			\$ -	
63120 Programming	\$ -		\$ -			\$ -	
63256 Contracts - Consultants	\$ -		\$ -			\$ -	
63400 Engineering Services	\$ -		\$ -			\$ -	
63430 Other Design Consultants (Acoustics, Lighting, etc	\$ 5,137	(\$1,400)	\$ 3,737			\$ -	
63500 Security Services	\$ -		\$ -			\$ -	
63640 Legal Fees	\$ 2,400		\$ 2,400			\$ -	
64100 Abatement & Demo Consultant	\$ -		\$ -			\$ -	
64150 Code Required Testing Firms	\$ -		\$ -			\$ -	
64200 Moving / Relocation Expenses	\$ -		\$ -			\$ -	
64210 Inspectors	\$ -		\$ -			\$ -	
64220 Arch & Engr Fees	\$ 86,180		\$ 86,180	\$ 30,155.00		\$ 29,744.50	\$ 59,899.50
64600 Construction Manager	\$ 36,344		\$ 36,344	\$ 11,384.43		\$ 13,739.73	\$ 25,124.16
64631 Geotechnical Services	\$ -		\$ -			\$ -	
64720 Consulting Services	\$ -		\$ -			\$ -	
65000 Publications & Legal Notices	\$ 5,000		\$ 5,000			\$ 2,012.77	\$ 2,012.77
65300 Rents & Leases	\$ -		\$ -			\$ -	
65920 Meeting Allowance	\$ -		\$ -			\$ -	
66020 Environmental Impact Reports	\$ -		\$ -			\$ -	
66040 Abatement & Demolition	\$ -		\$ -			\$ -	
66210 Building Permits	\$ -	\$1,400	\$ 1,400			\$ 1,395.01	\$ 1,395.01
67040 Other Travel Expenses	\$ -		\$ -			\$ -	
67200 Infrastructure (Streets & Traffic, Utility Service)	\$ -		\$ -			\$ -	
67230 Utility Connections (Fees Charged by Utility Companies)	\$ -		\$ -			\$ -	
Subtotal Services And Supplies	\$ 158,722.50		\$ 158,723	\$ 41,582.21		\$ 47,869.86	\$ 89,452.07
73511 Govt Fund Bill Auditor	\$ 200		\$ 200			\$ -	
73512 Govt Fund Bill Purchasing	\$ 600		\$ 600			\$ -	
73580 PW Engineering Services	\$ -		\$ -			\$ -	
74020 Long Distance Calls	\$ 500		\$ 500			\$ -	
74030 Non Systems Charges	\$ 500		\$ 500			\$ -	
74080 Central Services Printing	\$ 150		\$ 150			\$ -	
74090 Quick Copy Services	\$ 150		\$ 150			\$ -	
74100 Mail Room Postage Meter	\$ -		\$ -			\$ -	
74110 Mail Room Services	\$ -		\$ -			\$ -	
74130 Data Processing Services	\$ -		\$ -			\$ -	
74190 Pickup & Delivery	\$ 100		\$ 100			\$ -	
74370 Stores Office Supplies	\$ 250		\$ 250			\$ -	
74790 Centrex Calls Costing	\$ -		\$ -			\$ -	
Subtotal	\$ 2,450		\$ 2,450	\$ -		\$ -	
Structures and Improvements							
80000 Land Costs	\$ -		\$ -			\$ -	
80020 Site Clearing & Preparation	\$ -		\$ -			\$ -	
80300 Construction	\$ 600,000		\$ 600,000			\$ -	

