

CONTRACT

30020

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3 THIS CONTRACT is made and entered, in duplicate, as of March 21, 2007
4 for reference purposes only, pursuant to a minute order adopted by the City Council of the
5 City of Long Beach at its meeting held on March 20, 2007, by and between QUATROTEC,
6 INC., a Delaware corporation, whose address is 423 Broadway, Suite 612, Millbrae,
7 California 94030 ("Contractor"), and the CITY OF LONG BEACH, a municipal corporation
8 ("City").

9 WHEREAS, pursuant to a "Notice Inviting Bids for Construction of the Interim
10 EDS Baggage Screening System at the Long Beach Airport in the City of Long Beach,
11 California," dated March 14, 2007, and published by City, bids were received, publicly
12 opened and declared on the date specified in said Notice; and

13 WHEREAS, the City Manager accepted the bid of Contractor; and

14 WHEREAS, the City Council authorized the City Manager to enter a contract
15 with Contractor for the work described in Plans & Specifications No. R-6719;

16 NOW, THEREFORE, in consideration of the mutual terms and conditions
17 herein, the parties agree as follows:

18 1. SCOPE OF WORK. Contractor shall furnish all necessary labor,
19 supervision, tools, materials, supplies, appliances, equipment and transportation for the
20 work described in "Plans & Specifications No. R-6719 for Construction of the Interim EDS
21 Baggage Screening System at the Long Beach Airport in the City of Long Beach,
22 California," said work to be performed according to the Contract Documents identified
23 below. However, this Contract is intended to provide to City complete and finished work
24 as described in the Contract Documents and, to that end, Contractor shall do everything
25 necessary to complete the work, whether or not specifically described in the Contract
26 Documents.

27 2. PRICE AND PAYMENT. City shall pay to Contractor the amount(s) for
28 materials and work identified in Contractor's "Bid for Construction of the Interim EDS

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 Baggage Screening System at the Long Beach Airport in the City of Long Beach,
2 California," attached hereto as Exhibit "A".

3 Contractor shall submit requests for progress payments and City will diligently
4 pursue payment in accordance with Section 9 of the Standard Specifications for Public
5 Works Construction (latest edition). The parties agree that Contractor shall be paid by City
6 in a manner consistent with City's payment of other similarly situated contractors
7 performing similar work.

8 3. CONTRACT DOCUMENTS. The Contract Documents include: The
9 Notice Inviting Bids, Plans & Specifications No. R-6719 (which may include by reference
10 the Standard Specifications for Public Works Construction, latest edition, and any
11 supplements thereto, collectively the "Standard Specifications"); the City of Long Beach
12 Standard Plans; Plans and Drawings No. B-4423 for this work; the California Code of
13 Regulations; the various Uniform Codes applicable to trades; the prevailing wage rates;
14 Instructions to Bidders; the Bid; the bid security; the City of Long Beach Disadvantaged,
15 Minority and Women-Owned Business Enterprise Program; this Contract and all
16 documents attached hereto or referenced herein including but not limited to insurance;
17 Bond for Faithful Performance; Payment Bond; Notice to Proceed; Notice of Completion;
18 any addenda or change orders issued in accordance with the Standard Specifications; any
19 permits required and issued for the work; approved final design drawings and documents;
20 and the Information Sheet. These Contract Documents are incorporated herein by the
21 above reference and form a part of this Contract.

22 Notwithstanding Section 2-5.2 of the Standard Specifications, if any conflict
23 or inconsistency exists or develops among or between Contract Documents, the following
24 priority shall govern: 1) Change Orders; 2) this Contract; 3) Permit(s) from other public
25 agencies; 4) Plans & Specifications No. R-6719; 5) Addenda; 6) Plans and Drawings No.
26 B-4423; 7) the City of Long Beach Standard Plans; 8) Standard Specifications; 9) other
27 reference specifications; 10) other reference plans; 11) the bid; and 12) the Notice Inviting
28 Bids.

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1 4. TIME FOR CONTRACT. Contractor shall commence work on a date to
2 be specified in a written "Notice to Proceed" from City and shall complete all work within
3 eighty (80) working days thereafter, subject to strikes, lockouts and events beyond the
4 control of Contractor. Time is of the essence hereunder. City will suffer damage if the
5 work is not completed within the time stated, but those damages would be difficult or
6 impractical to determine. So, Contractor shall pay to City, as liquidated damages, the
7 amount stated in the Contract Documents.

8 5. ACCEPTANCE OF WORK NOT TO CONSTITUTE A WAIVER. The
9 acceptance of any work or the payment of any money by City shall not operate as a waiver
10 of any provision of any Contract Document, of any power reserved to City, or of any right
11 to damages or indemnity hereunder. The waiver of any breach or any default hereunder
12 shall not be deemed a waiver of any other or subsequent breach or default.

13 6. WORKERS' COMPENSATION CERTIFICATION. Concurrently herewith,
14 Contractor shall submit certification of Workers' Compensation coverage in accordance
15 with California Labor Code Sections 1860 and 3700, a copy of which is attached hereto as
16 Exhibit "B".

17 7. CLAIMS FOR EXTRA WORK. No claim shall be made at any time upon
18 City by Contractor for and on account of any extra or additional work performed or
19 materials furnished, unless such extra or additional work or materials shall have been
20 expressly required by the City Manager and the quantities and price thereof shall have
21 been first agreed upon, in writing, by the parties hereto.

22 8. CLAIMS. Contractor shall, upon completion of the work, deliver
23 possession thereof to City ready for use and free and discharged from all claims for labor
24 and materials in doing the work and shall assume and be responsible for, and shall protect,
25 defend, indemnify and hold harmless City from and against any and all claims, demands,
26 causes of action, liability, loss, costs or expenses for injuries to or death of persons, or
27 damages to property, including property of City, which arises from or is connected with the
28 performance of the work.

1 9. INSURANCE. Prior to commencement of work, and as a condition
2 precedent to the effectiveness of this Contract, Contractor shall provide to City evidence
3 of all insurance required in the Contract Documents.

4 In addition, Contractor shall complete and deliver to City the form
5 (“Information Sheet”) attached as Exhibit “C” and incorporated by reference, to comply with
6 Labor Code Section 2810.

7 10. WORK DAY. Contractor shall comply with Sections 1810 through 1815
8 of the California Labor Code regarding hours of work. Contractor shall forfeit, as a penalty
9 to City, the sum of Twenty-five Dollars (\$25) for each worker employed by Contractor or
10 any subcontractor for each calendar day such worker is required or permitted to work more
11 than eight (8) hours unless that worker receives compensation in accordance with Section
12 1815.

13 11. PREVAILING WAGE RATES. Contractor is directed to the prevailing
14 wage rates. Contractor shall forfeit, as a penalty to the City, Fifty Dollars (\$50) for each
15 laborer, worker or mechanic employed for each calendar day, or portion thereof, that such
16 laborer, worker or mechanic is paid less than the prevailing wage rates for any work done
17 by Contractor, or any subcontractor, under this Contract.

18 12. COORDINATION WITH GOVERNMENTAL REGULATIONS. If the work
19 is terminated pursuant to an order of any Federal or State authority, Contractor shall accept
20 as full and complete compensation under this Contract such amount of money as will equal
21 the product of multiplying the Contract price stated herein by the percentage of work
22 completed by Contractor as of the date of such termination, and for which Contractor has
23 not been paid. If the work is so terminated, the City Engineer, after consultation with
24 Contractor, shall determine the percentage of work completed and the determination of the
25 City Engineer shall be final.

