John R. Calhoun City Attorney of Long Beach 333 West Ocean Boulevard Long Beach, California 90802-4664 Telephone (562) 570-2200

CONTRACT

THIS CONTRACT is made and entered, in duplicate, as of December 23, 2004 for reference purposes only, pursuant to Resolution No. C-28497, adopted by the City Council at its meeting held on December 21, 2004, by and between HAAKER EQUIPMENT COMPANY, a California corporation, with a place of business at 2070 North White Avenue, La Verne, California 91750 ("Contractor"), and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, City now operates a number of Elgin street sweepers manufactured by the Elgin Street Sweeper Company; and

WHEREAS, in the maintenance of said street sweepers, City will need replacement parts for the repair of the sweepers; and

WHEREAS, Contractor is the sole distributor for replacement parts for Elgin street sweepers in the Long Beach area; and

WHEREAS, the City Council did by Resolution No. C-28497 determine that, by reason of the foregoing, no useful purpose would be served by advertising for bids for the purchase of replacement parts for Elgin street sweepers because Contractor is the only firm, corporation or individual that could or would bid for the sale and furnishing of the replacement parts to City;

NOW, THEREFORE, in consideration of the mutual terms and conditions of this Contract, the parties agree as follows:

- 1. Contractor shall sell, furnish and deliver to City replacement parts for Elgin street sweepers as may be ordered by the City and deliver the same to City f.o.b. Contractor's place of business at 2070 North White Avenue, La Verne, California 91750.
- 2. City shall pay to Contractor for replacement parts for Elgin street sweepers the prices listed in the current Elgin National Published Factory Repair Parts List and subsequent supplements thereto, less Federal Excise Tax from which City is exempt, plus California Sales Tax and sales tax imposed by any political subdivision or municipal

corporation of the State of California not to exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) provided, however, that the expenditures for the first year of this Contract may be increased by five percent (5%), if needed. All prices quoted are F.O.B. Contractor's place of business, Pomona, California. If an item is ordered and delivered to Contractor by air or an item is a non-stock item of size, weight, or configuration that requires special handling, Contractor shall itemize the transportation or special handling charges on its invoice and may include a handling charge of fifteen percent (15%) of the manufacturer's published list price. The prices to be paid by City may be increased or decreased in accordance with National Prices when officially published by the Elgin Street Sweeper Company. City shall not return any replacement parts purchased without prior written authorization of Contractor, and the returned parts shall be subject to a fifteen percent (15%) restocking charge provided, however, that the restocking charge shall not apply to replacement parts which are returned because they are defective.

Terms: Net 30 days.

- 3. City may terminate this Contract, at the option of the City Manager, by giving notice to Contractor, if factory-published prices are increased substantially over the published factory repair parts price list furnished coincidentally with the execution of this Contract. Furthermore, City may terminate this Contract as of September 30 of any year in the event insufficient funds are appropriated to enable the City to purchase the replacement parts from Contractor during the ensuing fiscal year (October 1 through September 30).
- 4. Contractor shall maintain a normal stock of replacement parts at it place of business throughout the term of this Contract. If any part is not in stock but is ordered from the factory, said part shall be available for delivery to City at Contractor's place of business within fourteen (14) days after receipt by Contractor of City's order.
- 5. Contractor shall deliver and City shall purchase such quantities of replacement parts as may be necessary to meet the needs of City subject to the limits stated herein.

6. The term of this Contract shall commence at midnight on November 1, 2004, and shall terminate at 11:59 p.m. October 31, 2005. This Contract may be extended by mutual agreement of the parties on the same terms and conditions for two (2) additional periods of one (1) year each. If so extended, expenditures shall not exceed five percent (5%) of the previous year's expenditures. If Contractor's sole source status changes, City shall be required to publicly bid a new contract rather than enter into a Contract extension with Contractor. City shall be the sole judge of the sole source status of the Contractor.

7. Contractor shall furnish and deliver to City at the time of the execution of this Contract by Contractor copies of current published factory repair parts price list for equipment. Contractor shall forward to City from time to time such published factory repair parts price list revisions and supplements as may be published by Elgin Street Sweeper Company during the term of this Contract. The published factory repair parts price list, together with revisions and supplements thereto, shall be filed in the office of City's Purchasing Agent, First Floor, City Hall, 333 West Ocean Boulevard, Long Beach, California 90802. Any price revisions and supplements to the published factory repair parts price list, increasing the cost to City, shall not be effective as to City until said price revisions and supplements have been received and are on file with City.

- 8. City shall pay Contractor in due course of payments of the City, generally monthly, based upon replacement parts delivered to City and accepted by it during the preceding calendar month. Payment may be made for parts previously ordered.
- 9. Contractor represents that the quality of the replacement parts delivered to City shall be equal to replacement parts heretofore accepted by City from Contractor and that said replacement parts heretofore accepted by City from Contractor and that said replacement parts will be standard in every respect as manufactured by Elgin Street Sweeper Company and will be subject to the manufacturer's usual warranty, if any.
- 10. If Contractor delivers to City an equipment, article, method, formula or process of which the whole, or any part thereof, is covered by letters patent, Contractor

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shall either be the owner of the letters patent covering the same or be a licensee or grantee of such patent so as to entitle City to purchase, acquire and use said equipment, article, appliance, method, formula or process. Contractor shall indemnify, defend, and hold City harmless from and against any and all liability, claim, demand, damages, causes of action, cost or expenses (including reasonable attorney's fees) in connection with any infringement or allege infringement of any letters patent, or patent rights of any nature, with respect to any equipment, article, appliance, method, formula or process delivered to City pursuant to this Contract or resulting from the use thereof by City. If the City is legally prevented from the use of any equipment, article, appliance, method, formula or process covered by or alleged to be covered by letters patent, the indemnification heretofore provided for shall include, at the option of City, the removal of said equipment, article, or appliance, and Contractor shall furnish City with substitute equipment, article, appliance, method, formula or process complying fully with the terms of this Contract. The substitution of any equipment, article, appliance, method, formula or process by Contractor shall not terminate the indemnification provisions of this Contract, but said provisions shall remain in effect so long as City retains and uses said equipment, article, appliance, method, formula or process.

- 11. Neither this Contract nor any of the moneys that may become due Contractor hereunder may be assigned without the prior written consent of City.
- 12. Any notices required hereunder or desired to be given by either party shall be in writing and personally delivered or deposited in the U.S. Postal Service, first class, postage prepaid, addressed to Contractor at the address first stated above, and to City in care of the City Manager, 13th Floor, 333 West Ocean Boulevard, Long Beach, California 90802. Notice shall be deemed given on the date personal delivery is made or on the date of deposit in the mail, whichever first occurs.
- 13. The City Council has determined by virtue of the authority vested in it that no useful purpose would be served by requiring a faithful performance bond in connection with this Contract, and no faithful performance bond is therefore required in