As of March 10, 2009

## Juvenile Hall Fire Alarm and Security Electronics

Fund 2054  
Org 0061130Prior Fiscal Year  
Current Fiscal Year

DESCRIPTION		REVISED BUDGET	3/9/2009 Don's Adjustments	REVISED BUDGET as of 3/9/09	Org 16031 GL Proj #004526 FY07/08	Org 16031 GL Proj #004526 FY 08/09 as of Feb 2009	Per Oracle Total Expenses
80310	Construction	\$ -		\$ -			\$ -
80311	On Site Improvements	\$ -		\$ -			\$ -
80312	Sitework	\$ -		\$ -			\$ -
80315	Surveys	\$ -		\$ -			\$ -
80315	Surveys & Investigations	\$ -		\$ -			\$ -
80355	Signage & Graphics	\$ -		\$ -			\$ -
80570	Design & Construction Contingency	\$ 60,000		\$ 60,000			\$ -
80610	Data & Communication	\$ -		\$ -			\$ -
80670	Art In Public Places	\$ -		\$ -			\$ -
81000	Equipment	\$ -		\$ -			\$ -
82130	Furniture, Fixtures, & Equip	\$ -		\$ -			\$ -
82130	Office Equipment	\$ -		\$ -			\$ -
82570	Computer Equipment	\$ -		\$ -			\$ -
83990	Alarm / Security Systems	\$ -		\$ -			\$ -
84191	Fences	\$ -		\$ -			\$ -
	Subtotal Structures and Improvements	\$ 660,000		\$ 660,000	\$ -	\$ -	\$ -
	Land Acquisition	\$ -		\$ -			\$ -
	Site Selection	\$ -		\$ -			\$ -
	Real Estate Assessment & Legal Fees	\$ -		\$ -			\$ -
	Subtotal Land Acquisition	\$ -		\$ -	\$ -	\$ -	\$ -
	<b>TOTAL EXPENDITURES</b>	<b>\$ 821,173</b>		<b>\$ 821,173</b>	<b>\$ 41,582.21</b>	<b>\$ 47,869.86</b>	<b>\$ 89,452.07</b>

2054	61130	46600		\$538,115	Juv Hall Fire Alarm Sys Inc Trsfrs In Rev
2054	61130	46600		\$70,302	Juv Hall Fire Alarm Sys Inc Trsfrs In Rev
2054	61130	46600		\$212,756	Juv Hall Fire Alarm Sys Inc Trsfrs In Rev
100	16031	85850	0	\$538,115	Pl Acq Inc Trsfrs Out
100	16031	80300	0	(\$538,115)	Pl Acq Dec Stuc & Improv App
100	16031	85850	4526	\$70,302	Pl Acq GL Proj Inc Trsfrs Out
100	16031	64220	4526	(\$56,025)	Pl Acq GL Proj Dec Architect App
100	16031	64600	4526	(\$14,277)	Pl Acq GL Proj Dec Const Mgmt App
100	26051	85850		\$212,756	Prob Juv Hall Inc Trsfrs Out
100	26051	70671		(\$212,756)	Prob Juv Hall Dec App

Stanislaus Capital Projects

1010 10<sup>th</sup> Street, Suite 2300, Modesto, CA 95354

Phone: (209) 525-4380 FAX: (209) 525-4385

BOARD OF SUPERVISORS

2009 APR -2 A 11: 05

**TRANSMITTAL**

**TO: Don Phemister**  
**Phemister Construction Management**

**SUBJECT: STANISLAUS COUNTY CAPITAL PROJECTS**

**DATE: 4/1/2009**

We are sending you   X   *attached*        *under separate cover* the following material:

<u>      </u> Shop Drawings	<u>      </u> Change Order	<u>      </u> Specifications
<u>      </u> Copy of Letter	<u>      </u> Plans	<u>      </u> Computer Printout
<u>      </u> Prints	<u>      </u> Samples	<u>      </u> Updates

COPIES	DATE	DESCRIPTION
1	3/24/09	Fully-executed Work Authorization No. 15A for the Juvenile Hall Fire Alarm / Electronic Security / Life Safety Systems Upgrade Project.

**REMARKS:**

For your records.

**Note to Board:** WA No. 15A Approved by the Board on March 24, 2009, Item B-12.

COPIES: Patricia Hill Thomas (Copy)  
Mark Loeser (Copy)  
Liz King, Board (Original + Copy)  
Lisa Sandoval, Auditor (Original + Copy)  
File X 2.1.1 (1506)  
File X 5.6.2  
File AS 5.2.1

SIGNED:   
Teresa Vander Veen

**PHEMISTER CONSTRUCTION MANAGEMENT, INC.**

**WORK AUTHORIZATION NO. 15A  
FOR SPECIAL SERVICES  
JUVENILE HALL FIRE ALARM / ELECTRONIC SECURITY /  
LIFE SAFETY SYSTEMS UPGRADE PROJECT, MODESTO**

