

SERVICE AGREEMENT

This Service Agreement (“Agreement”) is dated August 20, 2024 and is between Gibbs International, Inc., a Delaware corporation (“Contractor”), and the County of Fresno, a political subdivision of the State of California (“County”).

Recitals

A. The County has need for the provision of International parts and repair services for International trucks and equipment.

B. The County now desires to engage the Contractor through a suspension of competition for the provision of International parts and repair services for International trucks and equipment.

C. The parties therefore agree as follows:

Article 1

Contractor’s Services

1.1 **Scope of Services.** The Contractor shall perform all of the services provided in Exhibit A to this Agreement, titled “Scope of Services.”

1.2 **Representation.** The Contractor represents that it is qualified, ready, willing, and able to perform all of the services provided in this Agreement.

1.3 **Compliance with Laws.** The Contractor shall, at its own cost, comply with all applicable federal, state, and local laws and regulations in the performance of its obligations under this Agreement, including but not limited to workers compensation, labor, and confidentiality laws and regulations.

Article 2

County’s Responsibilities

2.1 The County shall provide a County representative who will serve as point of contact for the Contractor in the fulfillment of its duties under this Agreement (“County Representative”). The County Representative will be the County Internal Services Department’s Fleet Services (ISD-Fleet) Manager, and/or their designees. Upon the execution of this Agreement, the

1 Contractor shall provide the County Representative its contact person on behalf of the
2 Contractor.

3 2.2 The County shall contact the Contractor on an as-needed basis to request parts and
4 services, the process of which is described in Exhibit A.

5 **Article 3**

6 **Compensation, Invoices, and Payments**

7 3.1 The County agrees to pay, and the Contractor agrees to receive, compensation for
8 the performance of its services under this Agreement as described in Exhibit B.

9 3.2 **Maximum Compensation.** The maximum compensation payable to the Contractor
10 under this Agreement is \$200,000 for the initial three-year term of this Agreement. In the event
11 this Agreement is extended for its first optional one-year extension ("Year 4"), the total
12 compensation payable to the Contractor under this Agreement will increase by \$50,000. In the
13 event this Agreement is extended for its final one-year extension ("Year 5"), the total
14 compensation payable to the Contractor under this Agreement will increase by an additional
15 \$50,000. The total maximum compensation payable to the Contractor under this Agreement for
16 the entire potential five-year term is \$300,000. In the event the total maximum compensation
17 amount in the Initial Term, Year 4, and/or Year 5 is not fully expended, the remaining unspent
18 funding amounts shall roll over to each subsequent term's established maximum compensation.

19 The Contractor acknowledges that the County is a local government entity, and does so with
20 notice that the County's powers are limited by the California Constitution and by State law, and
21 with notice that the Contractor may receive compensation under this Agreement only for
22 services performed according to the terms of this Agreement and while this Agreement is in
23 effect, and subject to the maximum amount payable under this section. The Contractor further
24 acknowledges that County employees have no authority to pay the Contractor except as
25 expressly provided in this Agreement.

26 3.3 **Invoices.** The Contractor shall submit monthly invoices referencing the provided
27 agreement number to the County of Fresno, Internal Services Department, Fleet Services, 4551
28 E. Hamilton Ave Fresno, CA 93702 (fleetservices@fresnocountyca.gov). The Contractor shall

1 submit each invoice within 60 days after the month in which the Contractor performs services
2 and in any case within 60 days after the end of the term or termination of this Agreement.

3 3.4 **Payment.** The County shall pay each correctly completed and timely submitted
4 invoice within 45 days after receipt. The County shall remit any payment to the Contractor's
5 address specified in the invoice.

6 3.5 **Incidental Expenses.** The Contractor is solely responsible for all of its costs and
7 expenses that are not specified as payable by the County under this Agreement.

8 **Article 4**

9 **Term of Agreement**

10 4.1 **Term.** This Agreement is effective on August 20, 2024, and terminates on August 19,
11 2027 ("Initial Term"), except as provided in section 4.2, "Extension," or Article 6, "Termination
12 and Suspension," below.