26 If Contractor is prevented, in any manner, from strict compliance with the
27 Plans and Specifications due to any Federal or State law, rule or regulation, in addition to
28 all other rights and remedies reserved to the parties City may by resolution of the City

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1 Council suspend performance hereunder until the cause of disability is removed, extend
2 the time for performance, make changes in the character of the work or materials, or
3 terminate this Contract without liability to either party.

4 13. NOTICES. A. Any notice required hereunder shall be in writing and
5 personally delivered or deposited in the U.S. Postal Service, first class, postage prepaid,
6 to Contractor at the address first stated herein, and to the City at 333 West Ocean
7 Boulevard, Long Beach, California 90802, Attn: City Manager. Notice of change of address
8 shall be given in the same manner as stated herein for other notices. Notice shall be
9 deemed given on the date deposited in the mail or on the date personal delivery is made,
10 whichever first occurs.

11 B. Except for stop notices and claims made under the Labor Code, City will
12 notify Contractor when City receives any third party claims relating to this Contract in
13 accordance with Section 9201 of the Public Contract Code.

14 14. BONDS. Contractor shall, simultaneously with the execution of this
15 Contract, execute and deliver to City a good and sufficient corporate surety bond, in the
16 form attached hereto and in the amount specified therein, conditioned upon the faithful
17 performance of this Contract by Contractor, and a good and sufficient corporate surety
18 bond, in the form attached hereto and in the amount specified therein, conditioned upon
19 the payment of all labor and material claims incurred in connection with this Contract.

20 15. COVENANT AGAINST ASSIGNMENT. Neither this Contract nor any
21 of the moneys that may become due Contractor hereunder may be assigned by Contractor
22 without the written consent of City first had and obtained, nor will City recognize any
23 subcontractor as such, and all persons engaged in the work of construction will be
24 considered as independent contractors or agents of Contractor and will be held directly
25 responsible to Contractor.

26 16. CERTIFIED PAYROLL RECORDS. Contractor shall keep and cause
27 each subcontractor to keep an accurate payroll record in accordance with Division 2, Part
28 7, Article 2 of the California Labor Code. Contractor's failure to furnish such record to City

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1 in the manner provided herein for notices shall entitle City to withhold the penalty
2 prescribed by law from progress payments due to Contractor.

3 17. RESPONSIBILITY OF CONTRACTOR. Notwithstanding anything to the
4 contrary in the Standard Specifications, Contractor shall have the responsibility, care and
5 custody of the work. If any loss or damage occurs to the work that is not covered by
6 collectible commercial insurance, excluding loss or damage caused by earthquake or flood
7 or the negligence or willful misconduct of City, then Contractor shall immediately make the
8 City whole for any such loss or pay for any damage. If Contractor fails or refuses to make
9 the City whole or pay, then City may do so and the cost and expense of doing so shall be
10 deducted from the amount due Contractor from City hereunder.

11 18. CONTINUATION. Termination or expiration of this Contract shall not
12 terminate the rights or liabilities of either party which rights or liabilities accrued or existed
13 prior to termination or expiration of this Contract.

14 19. TAXES AND TAX REPORTING. A. As required by federal and state
15 law, City is obligated to report the payment of compensation to Contractor on Form 1099-
16 Misc. and Contractor acknowledges that Contractor is not entitled to payment under this
17 Contract until it has provided its Employer Identification Number to City. Contractor shall
18 be solely responsible for payment of all federal and state taxes resulting from payments
19 under this Contract.

20 B. Contractor shall cooperate with City in all matters relating to taxation and
21 the collection of taxes, particularly with respect to the self-accrual of use tax. Contractor
22 shall cooperate as follows: (i) for all leases and purchases of materials, equipment,
23 supplies, or other tangible personal property totaling over \$100,000 shipped from outside
24 California, a qualified Contractor shall complete and submit to the appropriate
25 governmental entity the form in Appendix "A" attached hereto; and (ii) for construction
26 contracts and subcontracts totaling \$5,000,000 or more, Contractor shall obtain a sub-
27 permit from the California Board of Equalization for the Work site. "Qualified" means that
28 the Contractor purchased at least \$500,000 in tangible personal property that was subject

1 to sales or use tax in the previous calendar year.

2 In completing the form and obtaining the permit(s), Contractor shall use the
3 address of the Work site as its business address and may use any address for its mailing
4 address. Copies of the form and permit(s) shall also be delivered to the City Engineer.
5 The form must be submitted and the permit(s) obtained as soon as Contractor receives a
6 Notice to Proceed. Contractor shall not order any materials or equipment over \$100,000
7 from vendors outside California until the form is submitted and the permit(s) obtained and,
8 if Contractor does so, it shall be a material breach of this Contract. In addition, Contractor
9 shall make all purchases from the Long Beach sales office of its vendors if those vendors
10 have a Long Beach office and all purchases made by Contractor under this Contract which
11 are subject to use tax of \$500,000 or more shall be allocated to the City of Long Beach.
12 Contractor shall require the same form and permit(s) from its subcontractors.

13 Contractor shall not be entitled to and by signing this Contract waives any
14 claim or damages for delay against City if Contractor does not timely submit these forms
15 to the appropriate governmental entity. Contractor may contact the City Controller at (562)
16 570-6450 for assistance with the form.

17 20. ADVERTISING. Contractor shall not use the name of City, its officials
18 or employees in any advertising or solicitation for business, nor as a reference, without the
19 prior approval of the City Manager, City Engineer or designee.

20 21. AUDIT. If payment of any part of the consideration for this Contract is
21 made with federal, state or county funds and a condition to the use of those funds by City
22 is a requirement that City render an accounting or otherwise account for said funds, then
23 City shall have the right at all reasonable times to examine, audit, inspect, review, extract
24 information from, and copy all books, records, accounts and other information relating to
25 this Contract.

26 22. NO PECULIAR RISK. Contractor acknowledges and agrees that the
27 work to be performed hereunder does not constitute a peculiar risk of bodily harm and that
28 no special precautions are required to perform said work.

1 23. THIRD PARTY BENEFICIARY. This Contract is intended by the parties
2 to benefit themselves only and is not in any way intended or designed to or entered for the
3 purpose of creating any benefit or right of any kind for any person or entity that is not a
4 party to this Contract.

5 24. SUBCONTRACTORS. Contractor agrees to and shall bind every
6 subcontractor to the terms of this Contract; provided, however, that nothing herein shall
7 create any obligation on the part of City to pay any subcontractor except in accordance
8 with a court order in an action to foreclose a stop notice. Failure of Contractor to comply
9 with this Section shall be deemed a material breach of this Contract. A list of
10 subcontractor(s) submitted by Contractor in compliance with Public Contract Code
11 Sections 4100 et seq. is attached hereto as Exhibit "D" and incorporated herein by this
12 reference.

13 25. NO DUTY TO INSPECT. No language in this Contract shall create and
14 City shall not have any duty to inspect, correct, warn of or investigate any condition arising
15 from Contractor's work hereunder, or to insure compliance with laws, rules or regulations
16 relating to said work. If City does inspect or investigate, the results thereof shall not be
17 deemed compliance with or a waiver of any requirements of the Contract Documents.

18 26. GOVERNING LAW. This Contract shall be governed by and construed
19 pursuant to the laws of the State of California (except those provisions of California law
20 pertaining to conflicts of laws).

21 27. INTEGRATION. This Contract, including the Contract Documents
22 identified in Section 3 hereof, constitutes the entire understanding between the parties and
23 supersedes all other agreements, oral or written, with respect to the subject matter herein.

24 28. COSTS. If there is any legal proceeding between the parties to enforce
25 or interpret this Contract or to protect or establish any rights or remedies hereunder, the
26 prevailing party shall be entitled to its costs, including reasonable attorney's fees.