1. This Work Authorization No. 15A is entered into effective March 24, 2009, in accordance with the terms and conditions of the agreement between Phemister Construction Management, Inc., (PCM), and Stanislaus County dated December 20, 2003 (Agreement).
2. This Work Authorization is for those construction management services, for continued professional services through project completion. PCM's work shall include:
  - a. On-Site Management and Construction Phase Communication Procedures: Provide and maintain a management team on the Project site to provide contract administration and to establish and implement coordination and communication procedures among the Capital Projects, CEO, Architect, and Contractors.
  - b. Construction Administration Procedures: Establish and implement procedures for expediting and processing requests for information, shop drawings, material and equipment sample submittals, contract schedule adjustments, change orders, substitutes and payment requests, and the maintenance of logs for tracking all relevant information related to the above.
  - c. Project Site Meetings: Conduct coordination meetings at the Project site with each Contractor and the Architect. The CM shall record, transcribe, and distribute minutes to all attendees, the CEO, and the Architect.
  - d. Quality Review: Establish and implement a program to monitor the quality of the construction to assist in guarding against defects and deficiencies in the work of the Contractor.
  - e. Coordination of Other Independent Consultants: Coordinate specialty inspection and testing by others. Provide a copy of all inspection and testing reports on the day of the inspection or test or within a reasonable time period.
  - f. Review of Requests for Change to the Contract Time and Price: Review requests for change to the contract time or price submitted by a contractor, assemble information concerning the request, endeavor to determine the cause of the requests, and make recommendations with respect to acceptance of the requests.
  - g. Contractor's Construction Schedule: Review each Contractor's Construction Schedule, verify that the schedule is prepared in accordance with the requirements of the Contract Documents and that it establish completion dated that comply with the requirements of


the Contract Documents. If changes in the Master Schedule are appropriate, make such modifications as required.

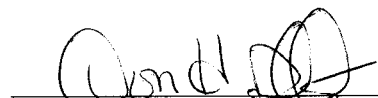
- h. Construction Schedule Reports: Review the progress of construction of each Contractor, evaluate the percentage complete of each construction activity as indicated in the Contractor's Schedule, and review such percentages with the Contractor. Advise and make recommendations concerning alternative courses of action that may be taken to achieve contract compliance by the Contractor.
- i. The CM Review of Time Extension Requests: Prior to the issuance of change orders, determine effect on the Master Schedule of time extensions requested by the Contractor.
- j. Recovery Schedules: Review the recovery schedule submitted by the Contractor for compliance with the Contract Documents.
- k. Change Order Control: Establish and implement a change order control system. All proposed change orders shall first be described in detail in a request for a proposal to the Contractor, and shall be accompanied by technical drawings and specifications prepared by the Architect. In response to the request for a proposal, the Contractor shall submit to Capital Projects, for evaluation, detailed information concerning the cost and time adjustments, if any, as may be necessary to perform the proposed change order work. Discuss the proposed change order with the Contractor and endeavor to determine the Contractor's basis of the cost and time impacts of performing the work. Make recommendations of whether the change in the work is in the best interest of the project. Verify that change order work and adjustments of time, if any, required by approved change orders have been incorporated into the Contractor's Construction Schedule.
- l. Progress Payments: Review the payment applications submitted by each Contractor and determine whether the amount requested reflects the progress of the Contractor's work. Make appropriate adjustments to each payment application, and prepare and process a Progress Payment Report. The Report shall state the total contract price, payments to date, current payment requested, retainage, and actual amounts for the current period.
- m. Schedule Update Reports: Prepare and distribute Schedule Update Reports during the Construction Phase. The reports shall compare the actual construction dates to scheduled construction dates of each separate contract, milestone dates (if any), and to the Master Schedule for the project.
- n. Project Cost Reports: Prepare and distribute project Cost Reports during the Construction Phase. The reports shall specify actual Project and construction costs compared to the approved Project and Construction Budget.
- o. Project and Construction Budget Revision: Make recommendations on the impact of construction changes that may result in revision to the Project and Construction Budget.