13 4.2 **Extension.** The term of this Agreement may be extended for no more than two, one-
14 year periods only upon written approval of both parties at least 30 days before the first day of
15 the next one-year extension period. The Director of Internal Services/Chief Information Officer
16 or his or her designee is authorized to sign the written approval on behalf of the County based
17 on the Contractor's satisfactory performance. The extension of this Agreement by the County is
18 not a waiver or compromise of any default or breach of this Agreement by the Contractor
19 existing at the time of the extension whether or not known to the County.

20 **Article 5**

21 **Notices**

22 5.1 **Contact Information.** The persons and their addresses having authority to give and
23 receive notices provided for or permitted under this Agreement include the following:

24 **For the County:**

25 Director of Internal Services/Chief Information Officer
26 County of Fresno
27 333 W. Pontiac Way
28 Clovis, CA 93612
isdcontracts@fresnocountyca.gov

For the Contractor:

Anthony Stegall, General Manager

1 Gibbs International, Inc.
2 2712 S. 4th St.
3 Fresno, CA 93725
4 astegall@gibbstrucks.com

5 5.2 **Change of Contact Information.** Either party may change the information in section
6 5.1 by giving notice as provided in section 5.3.

7 5.3 **Method of Delivery.** Each notice between the County and the Contractor provided
8 for or permitted under this Agreement must be in writing, state that it is a notice provided under
9 this Agreement, and be delivered either by personal service, by first-class United States mail, by
10 an overnight commercial courier service, or by Portable Document Format (PDF) document
11 attached to an email.

12 (A) A notice delivered by personal service is effective upon service to the recipient.

13 (B) A notice delivered by first-class United States mail is effective three County
14 business days after deposit in the United States mail, postage prepaid, addressed to the
15 recipient.

16 (C) A notice delivered by an overnight commercial courier service is effective one
17 County business day after deposit with the overnight commercial courier service,
18 delivery fees prepaid, with delivery instructions given for next day delivery, addressed to
19 the recipient.

20 (D) A notice delivered by PDF document attached to an email is effective when
21 transmission to the recipient is completed (but, if such transmission is completed outside
22 of County business hours, then such delivery is deemed to be effective at the next
23 beginning of a County business day), provided that the sender maintains a machine
24 record of the completed transmission.

25 5.4 **Claims Presentation.** For all claims arising from or related to this Agreement,
26 nothing in this Agreement establishes, waives, or modifies any claims presentation
27 requirements or procedures provided by law, including the Government Claims Act (Division 3.6
28 of Title 1 of the Government Code, beginning with section 810).

1 **Article 6**

2 **Termination and Suspension**

3 6.1 **Termination for Non-Allocation of Funds.** The terms of this Agreement are
4 contingent on the approval of funds by the appropriating government agency. If sufficient funds
5 are not allocated, then the County, upon at least 30 days' advance written notice to the
6 Contractor, may:

7 (A) Modify the services provided by the Contractor under this Agreement; or

8 (B) Terminate this Agreement.

9 6.2 **Termination for Breach.**

10 (A) Upon determining that a breach (as defined in paragraph (C) below) has
11 occurred, the County may give written notice of the breach to the Contractor. The written
12 notice may suspend performance under this Agreement, and must provide at least 30
13 days for the Contractor to cure the breach.

14 (B) If the Contractor fails to cure the breach to the County's satisfaction within the
15 time stated in the written notice, the County may terminate this Agreement immediately.

16 (C) For purposes of this section, a breach occurs when, in the determination of the
17 County, the Contractor has:

18 (1) Obtained or used funds illegally or improperly;

19 (2) Failed to comply with any part of this Agreement;

20 (3) Submitted a substantially incorrect or incomplete report to the County; or

21 (4) Improperly performed any of its obligations under this Agreement.

22 6.3 **Termination without Cause.** In circumstances other than those set forth above, the
23 County may terminate this Agreement by giving at least 30 days advance written notice to the
24 Contractor.

25 6.4 **No Penalty or Further Obligation.** Any termination of this Agreement by the County
26 under this Article 6 is without penalty to or further obligation of the County.