27 29. NONDISCRIMINATION. In connection with performance of this Contract
28 and subject to federal laws, rules and regulations, Contractor shall not discriminate in

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1 employment or in the performance of this Contract on the basis of race, religion, national
2 origin, color, age, sex, sexual orientation, AIDS, HIV status, handicap or disability. It is the
3 policy of the City to encourage the participation of Disadvantaged, Minority and Women-
4 Owned Business Enterprises, and the City encourages Contractor to use its best efforts
5 to carry out this policy in the award of all subcontracts.

6 30. DEFAULT. Default shall include but not be limited to Contractor's failure
7 to perform in accordance with the Plans and Specifications, failure to comply with any
8 Contract Document, failure to pay any penalties, fines or charges assessed against
9 Contractor by any public agency, failure to pay any charges or fees for services performed
10 by the City, and if Contractor has substituted any security in lieu of retention, then default
11 shall also include City's receipt of a stop notice. If default occurs and Contractor has
12 substituted any security in lieu of retention, then in addition to City's other legal remedies,
13 City shall have the right to draw on the security in accordance with Public Contract Code
14 Section 22300 and without further notice to Contractor. If default occurs and Contractor
15 has not substituted any security in lieu of retention, then City shall have all legal remedies
16 available to it.

17 IN WITNESS WHEREOF, the parties have caused this document to be duly

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executed with all formalities required by law as of the date first stated above.

QUATROTEC, INC., a Delaware corporation

April 2, 2007

By *Dominic Della Maggiora*
President
Dominic Della Maggiora
(Type or Print Name)

_____, 2007

By _____
Secretary

(Type or Print Name)

"Contractor"

CITY OF LONG BEACH, a municipal corporation

April 16, 2007

By *Mark Skinner*
City Manager

"City"

This Contract is approved as to form on _____ 4/4, 2007.

ROBERT E. SHANNON, City Attorney

By *Linda Conway*
Deputy City Attorney

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EXHIBIT "A"

BID FORM

BIDDER'S NAME: QUATREC, INC.

BID FOR THE CONSTRUCTION OF
THE INTERIM EDS BAGGAGE SCREENING SYSTEM
AT THE LONG BEACH AIRPORT
IN THE CITY OF LONG BEACH, CALIFORNIA

In accordance with the Notice Inviting Bids for the above titled Work in the City of Long Beach, California, a copy of which is attached hereto and is made a part hereof, to be opened on March 14th 2007, at 10:00 a.m., we propose to furnish all necessary labor, tools, materials, appliances and equipment for and perform all work mentioned in said Notice Inviting Bids, in full compliance with Plans & Specifications No. R-6719 at the following prices.

In order to determine the lowest bidder, the City will use the total Base Bid. The City will award to the lowest bidder the Base Bid or, at the City's sole option and based on the funds available, will award to the lowest bidder the Base Bid plus any combination of Alternates as selected by the City. In order to be determined responsive, the bidder must bid on the Base Bid and Alternates 1 through 4. The Contractor shall have the option to provide a Bid for Alternates 5 through 10. Refer to General Requirements "Alternates" and "Allowances"

ITEM NO.	ITEM DESCRIPTION	UNIT	UNIT PRICE (IN FIGURES)	ITEM TOTAL (IN FIGURES)
	Interim EDS Baggage Screening System Construction (Including Demolition, Temporary Construction, and Site Work)	LS		\$ 1,192,052.00
	Allowances:			
	DELETED	LS	\$	0.00

TOTAL BASE BID INCLUDING ALLOWANCES:

\$ 1,192,052.00

Addendum #2

B-1

R-6719

WARNING: This record contains Sensitive Security Information that is controlled under 49 CFR parts 15 and 1520. No part of this record may be disclosed to persons without a "need to know", as defined in 49 CFR parts 15 and 1520, except with the written permission of the Administrator of the Transportation Security Administration or the Secretary of Transportation. Unauthorized release may result in civil penalty or other action. For U.S. government agencies, public disclosure is governed by 5 U.S.C. 552 and 49 CFR parts 15 and 1520.

BID FORM

Alternates are NOT to be included in the base bid.

Required Alternates 1-4. Clearly indicate add or deduct

1. Add / Deduct Alternate: Install BHS Conveyor Enclosure (Top Hat).

~~\$~~ 97.82 per LF

2. Add / Deduct Alternate: Remove BHS Conveyor Enclosure (Top Hat).

~~\$~~ 97.82 per LF

3. Add / Deduct Alternate: Provide 5-foot Heavy Duty Roller Conveyor Section and Supports (McMaster Carr model Nos. 5746K146 and 5183K53 or approved Equal).

~~\$~~ 500⁰⁰ per EA

4. Add / Deduct Alternate: Provide Gravity Expandable Conveyor (Best/Flex 300 or approved Equal).

~~\$~~ 2,300⁰⁰ per EA

Optional Alternates 5-10. Clearly indicate add, deduct, or "NO BID"

5. Add / Deduct Alternate: Increase BHS (parts and labor) warrantee to three (3) years in lieu of standard one (1) year.

1 LS OF ~~\$~~ 24,000⁰⁰

6. Add / Deduct Alternate: Increase BHS (parts and labor) warrantee to five (5) years in lieu of standard one (1) year.

1 LS OF ~~\$~~ 66,000⁰⁰

BID FORM

Optional Alternates 5-10. Clearly indicate add, deduct, or "NO BID"

7. Add / Deduct Alternate: Increase BHS (design defects) warrantee to five (5) years in lieu of standard three (3) years.

1 LS \$6,000⁰⁰

8. Add / Deduct Alternate: Increase BHS (software and low level controls) warrantee to five (5) years in lieu of standard three (3) years.

1 LS \$6,000⁰⁰

9. Add / Deduct Alternate: Increase HVAC warrantee to three (3) years in lieu of standard one (1) year.

1 LS \$6,000⁰⁰

10. Add / Deduct Alternate: Increase HVAC warrantee to five (5) years in lieu of standard one (1) year.

1 LS \$15,000⁰⁰

BASE BID

AIRPORT SECURITY/SCREENING AND
OTHER AIRPORT BAGGAGE HANDLING IMPROVEMENTS

CONTRACTOR'S QUALIFICATIONS AND
EXPERIENCE STATEMENT

FOR THE CONSTRUCTION OF
THE INTERIM EDS BAGGAGE HANDLING SYSTEM
AT THE LONG BEACH AIRPORT

This Work is located adjacent to a very active airport terminal facility and the Contractor shall be required to coordinate the Contractor's activities with multiple stakeholders. Typical terminal operations include commercial aircraft movement, airline baggage handling operations, TSA baggage screening operations, as well as regular airport operations and maintenance activities. Support activities that routinely occur on the Airport include, but are not limited to, fire protection equipment, safety vehicles, fueling, baggage handlers, aircraft towing, maintenance vehicles, and other construction projects.

This Work requires conformance with TSA specifications and commissioning requirements for baggage screening at airports. The TSA specifications and commissioning requirements are generally more stringent than typical local agency specifications, especially with regard to baggage screening and security equipment.

The City has established preferred airport baggage handling and security screening installation qualifications and experience requirements for the Contractor. Each bidder shall submit an "Airport Security/Screening and other Airport Baggage Handling Improvements – Contractor's Qualifications and Experience Statement". The statement shall be completed on the following form. The statement shall be included with the Bid and failure to include the statement with the Bid shall render the Bid non-responsive.

Addendum #2

R-6719

WARNING: This record contains Sensitive Security Information that is controlled under 49 CFR parts 15 and 1520. No part of this record may be disclosed to persons without a "need to know", as defined in 49 CFR parts 15 and 1520, except with the written permission of the Administrator of the Transportation Security Administration or the Secretary of Transportation. Unauthorized release may result in civil penalty or other action. For U.S. government agencies, public disclosure is governed by 5 U.S.C. 552 and 49 CFR parts 15 and 1520.