- p. Progress Payment Reports: Prepare and distribute the Progress Payment Reports. The reports shall state the total construction contract price, payment to date, current payment requested, retainage, and actual amounts owed this period.
- q. Change Order Reports: Prepare and distribute Change Order Reports during the Construction Phase. The report shall list all change orders by number, a brief description of the change order work, the cost established in the change order, time impacts, if any, and percent of completion of the change order work.
- r. Contractor's Safety Program Report: Verify that safety programs are submitted by each Contractor as required by their Contract Documents.
3. Period of Performance: March 24, 2009 to March 24, 2010.
4. Method of Compensation and Rates:
- | <u>Name</u>    | <u>Title</u>                 |                  |
|----------------|------------------------------|------------------|
| Gino Colacchia | On-Site Construction Manager | \$90.00 per Hour |
5. Payment Terms: Per the Agreement.
6. Verification of Insurance: Per the Agreement.
7. Funding Source: Approved by the Board on March 24, 2009, Item B-12.
8. NOT TO EXCEED: \$9,000.00

\$19,260.00 (Work Authorization 15)  
\$ 9,000.00 (Work Authorization 15A)  
TOTAL: \$28,260.00

Dated: March 10, 2009

  
Stanislaus County

  
Phemister Construction Management, Inc.

Stanislaus County Capital Projects  
825 12<sup>th</sup> Street, Modesto, CA 95354  
Phone: (209) 525-4380 FAX: (209) 525-4385

BOARD OF SUPERVISORS

**TRANSMITTAL**

**TO:** Gavin Loke  
Premises Systems, Inc.  
4791 Arrow Highway  
Montclair, CA 91763

2009 APR 10 A 11: 35

**SUBJECT:** Juvenile Hall FP/ES Upgrade

**DATE:** 4/10/09

We are sending you   X   attached        under separate cover the following material:

<u>      </u>	Shop Drawings	<u>      </u>	Change Order	<u>      </u>	Specifications
<u>      </u>	Copy of Letter	<u>      </u>	Plans	<u>      </u>	Computer Printout
<u>      </u>	Prints	<u>      </u>	Samples	<u>      </u>	Updates

COPIES	DATE	DESCRIPTION
1		Fully Executed Contract with Assignment of Contract Funds Agreement.

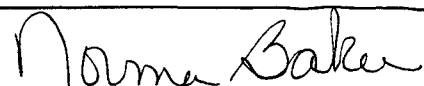
**REMARKS:**

For your records.

*Board of Supervisors: Item B-12 approved by the Board of Supervisors on 3/24/09.*

**COPIES:** Patricia Hill Thomas  
Lisa Sandoval (Auditor)  
Liz King (Board of Supervisors)  
File AS 2.1.1 (061)  
File DS 2.2

**SIGNED:**

  
Norma Baker

**AGREEMENT**

THIS AGREEMENT, dated this 24<sup>th</sup> day of **March, 2009**, by and between **PREMISES SYSTEMS, INC.** ("Contractor"), and the **COUNTY OF STANISLAUS** ("County"), acting under and by virtue of the authority vested in the County by the laws of the State of California.

WHEREAS, County, by its Board Agenda item No B 12 adopted on the 24<sup>th</sup> day of **March, 2009** awarded to Contractor the following Contract:

**JUVENILE JUSTICE CENTER FIRE PROTECTION  
AND SECURITY ELECTRONICS UPGRADES**

**at**

**2215 BLUE GUM AVENUE  
MODESTO, CA 95358**

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and County agree as follows:

**Article 1. Work**

- 1.1 Contractor shall complete all Work specified in the Contract Documents, in accordance with the Specifications, Drawings, and all other terms and conditions of the Contract Documents. Alternate No. 2, Court Area has **not** been selected for award with this contract.

**Article 2. Architect/Engineer and Project Manager**

- 2.1 **AVS Engineers, Inc** designed the Project and furnished the Plans and Specifications. **AVS Engineers, Inc** shall have the rights assigned to Architect/Engineer in the Contract Documents.
- 2.2 County has designated **Patricia Hill Thomas** as its Project Manager to act as County's Representative in all matters relating to the Contract Documents. The Project Manager shall have final authority over all matters pertaining to the Contract Documents and shall have sole authority to modify the Contract Documents on behalf of the County, to accept work, and to make decisions or actions binding on the County, and shall have sole signature authority on behalf of the County.
- 2.3 The County may assign all or part of the Project Manager's rights, responsibilities and duties to a Construction Manager.

**Article 3. Contract Time and Liquidated Damages**

3.1 Contract Time

Contractor shall commence Work on the date established in the Notice to Proceed. County reserves the right to modify or alter the Commencement Date of the Work.

Contractor shall achieve Substantial Completion of the entire Work within **300 Calendar Days** from the date when the Contract Time commences to run as provided in Document 00700 (General Conditions). Contractor shall achieve Final Completion of the entire Work and be ready for Final Payment in accordance with Section 01770 (Contract Closeout) 60 Days from the date when the Contract Time commences to run as provided in Document 00700 (General Conditions).