27 6.5 **County's Rights upon Termination.** Upon termination for breach under this Article
28 6, the County may demand repayment by the Contractor of any monies disbursed to the

1 Contractor under this Agreement that, in the County's sole judgment, were not expended in
2 compliance with this Agreement. The Contractor shall promptly refund all such monies upon
3 demand. This section survives the termination of this Agreement.

4 **Article 7**

5 **Independent Contractor**

6 7.1 **Status.** In performing under this Agreement, the Contractor, including its officers,
7 agents, employees, and volunteers, is at all times acting and performing as an independent
8 contractor, in an independent capacity, and not as an officer, agent, servant, employee, joint
9 venturer, partner, or associate of the County.

10 7.2 **Verifying Performance.** The County has no right to control, supervise, or direct the
11 manner or method of the Contractor's performance under this Agreement, but the County may
12 verify that the Contractor is performing according to the terms of this Agreement.

13 7.3 **Benefits.** Because of its status as an independent contractor, the Contractor has no
14 right to employment rights or benefits available to County employees. The Contractor is solely
15 responsible for providing to its own employees all employee benefits required by law. The
16 Contractor shall save the County harmless from all matters relating to the payment of the
17 Contractor's employees, including compliance with Social Security withholding and all related
18 regulations.

19 7.4 **Services to Others.** The parties acknowledge that, during the term of this
20 Agreement, the Contractor may provide services to others unrelated to the County.

21 **Article 8**

22 **Indemnity and Defense**

23 8.1 **Indemnity.** The Contractor shall indemnify and hold harmless and defend the
24 County (including its officers, agents, employees, and volunteers) against all claims, demands,
25 injuries, damages, costs, expenses (including attorney fees and costs), fines, penalties, and
26 liabilities of any kind to the County, the Contractor, or any third party that arise from or relate to
27 the performance or failure to perform by the Contractor (or any of its officers, agents,
28 subcontractors, or employees) under this Agreement. The County may conduct or participate in

1 its own defense without affecting the Contractor's obligation to indemnify and hold harmless or
2 defend the County.

3 8.2 **Survival.** This Article 8 survives the termination of this Agreement.

4 **Article 9**

5 **Insurance**

6 9.1 The Contractor shall comply with all the insurance requirements in Exhibit D to this
7 Agreement.

8 **Article 10**

9 **Inspections, Audits, and Public Records**

10 10.1 **Inspection of Documents.** The Contractor shall make available to the County, and
11 the County may examine at any time during business hours and as often as the County deems
12 necessary, all of the Contractor's records and data with respect to the matters covered by this
13 Agreement, excluding attorney-client privileged communications. The Contractor shall, upon
14 request by the County, permit the County to audit and inspect all of such records and data to
15 ensure the Contractor's compliance with the terms of this Agreement.

16 10.2 **State Audit Requirements.** If the compensation to be paid by the County under this
17 Agreement exceeds \$10,000, the Contractor is subject to the examination and audit of the
18 California State Auditor, as provided in Government Code section 8546.7, for a period of three
19 years after final payment under this Agreement. This section survives the termination of this
20 Agreement.

21 10.3 **Public Records.** The County is not limited in any manner with respect to its public
22 disclosure of this Agreement or any record or data that the Contractor may provide to the
23 County. The County's public disclosure of this Agreement or any record or data that the
24 Contractor may provide to the County may include but is not limited to the following:

25 (A) The County may voluntarily, or upon request by any member of the public or
26 governmental agency, disclose this Agreement to the public or such governmental
27 agency.

1 (B) The County may voluntarily, or upon request by any member of the public or
2 governmental agency, disclose to the public or such governmental agency any record or
3 data that the Contractor may provide to the County, unless such disclosure is prohibited
4 by court order.

5 (C) This Agreement, and any record or data that the Contractor may provide to the
6 County, is subject to public disclosure under the Ralph M. Brown Act (California
7 Government Code, Title 5, Division 2, Part 1, Chapter 9, beginning with section 54950).