The Contractor or baggage handling subcontractor shall have experience with installing baggage screening and baggage handling systems at airports in accordance with Specification section 14520 (or similar) and all applicable TSA Requirements. It is preferred that the Contractor or baggage handling subcontractor shall have installed baggage screening and baggage handling equipment in accordance with section 14520 (or similar) and all applicable TSA Requirements for at least two (2) airport baggage handling projects and shall have performed a portion of the work during nighttime hours. Baggage Screening Installation projects shall have included the TSA commissioning process. The Contractor shall list the percentage of baggage handling work performed by the Contractor or baggage handling subcontractor.

The Contractor shall employ at a minimum, one (1) full-time Superintendent or one (1) full-time Project Manager and one (1) full-time Project Engineer approved by the City who shall be in attendance at the Project site at all times during the performance of the Work for the duration of the Project.

Even in the event only one of the required staff is experienced with a completed TSA approved Project, all staff must remain full-time on the Project. The Project Manager and/or Superintendent shall have completed at least one (1) TSA Project and have experience in baggage handling and screening system installation and commissioning and at least one airport baggage handling facility. The Superintendent or Project Manager shall have completed at least two (2) Projects in the last seven (7) years that are similar in size and complexity to the Interim EDS Baggage Screening System.

Since specific similar Project experience is essential on this Work, the City reserves the right to reject any Bid if evidence submitted by the bidder, or the City's investigation of such bidder, fails to satisfy the City that such bidder is properly qualified to carry out the obligations of the Contract and to complete the Work contemplated herein. Conditional Bids will not be accepted.

Addendum #2

R-6719

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14520 BAGGAGE HANDLING SYSTEM EXPERIENCE

Baggage Screening/ Handling Project No. 1	Project Title		AMERICAN AIRLINES BHS		Date Completed: MAY 2005
	Project Superintendent				
	Project Manager				
	SCOTT VIRE				
	Project Engineer				
	STEVE SPANO				
	Type of Work				
	IN-LINE BHS/EDS, 4 CTX 9000'S				
	Airport				
	SAN FRANCISCO INTERNATIONAL				
Owner Name, Address, and Telephone					
AMERICAN AIRLINES SAN FRANCISCO INTERNATIONAL AIRPORT PAUL BOKK - STATION MANAGER (VSC) 877-6395					
Name of person familiar with project, Telephone					
SFC PROJECT MANAGER TOM RODRIGUES - (650) 821-7718					
Contract Amount					
QUATREC - \$ 682,200 PROJECT TOTAL \$ 9,309,000					
Baggage Screening/Handling Equipment Installed on this Project					
Quantity Installed (LF)	Prime Contractor % of BHS Work	Subcontractor % of BHS Work	Was TSA Commissioning included in the Scope of Work?	Regular Scheduled Passenger Service?	Night Work?
1,388 LF	7.3 %	92.7%	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="radio"/> Yes <input type="radio"/> No

NOTE: Fill out Project Superintendent OR Project Manager. Failure to complete all remaining portions of this form may render the Bidder's Bid as non-responsive and subject to rejection.

14520 BAGGAGE HANDLING SYSTEM EXPERIENCE

Baggage Screening/ Handling Project No. 2	Project Title		ATA/AMERICA WEST		Date Completed: JANUARY 2005
	Project Superintendent				
	Project Manager		SCOTT URE		
	Project Engineer		STEVE SPANO		
	Type of Work		IN-LINE BHS / EDS 120' MAKEUP UNIT, - 4 CTX 9000'S		
	Airport		SAN FRANCISCO INTERNATIONAL		
	Owner Name, Address, and Telephone		AMERICA WEST AIRLINES SAN FRANCISCO INTERNATIONAL AIRPORT MADON MARCUS - STATION MANAGER (650) 877-0401		
	Name of person familiar with project, Telephone		SFO AIRPORT MANAGER TOM RODRIGUES (650) 821-7719		
	Contract Amount		QUATROTEC: \$669,000 PROJECT TOTAL: \$2,914,000		
	Baggage Screening/Handling Equipment Installed on this Project				
Quantity Installed (LF)	Prime Contractor % of BHS Work	Subcontractor % of BHS Work	Was TSA Commissioning included in the Scope of Work?	Regular Scheduled Passenger Service?	Night Work?
834 L F	7.6 %	92.4 %	(Yes) No	(Yes) No	(Yes) No

NOTE: Fill out Project Superintendent OR Project Manager. Failure to complete all remaining portions of this form may render the Bidder's Bid as non-responsive and subject to rejection.

Matthew Conolly
Signature

3/12/2007
Date

MATTHEW CONOLLY - VICE PRESIDENT
Name and Title of Signing Officer

QUATREC, Inc.
Company Name

423 BRADLOW # 612 MILLBRAE CA 94030
Business Address

(408) 307-4884 (800) 896-1314
Telephone Fax

Addendum #2

R-6719

WARNING: This record contains Sensitive Security Information that is controlled under 49 CFR parts 15 and 1520. No part of this record may be disclosed to persons without a "need to know", as defined in 49 CFR parts 15 and 1520, except with the written permission of the Administrator of the Transportation Security Administration or the Secretary of Transportation. Unauthorized release may result in civil penalty or other action. For U.S. government agencies, public disclosure is governed by 5 U.S.C. 552 and 49 CFR parts 15 and 1520.

ADDENDA ACKNOWLEDGMENT / SIGNATURE PAGE

If Bidder is an individual, his/her signature shall be set forth below. If the Bidder is a joint venture, the name of the joint venture shall be set forth below, with the signature of an authorized representative of each venturer. If the Bidder is a partnership, the name of the partnership shall be set forth below, together with the signature of the general partner. If the Bidder is a limited liability company, the legal name of the company shall be set forth below, with the signature of a member or manager authorized to bind the company. If the Bidder is a corporation, the legal name of the corporation shall be set forth below, together with the signature of an officer of the corporation.

Is the Bidder a Minority-Owned or Woman-Owned Business Enterprise? Yes No
(Please check one or both, if applicable). (Circle One)

Woman-Owned _____
Minority-Owned _____ Which Racial Minority? _____

This information will be used for statistical analysis only. The contract will be awarded to the lowest responsible bidder.

Bidder hereby acknowledges receipt of Addendum No. 1 2 3 4 5 6
(Initial above all appropriate numbers)

Respectfully submitted,

QUATREC-TEC INC. By Matthew Connolly
Legal Name of Company Signature

Individual

Joint Venture

Partnership (General) Names of Other General Partners

Partnership (Limited) Names of Other Partners

Limited Liability Company
 Corporation Incorporated Under the Laws of the State of DELAWARE

Names of Other General Partners

Names of Other Partners

Incorporated Under the Laws of the State of DELAWARE

Business Address 423 BROADWAY # 612
(Actual Address - Do NOT list a post office box)

Business Telephone (888) 815-1904 Fax Telephone (800) 896-1319

Under Chapter 9 of Division 3 of the Business and Professions Code, (Contractors' License Law), of the State of California, the undersigned has been issued a Class B license, Number 283526; license termination date is SEPTEMBER 30, 2008.

Contractor's Employer Identification Number or Social Security # is [REDACTED]

Under Chapter 1, Article VI, Municipal Code of the City of Long Beach, the undersigned has been issued license number _____; license termination date is _____.

Address listed on license _____
(If different from business address listed above)

NONCOLLUSION AFFIDAVIT TO BE EXECUTED
BY BIDDER AND SUBMITTED WITH BID

State of California }
County of SAN MATEO } ss.