### 3.2 Liquidated Damages

County and Contractor recognize that time is of the essence of this Agreement and that County will suffer financial loss in the form of Contract administration expenses (such as Project management and consultant expenses), if all or any part of the Work is not completed within the times specified above, plus any extensions thereof allowed in accordance with the Contract Documents. Contractor and County agree that because of the nature of the Project, it would be impractical or extremely difficult to fix the amount of actual damages incurred by County because of a delay in completion of all or any part of the Work. Accordingly, County and Contractor agree that as liquidated damages for delay Contractor shall pay County:

3.2.1 Two Thousand dollars (\$2,000.00) for each Day that expires after the time specified herein for Contractor to achieve Substantial Completion of the entire Work, until achieved.

3.2.2 One Thousand dollars (\$1,000.00) for each Day that expires after the time specified herein for Contractor to achieve Final Completion of the entire Work, until achieved.

These measures of liquidated damages shall apply cumulatively and except as provided below, shall be presumed to be the damages suffered by County resulting from delay in completion of the Work.

3.3 Liquidated damages for delay shall only cover administrative, overhead, interest on bonds, and general loss of public use damages suffered by County as a result of delay. Liquidated damages shall not cover the cost of completion of the Work, damages resulting from Defective Work, lost revenues or costs of substitute facilities, or damages suffered by others who then seek to recover their damages from County (for example, delay claims of other contractors, subcontractors, tenants, or other third-parties), and defense costs thereof.

### **Article 4. Contract Sum**

4.1 County shall pay Contractor the Lump Sum of Five Hundred Ninety-Nine Thousand Eight Hundred Dollars (\$599,800.00) for completion of Work in accordance with Contract Documents as set forth in Contractor's Bid, attached hereto.

4.2 Unit price for replacement of existing cameras is to be Six Hundred Fifty Dollars (\$650.00) per each. Quantity of Work to be paid for under any item for which a unit price is fixed in Contract Documents shall be, as determined by County, number of units of Work satisfactorily completed in accordance with Contract Documents or as directed by County. Unless otherwise provided, determination of number of units of Work so completed will be based, so far as practicable, on actual measurement or count within prescribed or ordered limits, and no payment will be made for Work done outside of limits. Unit prices shall apply to Work covered by unit prices so long as actual quantities performed on the Project are not less than 75 percent or greater than 125 percent of the estimated quantities contained in Document 00400 (Bid Form) or otherwise referenced in Section 01100 (Summary). If actual quantities exceed these parameters, then the unit price shall be adjusted by an amount to reflect the Contractor's incremental cost differential resulting from increased or decreased economies of scale.

### **Article 5. Contractor's Representations**

In order to induce County to enter into this Agreement, Contractor makes the following representations and warranties:

5.1 Contractor has visited the Site and has examined thoroughly and understood the nature and extent of the Contract Documents, Work, Site, locality, actual conditions, as-built conditions, and all local conditions, and federal, state and local laws and regulations that in any manner may affect cost, progress, performance or furnishing of Work or which relate to any aspect of the means, methods, techniques, sequences or procedures of construction to be employed by Contractor and safety precautions and programs incident thereto.

- 5.2 Contractor has examined thoroughly and understood all reports of exploration and tests of subsurface conditions, as-built drawings, drawings, products specifications or reports, available for Bidding purposes, of physical conditions, including Underground Facilities, which have been made available for Bidders or which may appear in the Drawings. Contractor accepts the determination set forth in these Documents and Document 00700 (General Conditions) of the limited extent of the information contained in such materials upon which Contractor may be entitled to rely. Contractor agrees that except for the information so identified, Contractor does not and shall not rely on any other information contained in such reports and drawings.
- 5.3 Contractor has conducted or obtained and has understood all such examinations, investigations, explorations, tests, reports and studies (in addition to or to supplement those referred to in Section 5.2 of this Document 00520) that pertain to the subsurface conditions, as-built conditions, Underground Facilities and all other physical conditions at or contiguous to the Site or otherwise that may affect the cost, progress, performance or furnishing of Work, as Contractor considers necessary for the performance or furnishing of Work at the Contract Sum, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents, including specifically the provisions of Document 00700 (General Conditions); and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are or will be required by Contractor for such purposes.
- 5.4 Contractor has correlated its knowledge and the results of all such observations, examinations, investigations, explorations, tests, reports and studies with the terms and conditions of the Contract Documents.