8 (D) This Agreement, and any record or data that the Contractor may provide to the
9 County, is subject to public disclosure as a public record under the California Public
10 Records Act (California Government Code, Title 1, Division 10, Chapter 3, beginning
11 with section 7920.200) ("CPRA").

12 (E) This Agreement, and any record or data that the Contractor may provide to the
13 County, is subject to public disclosure as information concerning the conduct of the
14 people's business of the State of California under California Constitution, Article 1,
15 section 3, subdivision (b).

16 (F) Any marking of confidentiality or restricted access upon or otherwise made with
17 respect to any record or data that the Contractor may provide to the County shall be
18 disregarded and have no effect on the County's right or duty to disclose to the public or
19 governmental agency any such record or data.

20 **10.4 Public Records Act Requests.** If the County receives a written or oral request
21 under the CPRA to publicly disclose any record that is in the Contractor's possession or control,
22 and which the County has a right, under any provision of this Agreement or applicable law, to
23 possess or control, then the County may demand, in writing, that the Contractor deliver to the
24 County, for purposes of public disclosure, the requested records that may be in the possession
25 or control of the Contractor. Within five business days after the County's demand, the
26 Contractor shall (a) deliver to the County all of the requested records that are in the Contractor's
27 possession or control, together with a written statement that the Contractor, after conducting a
28 diligent search, has produced all requested records that are in the Contractor's possession or

1 control, or (b) provide to the County a written statement that the Contractor, after conducting a
2 diligent search, does not possess or control any of the requested records. The Contractor shall
3 cooperate with the County with respect to any County demand for such records. If the
4 Contractor wishes to assert that any specific record or data is exempt from disclosure under the
5 CPRA or other applicable law, it must deliver the record or data to the County and assert the
6 exemption by citation to specific legal authority within the written statement that it provides to
7 the County under this section. The Contractor's assertion of any exemption from disclosure is
8 not binding on the County, but the County will give at least 10 days' advance written notice to
9 the Contractor before disclosing any record subject to the Contractor's assertion of exemption
10 from disclosure. The Contractor shall indemnify the County for any court-ordered award of costs
11 or attorney's fees under the CPRA that results from the Contractor's delay, claim of exemption,
12 failure to produce any such records, or failure to cooperate with the County with respect to any
13 County demand for any such records.

14 **Article 11**

15 **Disclosure of Self-Dealing Transactions**

16 11.1 **Applicability.** This Article 11 applies if the Contractor is operating as a corporation,
17 or changes its status to operate as a corporation.

18 11.2 **Duty to Disclose.** If any member of the Contractor's board of directors is party to a
19 self-dealing transaction, he or she shall disclose the transaction by completing and signing a
20 "Self-Dealing Transaction Disclosure Form" (Exhibit C to this Agreement) and submitting it to
21 the County before commencing the transaction or immediately after.

22 11.3 **Definition.** "Self-dealing transaction" means a transaction to which the Contractor is
23 a party and in which one or more of its directors, as an individual, has a material financial
24 interest.

25 **Article 12**

26 **General Terms**

27 12.1 **Modification.** Except as provided in Article 6, "Termination and Suspension," this
28 Agreement may not be modified, and no waiver is effective, except by written agreement signed

1 by both parties. The Contractor acknowledges that County employees have no authority to
2 modify this Agreement except as expressly provided in this Agreement.

3 12.2 **Non-Assignment.** Neither party may assign its rights or delegate its obligations
4 under this Agreement without the prior written consent of the other party.

5 12.3 **Governing Law.** The laws of the State of California govern all matters arising from
6 or related to this Agreement.

7 12.4 **Jurisdiction and Venue.** This Agreement is signed and performed in Fresno
8 County, California. The Contractor consents to California jurisdiction for actions arising from or
9 related to this Agreement, and, subject to the Government Claims Act, all such actions must be
10 brought and maintained in Fresno County.

11 12.5 **Construction.** The final form of this Agreement is the result of the parties' combined
12 efforts. If anything in this Agreement is found by a court of competent jurisdiction to be
13 ambiguous, that ambiguity shall not be resolved by construing the terms of this Agreement
14 against either party.