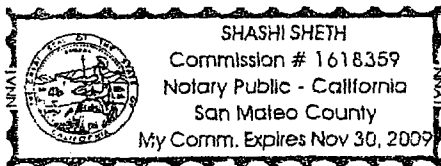
(1) MATTHEW CONNOLLY, being first duly sworn, deposes and says that he or she is (2) VICE PRESIDENT of (3) QUANTUM INC. the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

(4) [Signature]

Subscribed and sworn to before me on 3/13/07.

Notary Seal

(5) [Signature]



- (1) Name of person signing on behalf of Contractor (must be authorized to sign contracts)
- (2) Title
- (3) Name of Contractor
- (4) Signature of Contractor
- (5) Signature of Notary

EXHIBIT B

WORKERS' COMPENSATION CERTIFICATION

In accordance with California Labor Code Sections 1860 and 3700, I certify that I am aware of the provisions of Section 3700 which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with said provisions before commencing the performance of the Work of this contract.

Contractor's Name:

Quatrotec Inc

Signature of Contractor, or a corporate officer of Contractor, or a general partner of Contractor:

Dani Will. Maggini

Title: President

Date: April 2, 2007

INFORMATION TO COMPLY WITH LABOR CODE SEC. 2810

To comply with Labor Code Sec. 2810, Contractor shall complete and submit this Information Sheet which shall be incorporated into and be a part of the Contract:

1) Workers' Compensation Insurance:

- A. Policy Number: YEUB110D330605
- B. Name of Insurer (NOT Broker): TRAVELERS INDEMNITY CO. OF CONNECTICUT
- C. Address of Insurer: ONE TOWER SQUARE, HARTFORD CT 06183-1050
- D. Telephone Number of Insurer: (860) 954-5660

2) For vehicles owned by Contractor and used in performing work under this Contract:

- A. VIN (Vehicle Identification Number): N/A
- B. Automobile Liability Insurance Policy Number: _____
- C. Name of Insurer (NOT Broker): _____
- D. Address of Insurer: _____
- E. Telephone Number of Insurer: _____

3) Address of property used to house workers on this Contract, if any:

TBD

4) Estimated total number of workers to be employed on this Contract: TBD

5) Estimated total wages to be paid those workers: TBD

6) Dates (or schedule) when those wages will be paid: MONTHLY

(Describe schedule: For example, weekly or every other week or monthly)

7) Estimated total number of independent contractors to be used on this Contract: TBD
(Attach a list of contractor's license numbers with the names, if known)


8) Taxpayer's Identification Number: 

EXHIBIT “D”

List of Subcontractors

LIST OF SUBCONTRACTORS

The Bidder shall set forth hereon, the name, location of the place of business, and telephone number of each subcontractor, including minority subcontractors, who will perform work or labor or render service to the Prime Contractor in or about the construction of the Work or improvement, or a subcontractor licensed by the State of California who, under subcontract to the Prime Contractor, specially fabricates and installs a portion of the Work or improvement according to detailed drawings contained in the Plans and Specifications, in an amount in excess of 1/2 of 1 percent of the Prime Contractor's total bid or \$10,000 (whichever is greater).

Name and Address of Subcontractor

Classification or Type of Work

Name SIEMENS ENERGY AUTOMATION
Address 2700 EVERS BLVD Dollar Amount of Contract \$ 360,000.00
City DFW ADULT DRUGS TX DBE / MBE / WBE / Racial Origin N/A
(circle one)
Phone No. (972) 947 7100 License No. _____

Name VERTEL INDUSTRIAL SYSTEMS
Address 3217 E. SHERMAN BLVD # 436 Dollar Amount of Contract \$ 120,000.00
City PHOENIX AZ 85028 DBE / MBE / WBE / Racial Origin N/A
(circle one)
Phone No. (480) 756-2300 License No. _____

Name _____
Address _____ Dollar Amount of Contract \$ _____
City _____ DBE / MBE / WBE / Racial Origin _____
(circle one)
Phone No. _____ License No. _____

Name _____
Address _____ Dollar Amount of Contract \$ _____
City _____ DBE / MBE / WBE / Racial Origin _____
(circle one)
Phone No. _____ License No. _____

Name _____
Address _____ Dollar Amount of Contract \$ _____
City _____ DBE / MBE / WBE / Racial Origin _____
(circle one)
Phone No. _____ License No. _____

Name _____
Address _____ Dollar Amount of Contract \$ _____
City _____ DBE / MBE / WBE / Racial Origin _____
(circle one)
Phone No. _____ License No. _____

LABOR AND MATERIAL BOND
Bond No. F19121

KNOW ALL MEN BY THESE PRESENTS: That we, QUATROTEC, INC., as PRINCIPAL, and ACSTAR Insurance Company, located at 233 Main Street, New Britain, CT, 06050, a corporation, incorporated under the laws of the State of CT, admitted as a surety in the State of California, and authorized to transact business in the State of California, as SURETY, are held and firmly bound unto the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation, in the sum of ONE MILLION ONE HUNDRED NINETY-TWO THOUSAND FIFTY-TWO DOLLARS (\$1,192,052.00), lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded and is about to enter the annexed contract (incorporated herein by this reference) with said City of Long Beach for the Construction of the Interim EDS Baggage Screening System at the Long Beach Airport in the City of Long Beach, California and is required by law and by said City to give this bond in connection with the execution of said contract;

NOW, THEREFORE, if said Principal, as Contractor of said contract, or any subcontractor of said Principal, fails to pay for any materials, provisions, equipment, or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Act, during the original term of said contract and any extensions thereof, and during the life of any guaranty required under the contract, or shall fail to pay for any materials, provisions, equipment, or other supplies, used in, upon, for or about the performance of the work to be done under any authorized modifications of said contract that may hereafter be made, or for any work or labor done of any kind, or for amounts due under the Unemployment Insurance Act, under said modification, said Surety will pay the same in an amount not exceeding the sum of money hereinabove specified and, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the court; otherwise this obligation shall be void; however, such fee shall not exceed the penal sum of this bond.

PROVIDED, that any modifications, alterations, or changes which may be made in said contract, or in any of the work or labor required to be done thereunder, or in any of the materials, provisions, equipment, or other supplies required to be furnished pursuant to said contract, or the giving by the City of any extension of time for the performance of said contract, or the giving of any other forbearance upon the part of either the City or the Principal to the other, shall not in any way release the Principal or the Surety, or either of them, or their respective heirs, administrators, executors, successors or assigns, from any liability arising hereunder, and notice to the Surety of any such modifications, alterations, changes, extensions or forbearances is hereby waived. No premature payment by said City to said Principal shall release or exonerate the Surety, unless the officer of the City ordering the payment shall have actual notice at the time the order is made that the payment is in fact premature, and then only to the extent that such payment shall result in actual loss to the Surety, but in no event in an amount more than the amount of such premature payment.

This bond shall inure to the benefit of any and all persons, companies and corporations entitled by law to file claims so as to give a right of action to them or their assigns in any suit brought upon this bond.

IN WITNESS WHEREOF, the above named Principal and Surety have executed, or caused to be executed, this instrument with all of the formalities required by law on this 11th day of April, 2007.

Quatrotec, Inc.

CONTRACTOR/PRINCIPAL

By: Dominic Della Maggiora

Name: Dominic Della Maggiora

Title: President

By: _____

Name: _____

Title: _____

ACSTAR Insurance Company

SURETY, admitted in California

By: Henry W. Nozko, Jr.

Name: Henry W. Nozko, Jr.

Title: President

Telephone: 860-224-2000

Approved as to form this 16th day
of April, 2007.