#### **Article 6. Contract Documents**

- 6.1 Contract Documents consist of the following documents, including all changes, Addenda, and Modifications thereto:
- |                                       |  |
|---------------------------------------|--|
| Document 00520                        | Agreement                                    |
| Document 00550                        | Notice to Proceed                            |
| Document 00610                        | Construction Performance Bond                |
| Document 00620                        | Construction Labor and Material Payment Bond |
| Document 00700                        | General Conditions                           |
| Document 00800                        | Supplementary General Conditions             |
| Document 00821                        | Supplementary Conditions – Insurance         |
| Addenda                               | Addenda 1, 2 and 3                           |
| Specifications                        | Divisions 1 through 16                       |
| Drawings listed in Drawing No. EC0-01 |  |
- 6.2 There are no Contract Documents other than those listed in this Document 00520, Article 6. The Contract Documents may only be amended, modified or supplemented as provided in Document 00700 (General Conditions).

#### **Article 7. Miscellaneous**

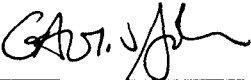
- 7.1 Terms and abbreviations used in this Agreement are defined in Document 00700 (General Conditions) and Section 01420 (References and Definitions) and will have the meaning indicated therein.
- 7.2 It is understood and agreed that in no instance are the persons signing this Agreement for or on behalf of County or acting as an employee, agent, or representative of County, liable on this Agreement or any of the Contract Documents, or upon any warranty of authority, or otherwise, and it is further understood and agreed that liability of the County is limited and confined to such liability as authorized or imposed by the Contract Documents or applicable law.

- 7.3 Contractor shall not assign any portion of the Contract Documents, and may subcontract portions of the Contract Documents only in compliance with the Subcontractor Listing Law, California Public Contract Code §4100 *et seq.*
- 7.4 The Contract Sum includes all allowances (if any).
- 7.5 In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, Contractor or Subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. §15) or under the Cartwright Act (Chapter 2 (commencing with §16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time County tenders final payment to Contractor, without further acknowledgment by the parties.
- 7.6 Copies of the general prevailing rates of per diem wages for each craft, classification, or type of worker needed to execute the Contract, as determined by Director of the State of California Department of Industrial Relations, are deemed included in the Contract Documents and on file at County's Office, and shall be made available to any interested party on request. Pursuant to California Labor Code §1861, Contractor represents that it is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and Contractor shall comply with such provisions before commencing the performance of the Work of the Contract Documents.
- 7.7 Should any part, term or provision of this Agreement or any of the Contract Documents, or any document required herein or therein to be executed or delivered, be declared invalid, void or unenforceable, all remaining parts, terms and provisions shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby. If the provisions of any law causing such invalidity, illegality or unenforceability may be waived, they are hereby waived to the end that this Agreement and the Contract Documents may be deemed valid and binding agreements, enforceable in accordance with their terms to the greatest extent permitted by applicable law. In the event any provision not otherwise included in the Contract Documents is required to be included by any applicable law, that provision is deemed included herein by this reference (or, if such provision is required to be included in any particular portion of the Contract Documents, that provision is deemed included in that portion).
- 7.8 This Agreement and the Contract Documents shall be deemed to have been entered into in the County of Stanislaus, State of California, and governed in all respects by California law (excluding choice of law rules). The exclusive venue for all disputes or litigation hereunder shall be in Stanislaus County Superior Court. Contractor accepts the Claims Procedure in Document 00700, Article 12, as a claims procedure by agreement under the California Government Code, Title 1, Division 3.6, Part 3, Chapter 5.

IN WITNESS WHEREOF the parties have executed this Agreement in quadruplicate the day and year first above written.