15 12.6 **Days.** Unless otherwise specified, "days" means calendar days.

16 12.7 **Headings.** The headings and section titles in this Agreement are for convenience
17 only and are not part of this Agreement.

18 12.8 **Severability.** If anything in this Agreement is found by a court of competent
19 jurisdiction to be unlawful or otherwise unenforceable, the balance of this Agreement remains in
20 effect, and the parties shall make best efforts to replace the unlawful or unenforceable part of
21 this Agreement with lawful and enforceable terms intended to accomplish the parties' original
22 intent.

23 12.9 **Nondiscrimination.** During the performance of this Agreement, the Contractor shall
24 not unlawfully discriminate against any employee or applicant for employment, or recipient of
25 services, because of race, religious creed, color, national origin, ancestry, physical disability,
26 mental disability, medical condition, genetic information, marital status, sex, gender, gender
27 identity, gender expression, age, sexual orientation, military status or veteran status pursuant to
28 all applicable State of California and federal statutes and regulation.

1 12.10 **No Waiver.** Payment, waiver, or discharge by the County of any liability or obligation
2 of the Contractor under this Agreement on any one or more occasions is not a waiver of
3 performance of any continuing or other obligation of the Contractor and does not prohibit
4 enforcement by the County of any obligation on any other occasion.

5 12.11 **Entire Agreement.** This Agreement, including its exhibits, is the entire agreement
6 between the Contractor and the County with respect to the subject matter of this Agreement,
7 and it supersedes all previous negotiations, proposals, commitments, writings, advertisements,
8 publications, and understandings of any nature unless those things are expressly included in
9 this Agreement. If there is any inconsistency between the terms of this Agreement without its
10 exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving
11 precedence first to the terms of this Agreement without its exhibits, and then to the terms of the
12 exhibits.

13 12.12 **No Third-Party Beneficiaries.** This Agreement does not and is not intended to
14 create any rights or obligations for any person or entity except for the parties.

15 12.13 **Authorized Signature.** The Contractor represents and warrants to the County that:

16 (A) The Contractor is duly authorized and empowered to sign and perform its
17 obligations under this Agreement.

18 (B) The individual signing this Agreement on behalf of the Contractor is duly
19 authorized to do so and his or her signature on this Agreement legally binds the
20 Contractor to the terms of this Agreement.

21 12.14 **Electronic Signatures.** The parties agree that this Agreement may be executed by
22 electronic signature as provided in this section.

23 (A) An “electronic signature” means any symbol or process intended by an individual
24 signing this Agreement to represent their signature, including but not limited to (1) a
25 digital signature; (2) a faxed version of an original handwritten signature; or (3) an
26 electronically scanned and transmitted (for example by PDF document) version of an
27 original handwritten signature.
28

1 (B) Each electronic signature affixed or attached to this Agreement (1) is deemed
2 equivalent to a valid original handwritten signature of the person signing this Agreement
3 for all purposes, including but not limited to evidentiary proof in any administrative or
4 judicial proceeding, and (2) has the same force and effect as the valid original
5 handwritten signature of that person.

6 (C) The provisions of this section satisfy the requirements of Civil Code section
7 1633.5, subdivision (b), in the Uniform Electronic Transaction Act (Civil Code, Division 3,
8 Part 2, Title 2.5, beginning with section 1633.1).

9 (D) Each party using a digital signature represents that it has undertaken and
10 satisfied the requirements of Government Code section 16.5, subdivision (a),
11 paragraphs (1) through (5), and agrees that each other party may rely upon that
12 representation.

13 (E) This Agreement is not conditioned upon the parties conducting the transactions
14 under it by electronic means and either party may sign this Agreement with an original
15 handwritten signature.

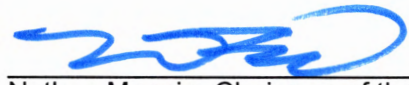
16 12.15 **Counterparts.** This Agreement may be signed in counterparts, each of which is an
17 original, and all of which together constitute this Agreement.

18 [SIGNATURE PAGE FOLLOWS]
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The parties are signing this Agreement on the date stated in the introductory clause.