ROBERT E. SHANNON, City Attorney

By: Sonia Conway

Deputy

Approved as to sufficiency this 15 day
of April, 2007.

By: [Signature]

City Manager/City Engineer

NOTE: 1. Execution of this bond must be acknowledged by both PRINCIPAL and SURETY before a Notary Public and a Notary's certificate of acknowledgment must be attached.
2. A corporation must execute the bond by 2 authorized officers and, if executed by a person not listed in Sec. 313, Calif. Corp. Code, then a certified copy of a resolution of its Board of Directors authorizing execution must be attached.

BOND FOR FAITHFUL PERFORMANCE
Bond No. F19121

KNOW ALL MEN BY THESE PRESENTS: That we, QUATROTEC, INC., as PRINCIPAL, and ACSTAR Insurance Company, located at 233 Main Street, New Britain, Ct 06050

_____, a corporation, incorporated under the laws of the State of IL, admitted as a surety in the State of California and authorized to transact business in the State of California, as SURETY, are held and firmly bound unto the CITY OF LONG BEACH, CALIFORNIA, a municipal corporation, in the sum of ONE MILLION ONE HUNDRED NINETY-TWO THOUSAND FIFTY-TWO DOLLARS (\$1,192,052.00), lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, our respective heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT:

WHEREAS, said Principal has been awarded and is about to enter the annexed contract (incorporated herein by this reference) with said City of Long Beach for the Construction of the Interim EDS Baggage Screening System at the Long Beach Airport in the City of Long Beach, California and is required by said City to give this bond in connection with the execution of said contract;

NOW, THEREFORE, if said Principal shall well and truly keep and faithfully perform all of the covenants, conditions, agreements and obligations of said contract on said Principal's part to be kept, done and performed, at the times and in the manner specified therein, then this obligation shall be null and void, otherwise it shall be and remain in full force and effect;

PROVIDED, that any modifications, alterations, or changes which may be made in said contract, or in the work to be done, or in the services to be rendered, or in any materials or articles to be furnished pursuant to said contract, or the giving by the City of any extension of time for the performance of said contract, or the giving of any other forbearance upon the part of either the City or the Principal to the other, shall not in any way release the Principal or the Surety, or either of them, or their respective heirs, administrators, executors, successors or assigns, from any liability arising hereunder, and notice to the Surety of any such modifications, alterations, changes, extensions or forbearances is hereby waived. No premature payment by said City to said Principal shall release or exonerate the Surety, unless the officer of said City ordering the payment shall have actual notice at the time the order is made that such payment is in fact premature, and then only to the extent that such payment shall result in actual loss to the Surety, but in no event in an amount more than the amount of such premature payment.

IN WITNESS WHEREOF, the above named Principal and Surety have executed, or caused to be executed, this instrument with all of the formalities required by law on this 11th day of April, 2007.

Quatrotec, Inc.

CONTRACTOR/PRINCIPAL

By: Dominic DellaMaggiora

Name: Dominic DellaMaggiora

Title: President

By: _____

Name: _____

Title: _____

ACSTAR Insurance Company

SURETY, admitted in California

By: Henry W. Nozko, Jr.

Name: Henry W. Nozko, Jr.

Title: President

Telephone: 860-224-2000

Approved as to form this 16th day
of April, 2007.

ROBERT E. SHANNON, City Attorney

By: Row A Conway

Deputy

Approved as to sufficiency this 16 day
of April, 2007.

By: Jim [Signature]

City Manager/City Engineer

NOTE: 1. Execution of this bond must be acknowledged by both PRINCIPAL and SURETY before a Notary Public and a Notary's certificate of acknowledgment must be attached.

2. A corporation must execute the bond by 2 authorized officers and, if executed by a person not listed in Sec. 313, Calif. Corp. Code, then a certified copy of a resolution of its Board of Directors authorizing execution must be attached.



233 MAIN STREET • P.O. BOX 2350 • NEW BRITAIN, CT 06050-2350 • (860) 224-2000

NOTARY ACKNOWLEDGEMENT FOR CORPORATE SURETY

State of Connecticut

ss: New Britain

County of Hartford

I, Diane L. Plante, a Notary Public in and for the county and state aforesaid, do hereby certify that Henry W. Nozko, Jr. who, as President, signed the foregoing instrument for ACSTAR Insurance Company, a corporation, bearing date the 11th day of April, 2007, has this day, in my said county, before me acknowledged the said instrument to be the act and deed of the said corporation. Given under my hand this 11th day of April, 2007.

Diane L. Plante

Notary Public

Diane L. Plante

My commission expires: 11/30/08



233 MAIN STREET • P.O. BOX 2350
NEW BRITAIN, CT 06050-2350
(860) 224-2000

POWER OF ATTORNEY
No 24981

This Power of Attorney must have original corporate seal, and red and blue ACSTAR logo to be valid.

Know all men by these presents: That ACSTAR Insurance Company, a corporation of the State of Illinois, having its principal office in the City of New Britain, Connecticut, pursuant to the following Resolution, which was adopted by the Board of Directors of the said Company on June 23, 2005.

RESOLVED, That the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the Chairman, the President, any Vice President and General Counsel, or any Attorney-in-Fact, may execute for and on behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Corporate Secretary, or any Assistant Corporate Secretary, and the seal of the Company affixed thereto; and that the Chairman or President may appoint and authorize any other Officer (elected or appointed) of the Company, and Attorneys-in-Fact to so execute or attest to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested to by the Corporate Secretary.
- (3) The signature of the Chairman, the President, or a Vice President of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.
- (4) Such other Officers of the Company, and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.

does hereby nominate, constitute and appoint

HENRY W. NOZKO, JR., ROBERT H. FRAZER, DAVID A. PRICE, MICHAEL P. CIFONE, JOAN C. FORTIER, HENRY W. NOZKO III each individually, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding TEN MILLION DOLLARS (\$10,000,000.00) each, and the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply, as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, Henry W. Nozko, Jr., President, has hereunto subscribed his name and affixed the corporate seal of **ACSTAR Insurance Company** this 23rd day of June 2005.

ACSTAR Insurance Company

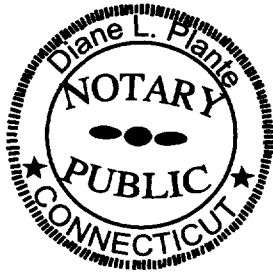
by

Henry W. Nozko Jr., President

STATE OF CONNECTICUT)
) ss. NEW BRITAIN
COUNTY OF HARTFORD)

On this 23rd day of June 2005, before me, a Notary Public of the State of Connecticut came, Henry W. Nozko, Jr., President of **ACSTAR Insurance Company**, to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signatures were duly affixed by the authority and direction of the said corporation, and the Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of New Britain the day and year first above written.



Notary Public - Diane L. Plante

I, the undersigned, Secretary or Assistant Secretary of **ACSTAR Insurance Company**, do hereby certify that the original **POWER OF ATTORNEY** of which the foregoing is a full, true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Secretary or Assistant Secretary, and affixed the corporate seal of the Corporation, this 11th day of April 2007.

Robert H. Frazer/Michael P. Cifone
Secretary/ Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

State of Connecticut
County of Hartford

ACKNOWLEDGEMENT

On April 11, 2007 before me, Diane L. Plante

(here insert name and title of the officer)
personally appeared Henry W. Nozko, Jr.