**CONTRACTOR:**

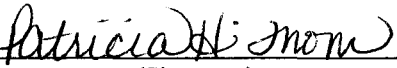
Premises System, Inc.  
4791 Arrow Highway  
Montclair, California 91763  
Phone: (909) 621-1187  
Fax: (909) 621-1197

By:   
(Signature)

Its: PRESIDENT  
Title (If Corporation: Chairman, President  
or Vice President)


**COUNTY:**

County of Stanislaus  
1010 10<sup>th</sup> Street, Suite 6800  
Modesto, California 95354

By:   
(Signature)

Patricia Hui Thomas  
(Print Name)

Chief Operations Officer  
(Title)

By:   
(Signature)

Its: CFO  
Title (If Corporation: Secretary, Assistant  
Secretary, Chief Financial Officer or  
Assistant Treasurer

Attest:   
~~Secretary~~ Confidential Assistant IV

Norma Baker  
(Print Name)

APPROVED AS TO FORM AND LEGALITY

THIS 4 DAY OF March, 2009

By:   
Joan P. Doering, County Counsel

COUNTY BOARD AGENDA ITEM NO. \_\_\_\_\_

END OF DOCUMENT

## **ASSIGNMENT OF CONTRACT FUNDS AGREEMENT**

This Assignment of Contract Funds Agreement (the "Agreement") made this 24<sup>th</sup> day of March, 2009, between Premises Systems, Inc. ("Principal"), the County of Stanislaus (the Obligee"), American Safety Casualty Insurance Company (the "Surety"), and National American Insurance Company of California ("NAICC").

### **WHEREAS:**

- A. On or about March 24, 2009, the Principal will enter into a Contract (the "Contract") with the Obligee, concerning a work of improvement, described as Juvenile Justice Center Fire Protection and Security Electronics Upgrades at 2215 Blue Gum Avenue, Modesto, CA 95358 (the "Project"); and
- B. The Contract requires the Principal to provide to the Obligee a Surety Bond (the "Bond") guarantying the Principal's performance of its obligations to the Obligee with respect to the Contract and the Project; and
- C. Principal has made application for the Bond to the Surety; and
- D. Surety having independently underwritten and evaluated the application and request of the Principal for a Bond, conditionally elects to issue the Bond; and
- E. In consideration of issuance of the Bond, the Surety requires that all payments due from the Obligee to the Principal for work performed under the Contract be deposited into a Disbursement Account to facilitate the proper and expeditious receipt and disbursement of funds pursuant to the terms of this Agreement; and
- F. Principal has selected NAICC to perform disbursement services and NAICC is willing to provide such services as described in this Agreement.

**THEREFORE,** The Principal, the Obligee, the Surety and NAICC agree as follows:

1. The Principal requests and the Obligee consents to pay directly to NAICC all payments which become due to Principal under the Contract as a result of the Principal's work on the Project, with the exception of withholds authorized by the Contract, or by State or Federal law. The original contract value, as well as any increase due to change orders, extras, bonuses, or additional work is covered by this Agreement. The assignment of the payment of Contract Funds which become due to Principal under the Contract, and which are not otherwise subject to County withholds, is irrevocable and unconditional unless the Contract is terminated in accordance with the terms of the Contract, or unless the Surety takes over the performance of the Contract, at which time this Assignment of Contract Funds Agreement shall become null and void. In no event shall this Assignment Agreement survive the County's "final payment" on the Project as that term is defined in the Contract, or any other rights afforded the County under the Contract or at law. The Obligee agrees to make all payments which become due under the Contract directly to NAICC at 5230 Las Virgenes Road, Suite 265, Calabasas, CA 91302. The parties agree that this Agreement does not supersede any rights the Obligee may have to withhold payments or portions of payments under the Contract or required by state or federal law. The Obligee has no obligation under this Agreement except to make

payment of Contract Funds to NAICC as provided herein, and to provide NAICC with copies of approved pay estimates, stop notices, mechanics liens, and preliminary notices as requested by NAICC. NAICC is not an agent of the Principal or the Obligee.

2. The Surety acknowledges and consents to this Payment Assignment Agreement and agrees to issue Performance and/or Payment Bonds with respect to the Project.
3. NAICC agrees to accept payments from the Obligee and deposit such funds into the Disbursement Account and disburse funds from the Disbursement Account according to the disbursement services as described in the Disbursement Agreement.
4. The Obligee and the Principal acknowledge that as of March 24, 2009, no payments on the Contract have been made to the Principal.

Principal: Premises Systems, Inc.

By: Kwok W. Loke

KWOK W. LOKE (PRESIDENT)

Name and Title

Obligee: County of Stanislaus

By: Patricia M. ...

Chief Operating Officer  
Name and Title

Approved as to Form:

John P. Doering  
County Counsel

National American Insurance of California Surety: American Safety Casualty Insurance

By: Regan D. James

Regan D. James, Executive VP

Name and Title

By: Regan D. James

Regan D. James, Attorney-in-fact

Name and Title