Gibbs International, Inc.

COUNTY OF FRESNO



Oscar Ramirez, Service Manager

Nathan Magsig, Chairman of the Board of Supervisors of the County of Fresno

2712 S. 4th St.
Fresno, CA 93725

Attest:
Bernice E. Seidel
Clerk of the Board of Supervisors
County of Fresno, State of California

By: 
Deputy

For accounting use only:

Org No.: 8910
Account No.: 7205
Fund No.: 1000
Subclass No.: 10000

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Exhibit A

Scope of Services

The Contractor will provide parts and repairs on an as requested basis to the County. The County shall be the sole determinative party regarding the necessity for any parts of repairs. There shall be no minimum order quantity and the County reserves the right to increase or decrease orders or quantities.

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Exhibit B

Compensation

The Contractor will be compensated for performance of its services under this Agreement as provided in this Exhibit B. The Contractor is not entitled to any compensation except as expressly provided in this Exhibit B.

Shop Repair Labor Rate:

YEAR	TERM DATES	LABOR RATE
YEAR 1	08/20/2024-08/19/2025	\$208 / Per Hour
YEAR 2	08/20/2025-08/19/2026	\$208 / Per Hour
YEAR 3	08/20/2026-08/19/2027	\$218 / Per Hour
OPTIONAL YEAR 4	08/20/2027-08/19/2028	\$228 / Per Hour
OPTIONAL YEAR 5	08/20/2028-08/19/2029	\$238 / Per Hour

Repair total costs will include labor rate per hour plus any applicable used shop supplies.

Parts: Parts will be at cost and there will be no charge for local parts delivery.

Special Conditions: Special Orders will have a Freight Charge added.

Exhibit C

Self-Dealing Transaction Disclosure Form

In order to conduct business with the County of Fresno ("County"), members of a contractor's board of directors ("County Contractor"), must disclose any self-dealing transactions that they are a party to while providing goods, performing services, or both for the County. A self-dealing transaction is defined below:

"A self-dealing transaction means a transaction to which the corporation is a party and in which one or more of its directors has a material financial interest."

The definition above will be used for purposes of completing this disclosure form.

Instructions

- (1) Enter board member's name, job title (if applicable), and date this disclosure is being made.
- (2) Enter the board member's company/agency name and address.
- (3) Describe in detail the nature of the self-dealing transaction that is being disclosed to the County. At a minimum, include a description of the following:
 - a. The name of the agency/company with which the corporation has the transaction; and
 - b. The nature of the material financial interest in the Corporation's transaction that the board member has.
- (4) Describe in detail why the self-dealing transaction is appropriate based on applicable provisions of the Corporations Code.

The form must be signed by the board member that is involved in the self-dealing transaction described in Sections (3) and (4).

Exhibit C

(1) Company Board Member Information:			
Name:		Date:	
Job Title:			
(2) Company/Agency Name and Address:			
(3) Disclosure (Please describe the nature of the self-dealing transaction you are a party to)			
(4) Explain why this self-dealing transaction is consistent with the requirements of Corporations Code § 5233 (a)			
(5) Authorized Signature			
Signature:		Date:	

Exhibit D

Insurance Requirements

1. Required Policies

Without limiting the County's right to obtain indemnification from the Contractor or any third parties, the Contractor, at its sole expense, shall maintain in full force and effect the following insurance policies throughout the term of this Agreement.

- (A) **Commercial General Liability.** Commercial general liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence and an annual aggregate of Four Million Dollars (\$4,000,000). This policy must be issued on a per occurrence basis. Coverage must include products, completed operations, property damage, bodily injury, personal injury, and advertising injury. The Contractor shall obtain an endorsement to this policy naming the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, as additional insureds, but only insofar as the operations under this Agreement are concerned. Such coverage for additional insureds will apply as primary insurance and any other insurance, or self-insurance, maintained by the County is excess only and not contributing with insurance provided under the Contractor's policy.
- (B) **Automobile Liability.** Automobile liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for property damages. Coverage must include any auto used in connection with this Agreement.
- (C) **Workers Compensation.** Workers compensation insurance as required by the laws of the State of California with statutory limits.
- (D) **Employer's Liability.** Employer's liability insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence for bodily injury and for disease.