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledge to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

DIANE L. PLANTE
NOTARY PUBLIC
MY COM. EX. 10667, ISS. 07.30, 2003

Signature Diane L. Plante

(Seal)

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- INDIVIDUAL
- CORPORATE OFFICER

- TITLE(S)
- PARTNER(S) LIMITED
 - ATTORNEY-IN-FACT GENERAL
 - TRUSTEE(S)
 - GUARDIAN/CONSERVATOR
 - OTHER: _____

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

SIGNER IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE

APPENDIX "A"

400-DP (FRONT) REV 1. (10-01)
**APPLICATION FOR
 USE TAX DIRECT PAYMENT PERMIT**

STATE OF CALIFORNIA
 BOARD OF EQUALIZATION

Please Type or Print Clearly. Read instructions on reverse before completing this form.

SECTION I - BUSINESS INFORMATION

NAME OF BUSINESS OR GOVERNMENTAL ENTITY <i>S.H.E. Engineering & Construction Group Inc</i>		SALES/USE TAX PERMIT NUMBER
BUSINESS ADDRESS (street) <i>18045 Sherman Way</i>		CONSUMER USE TAX ACCOUNT NUMBER
CITY, STATE, & ZIP CODE <i>Reseda, CA 91335</i>		If applicant is applying for either a sales/use tax permit or a consumer use tax account in addition to a use tax direct payment permit check here <input type="checkbox"/>
MAILING ADDRESS (street address or po box if different from business address)		
CITY, STATE, & ZIP CODE		NAME UNDER WHICH BUSINESS IS TO BE TRANSACTED IF DIFFERENT THAN ABOVE <i>N/A</i>

SECTION II - MULTIPLE BUSINESS LOCATIONS

LIST BELOW THE BUSINESS AND MAILING ADDRESSES OF ALL LOCATIONS WHERE PROPERTY PURCHASED UNDER A USE TAX DIRECT PAYMENT CERTIFICATE WILL BE USED. IF ADDITIONAL SPACE IS NEEDED, ATTACH A SEPARATE SHEET

1. BUSINESS ADDRESS <i>City of Long Beach, Blw PCH & 20th Street</i>	4. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS
2. BUSINESS ADDRESS <i>18045 Sherman Way, Suite 101</i>	5. BUSINESS ADDRESS
MAILING ADDRESS <i>Reseda, CA 91335</i>	MAILING ADDRESS
3. BUSINESS ADDRESS	6. BUSINESS ADDRESS
MAILING ADDRESS	MAILING ADDRESS

SECTION III - CERTIFICATION STATEMENT

I hereby certify that I qualify for a Use Tax Direct Payment Permit for the following reason: (Please check one of the following)

- I have purchased or leased for my own use tangible personal property subject to use tax at a cost of five hundred thousand dollars (\$500,000) or more in the aggregate, during the calendar year immediately preceding this application for the permit. I have attached a "Statement of Cash Flows" or other comparable financial statements acceptable to the Board for the calendar year immediately preceding the date of application and a separate statement attesting that the qualifying purchases were purchases that were subject to use tax.
- I am a county, city, city and county, or redevelopment agency.

I also agree to self-assess and pay directly to the Board of Equalization any use tax liability incurred pursuant to my use of a Use Tax Direct Payment Permit.

The above statements are hereby certified to be correct to the knowledge and belief of the undersigned, who is duly authorized to sign this application.

SIGNATURE	TITLE
NAME (typed or printed)	DATE

(See reverse side for general information and filing instructions)

USE TAX DIRECT PAYMENT PERMIT
(General Information and Filing Instructions)

Revenue and Taxation Code Section 7051.3 authorizes the State Board of Equalization to issue a "Use Tax Direct Payment Permit" to qualified applicants. This permit allows purchasers and lessees of tangible personal property (other than lessees of motor vehicles the lease of which is subject to the terms of Section 7205.1 of the Sales and Use Tax Law) to self-assess and pay use taxes directly to the Board instead of to the vendor or lessor from whom the property is purchased or leased.

Permit holders will be provided with a use tax direct payment exemption certificate which they can issue to retailers and lessors when they purchase tangible personal property subject to use tax or make qualified leases of tangible personal property. Vendors who timely take the certificate in good faith from a permit holder are relieved of the duty to collect use taxes on the sales for which the certificate was issued. Permit holders who acquire property under a certificate must self-assess and report the use taxes directly to the Board on their tax returns, and allocate the local taxes to the county, city, city and county, or redevelopment agency in which the property is first used. Permit holders who fail to properly pay any use taxes that are due on property for which a certificate was given are subject to interest and penalties assessments in addition to their tax liability.

To qualify for a use tax direct payment permit, an applicant must meet the following conditions:

(1) The applicant must agree to self-assess and pay directly to the Board any use tax which is due on property for which a use tax direct payment exemption certificate was given; and

(2) The applicant must certify to the Board either of the following:

(A) The applicant has purchased or leased for its own use tangible personal property subject to use tax which cost five hundred thousand dollars (\$500,000) or more in the aggregate, during the calendar year immediately preceding the application for the permit; or

(B) The applicant is a county, city, city and county, or redevelopment agency.

Persons wishing to obtain a use tax direct payment permit must be pre-qualified and either hold a California seller's permit or a consumer use tax account.

Persons other than governmental entities who currently hold either a California seller's permit or a consumer use tax account must complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under conditions of Part (2)(A) above, and submit a "Statement of Cash Flows" or other comparable financial statements acceptable to the board for the calendar year immediately preceding the date of application which discloses total purchases of property and equipment for own use and a separate statement under company letterhead certifying that five hundred thousand dollars (\$500,000) or more of such purchases were subject to use tax.

Persons other than governmental entities who are not required to hold a seller's permit and who do not currently hold a consumer use tax account must obtain a consumer use tax account and then complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(A) above and submit a "Statement of Cash Flows" or other comparable financial statements acceptable to the board for the calendar year immediately preceding the date of application which discloses total purchases of property and equipment for own use and a separate statement under company letterhead certifying that five hundred thousand dollars (\$500,000) or more of such purchases were subject to use tax.

Governmental entities who currently hold either a California seller's permit or a consumer use tax account must complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(B) above, and submit an additional statement to that effect under official letterhead and signed by an authorized governmental representative.

Governmental entities who do not hold a California seller's permit or a consumer use tax account must obtain a consumer use tax account and then complete the application for a use tax direct payment permit, sign the certification statement attesting that they qualify for a permit under the conditions of Part (2)(B) above, and submit an additional statement to that effect under official letterhead and signed by an authorized governmental representative.

The completed use tax direct payment application, certification statement, and qualifying documentation should be returned to the address shown below. Upon determination that the applicant qualifies, a use tax direct payment permit and exemption certificate will be mailed to the applicant.

If you would like additional information regarding the use tax direct payment permit or need assistance in completing this application, you can call (916) 324-2883, or write to the Board of Equalization, Public Information and Administration Section, MIC-44, PO Box 942879, Sacramento, CA 94279-0044.

Use Tax Direct Payment Exemption Certificate

I hereby certify that I hold use tax direct payment permit No. _____ issued pursuant to California Sales and Use Tax Law Section 7051.3 and that I am authorized to report and pay directly to the State the applicable use tax with respect to the property described herein which I shall purchase from:

(Name of Vendor)

(Address of Vendor)

In the event that I fail to timely report and pay the applicable tax to the State, I understand and agree that in addition to the tax liability, I will be liable for applicable interest and the amount due may be subject to penalties.

Description of property to be purchased:

Purchaser: _____ Date certificate given: _____

Signature and Title of Purchaser or Authorized Agent: _____

IMPORTANT NOTICE TO VENDORS

This exemption certificate when timely taken in good faith from a person who holds a use tax direct payment permit relieves a vendor from the requirement to collect and remit USE TAX on sales or leases of tangible personal property (other than leases of motor vehicles subject to the terms of Section 7205.1 of the Sales and Use Tax Law) to the person who issued the certificate. It does NOT relieve a vendor of any SALES TAX obligations. Generally, this certificate should be accepted only by out-of-state vendors or by lessors of tangible personal property other than motor vehicle lessors. Sellers can claim a deduction on their sales and use tax returns for any sales made under this certificate.

Vendors must retain a completed copy of this certificate in their files for a period of not less than four years to substantiate the exempt status of sales made under its authority.

This Exemption Certificate has been approved by the California State Board of Equalization.

Approved By: _____
(Deputy Director, Sales and Use Tax Department)

Date: _____

Questions regarding this form should be directed to 800 400-7115, or write to the Board of Equalization, Audit Evaluation and Planning Section, MIC 40, P.O. Box 942879, Sacramento, Ca 94279-0040.

THIS FORM MAY BE REPRODUCED

NOTICE TO INDIVIDUALS REGARDING INFORMATION FURNISHED TO THE BOARD OF EQUALIZATION

The Information Practices Act of 1977 and the Federal Privacy Act requires this agency to provide the following notice to individuals who are asked by the State Board of Equalization (Board) to supply information, including the disclosure of the individual's social security account number.

Individuals applying for permits, certificates, or licenses, or filing tax returns, statements, or other forms prescribed by this agency, are required to include their social security numbers for proper identification. [See Title 42 United States Code §405(c)(2)(C)(i)]. It is mandatory to furnish all the appropriate information requested by applications for registration, applications for permits or licenses, tax returns and other related data. Failure to provide all of the required information requested by an application for a permit or license could result in your not being issued a permit or license. In addition, the law provides penalties for failure to file a return, failure to furnish specific information required, failure to supply information required by law or regulations, or for furnishing fraudulent information.

Provisions contained in the following laws require persons meeting certain requirements to file applications for registration, applications for permits or licenses, and tax returns or reports in such form as prescribed by the State Board of Equalization: Alcoholic Beverage Tax, Sections¹ 32001-32556; Childhood Lead Poisoning Prevention Fee, Sections 43001-43651, Health & Safety Code, Sections 105275-105310; Cigarette and Tobacco Products Tax, Sections 30001-30481; Diesel Fuel Tax, Sections 60001-60709; Emergency Telephone Users Surcharge, Sections 41001-41176; Energy Resources Surcharge, Sections 40001-40216; Hazardous Substances Tax, Sections 43001-43651; Integrated Waste Management Fee, Sections 45001-45984; International Fuel Tax Agreement, Sections 9401-9433; Motor Vehicle Fuel License Tax, Sections 7301-8405; Occupational Lead Poisoning Prevention Fee, Sections 43001-43651, Health & Safety Code, Sections 105175-105197; Oil Spill Response, Prevention, and Administration Fees, Sections 46001-46751, Government Code, Sections 8670.1-8670.53; Publicly Owned Property, Sections 1840-1841; Sales and Use Tax, Sections 6001-7279.6; State Assessed Property, Sections 721-868, 4876-4880, 5011-5014; Tax on Insurers, Sections 12001-13170; Timber Yield Tax, Sections 38101-38908; Tire Recycling Fee, Sections 55001-55381, Public Resources Code, Sections 42860-42895; Underground Storage Tank Maintenance Fee, Sections 50101-50161, Health & Safety Code; Sections 25280-25299.96; Use Fuel Tax, Sections 8601-9355.

The principal purpose for which the requested information will be used is to administer the laws identified in the preceding paragraph. This includes the determination and collection of the correct amount of tax. Information you furnish to the Board may be used for the purpose of collecting any outstanding tax liability.

As authorized by law, information requested by an application for a permit or license could be disclosed to other agencies, including, but not limited to, the proper officials of the following: 1) United States governmental agencies: U.S. Attorney's Office; Bureau of Alcohol, Tobacco and Firearms; Depts. of Agriculture, Defense, Justice; Federal Bureau of Investigation; General Accounting Office; Internal Revenue Service; the Interstate Commerce Commission; 2) State of California governmental agencies and officials: Air Resources Board; Dept. of Alcoholic Beverage Control; Auctioneer Commission; Employment Development Department; Energy Commission; Exposition and Fairs; Food & Agriculture; Board of Forestry; Forest Products Commission; Franchise Tax Board; Dept. of Health Services; Highway Patrol; Dept. of Housing & Community Development; California Parent Locator Service; 3) State agencies outside of California for tax enforcement purposes; and 4) city attorneys and city prosecutors; county district attorneys, sheriff departments.

As an individual, you have the right to access personal information about you in records maintained by the State Board of Equalization. Please contact your local Board office listed in the white pages of your telephone directory for assistance. If the local Board office is unable to provide the information sought, you may also contact the Disclosure Office in Sacramento by telephone at (916) 445-2918. The Board officials responsible for maintaining this information, who can be contacted by telephone at (916) 445-6464, are: Sales and Use Tax, Deputy Director, Sales and Use Tax Department, 450 N Street, MIC:43, Sacramento, CA 95814; Excise Taxes, Fuel Taxes and Environmental Fees, Deputy Director, Special Taxes Department, 450 N Street, MIC:31, Sacramento, CA 95814; Property Taxes, Deputy Director, Property Taxes Department, 450 N Street, MIC:63, Sacramento, CA 95814.

¹All references are to the California Revenue and Taxation Code unless otherwise indicated.

CALIFORNIA STATE BOARD OF EQUALIZATION
USE TAX DIRECT PAYMENT PERMIT



ACCOUNT NUMBER

DRAFT

THIS PERMIT DOES NOT AUTHORIZE THE HOLDER TO ENGAGE IN ANY BUSINESS CONTRARY TO LAWS REGULATING THAT BUSINESS OR TO POSSESS OR OPERATE ANY ILLEGAL DEVICE.

IS HEREBY AUTHORIZED PURSUANT TO SALES AND USE TAX LAW SECTION 7051.3 TO SELF-ASSESS AND PAY USE TAX DIRECTLY TO THE STATE OF CALIFORNIA

THIS PERMIT IS NOT A SELLER'S PERMIT TO ENGAGE IN SALES OF TANGIBLE PERSONAL PROPERTY

THIS PERMIT IS VALID UNTIL REVOKED OR CANCELED BUT IS NOT TRANSFERABLE. IF YOU SELL YOUR BUSINESS, OR DROP OUT OF A PARTNERSHIP, NOTIFY US OR YOU COULD BE RESPONSIBLE FOR SALES AND USE TAXES OWED BY THE NEW OPERATOR OF THE BUSINESS.

BOE-442-DPLZ (1-98)

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The principal purpose for which the requested information will be used is to administer the laws identified in the preceding paragraph. This determination and collection of the correct amount of tax. Information you furnish to the Board may be used for the purpose of collecting tax liability.

As authorized by law, information requested by an application for a permit or license could be disclosed to other agencies, including, but not limited to, the proper officials of the following: 1) United States governmental agencies: U.S. Attorney's Office; Bureau of Alcohol, Tobacco and Firearms; Dept. of Agriculture, Defense, Justice; Federal Bureau of Investigation; General Accounting Office; Internal Revenue Service; the Interstate Commerce Commission; 2) State of California governmental agencies and officials: Air Resources Board; Dept. of Alcoholic Beverage Control; Auctioneer Commission; Employment Development Department; Energy Commission; Exposition and Fairs; Food & Agriculture; Board of Forestry; Forest Products Commission; Franchise Tax Board; Dept. of Health Services; Highway Patrol; Dept. of Housing & Community Development; California Parent Locator Service; 3) State agencies outside of California for tax enforcement purposes; and 4) city attorneys and city prosecutors; county district attorneys, sheriff departments.

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*All references are to the California Revenue and Taxation Code, unless otherwise indicated.

BOE-32-J-A-PLZ 9 (8-97)