If the Contractor is a governmental entity, it may satisfy the policy requirements above through a program of self-insurance, including an insurance pooling arrangement or joint exercise of powers agreement.

2. Additional Requirements

- (A) **Verification of Coverage.** Within 30 days after the Contractor signs this Agreement, and at any time during the term of this Agreement as requested by the County's Risk Manager or the County Administrative Office, the Contractor shall deliver, or cause its broker or producer to deliver, to the County Risk Manager, at 2220 Tulare Street, 16th Floor, Fresno, California 93721, or HRRiskManagement@fresnocountyca.gov, and by mail or email to the person identified to receive notices under this Agreement, certificates of insurance and endorsements for all of the coverages required under this Agreement.
 - (i) Each insurance certificate must state that: (1) the insurance coverage has been obtained and is in full force; (2) the County, its officers, agents, employees, and volunteers are not responsible for any premiums on the policy; and (3) the Contractor has waived its right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under any insurance policy

Exhibit D

required by this Agreement and that waiver does not invalidate the insurance policy.

- (ii) The commercial general liability insurance certificate must also state, and include an endorsement, that the County of Fresno, its officers, agents, employees, and volunteers, individually and collectively, are additional insureds insofar as the operations under this Agreement are concerned. The commercial general liability insurance certificate must also state that the coverage shall apply as primary insurance and any other insurance, or self-insurance, maintained by the County shall be excess only and not contributing with insurance provided under the Contractor's policy.
- (iii) The automobile liability insurance certificate must state that the policy covers any auto used in connection with this Agreement.

(B) **Acceptability of Insurers.** All insurance policies required under this Agreement must be issued by admitted insurers licensed to do business in the State of California and possessing at all times during the term of this Agreement an A.M. Best, Inc. rating of no less than A: VII.

(C) **Notice of Cancellation or Change.** For each insurance policy required under this Agreement, the Contractor shall provide to the County, or ensure that the policy requires the insurer to provide to the County, written notice of any cancellation or change in the policy as required in this paragraph. For cancellation of the policy for nonpayment of premium, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 10 days in advance of cancellation. For cancellation of the policy for any other reason, and for any other change to the policy, the Contractor shall, or shall cause the insurer to, provide written notice to the County not less than 30 days in advance of cancellation or change. The County in its sole discretion may determine that the failure of the Contractor or its insurer to timely provide a written notice required by this paragraph is a breach of this Agreement.

(D) **County's Entitlement to Greater Coverage.** If the Contractor has or obtains insurance with broader coverage, higher limits, or both, than what is required under this Agreement, then the County requires and is entitled to the broader coverage, higher limits, or both. To that end, the Contractor shall deliver, or cause its broker or producer to deliver, to the County's Risk Manager certificates of insurance and endorsements for all of the coverages that have such broader coverage, higher limits, or both, as required under this Agreement.

(E) **Waiver of Subrogation.** The Contractor waives any right to recover from the County, its officers, agents, employees, and volunteers any amounts paid under the policy of worker's compensation insurance required by this Agreement. The Contractor is solely responsible to obtain any policy endorsement that may be necessary to accomplish that waiver, but the Contractor's waiver of subrogation under this paragraph is effective whether or not the Contractor obtains such an endorsement.

(F) **County's Remedy for Contractor's Failure to Maintain.** If the Contractor fails to keep in effect at all times any insurance coverage required under this Agreement, the County may, in addition to any other remedies it may have, suspend or terminate this

Exhibit D

Agreement upon the occurrence of that failure, or purchase such insurance coverage, and charge the cost of that coverage to the Contractor. The County may offset such charges against any amounts owed by the County to the Contractor under this Agreement.

- (G) **Subcontractors.** The Contractor shall require and verify that all subcontractors used by the Contractor to provide services under this Agreement maintain insurance meeting all insurance requirements provided in this Agreement. This paragraph does not authorize the Contractor to provide services under this Agreement using subcontractors.