

**CONTRACT FOR CONSULTANT SERVICES BETWEEN  
THE CITY OF WATSONVILLE AND EPICO SYSTEMS, INC.**

**THIS CONTRACT**, is made and entered into this \_\_\_\_\_, by and between the **City of Watsonville**, a municipal corporation, hereinafter called "City," and **Epico Systems, Inc.**, hereinafter called "Consultant."

**WITNESSETH**

**WHEREAS**, the City needs to obtain certain professional, technical and/or specialized services of an independent contractor to assist the City in the most economical manner; and

**WHEREAS**, Consultant has the requisite skill, training, qualifications, and experience to render such services called for under this Contract to City.

**Table of Contents**

|   |   |
|---|---|
| SECTION 1. SCOPE OF SERVICES.....                 | 2 |
| SECTION 2. TERM OF CONTRACT. ....                 | 2 |
| SECTION 3. SCHEDULE OF PERFORMANCE. ....          | 2 |
| SECTION 4. COMPENSATION. ....                     | 2 |
| SECTION 5. METHOD OF PAYMENT.....                 | 2 |
| SECTION 6. INDEPENDENT CONSULTANT. ....           | 2 |
| SECTION 7. ASSIGNABILITY. ....                    | 2 |
| SECTION 8. INDEMNIFICATION.....                   | 2 |
| SECTION 9. INSURANCE. ....                        | 3 |
| SECTION 10. NON-DISCRIMINATION.....               | 4 |
| SECTION 11. TERMINATION.....                      | 4 |
| SECTION 12. COMPLIANCE WITH LAWS. ....            | 4 |
| SECTION 13. GOVERNING LAW.....                    | 4 |
| SECTION 14. PRIOR CONTRACTS AND AMENDMENTS.....   | 4 |
| SECTION 15. CONFIDENTIAL INFORMATION. ....        | 4 |
| SECTION 16. OWNERSHIP OF MATERIALS. ....          | 5 |
| SECTION 17. COVENANT AGAINST CONTINGENT FEES..... | 5 |
| SECTION 18. WAIVER. ....                          | 5 |
| SECTION 19. CONFLICT OF INTEREST.....             | 5 |
| SECTION 20. AUDIT BOOKS AND RECORDS. ....         | 5 |
| SECTION 21. NOTICES. ....                         | 6 |
| SECTION 22. EXHIBITS:.....                        | 6 |

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## **THE PARTIES HEREBY AGREE AS FOLLOWS:**

### **SECTION 1. SCOPE OF SERVICES.**

Consultant shall perform those services as specified in detail in Exhibit "A," entitled "SCOPE OF SERVICES" which is attached hereto and incorporated herein.

### **SECTION 2. TERM OF CONTRACT.**

The term of this Contract shall be from execution of this contract to March 31, 2026, inclusive.

### **SECTION 3. SCHEDULE OF PERFORMANCE.**

The services of Consultant are to be completed according to the schedule set out in Exhibit "B," entitled "SCHEDULE OF PERFORMANCE," which is attached hereto and incorporated herein. Consultant will diligently proceed with the agreed Scope of Services and will provide such services in a timely manner in accordance with the "SCHEDULE OF PERFORMANCE."

### **SECTION 4. COMPENSATION.**

The compensation to be paid to Consultant including both payment for professional services and reimbursable expenses as well as the rate and schedule of payment are set out in Exhibit "C" entitled "COMPENSATION," which is attached hereto and incorporated herein.

### **SECTION 5. METHOD OF PAYMENT.**

Except as otherwise provided in Exhibit "C," each month, Consultant shall furnish to the City a statement of the work performed for compensation during the preceding month. Such statement shall also include a detailed record of the month's actual reimbursable expenditures.

### **SECTION 6. INDEPENDENT CONSULTANT.**

It is understood and agreed that Consultant, in the performance of the work and services agreed to be performed by Consultant, shall act as and be an independent Consultant and not an agent or employee of City, and as an independent Consultant, shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and Consultant hereby expressly waives any claim it may have to any such rights.

### **SECTION 7. ASSIGNABILITY.**

Consultant shall not assign or transfer any interest in this Contract nor the performance of any of Consultant's obligations hereunder, without the prior written consent of City, and any attempt by Consultant to so assign this Contract or any rights, duties or obligations arising hereunder shall be void and of no effect.

### **SECTION 8. INDEMNIFICATION.**

Consultant has the expertise and experience necessary to perform the services and duties agreed to be performed by Consultant under this Contract, and City is relying upon the skill and knowledge of Consultant to perform said services and duties. Consultant shall defend, indemnify and hold harmless City, its officers and employees,

against any loss or liability arising out of or resulting in any way from work performed under this Contract due to the willful or negligent acts (active or passive) or errors or omissions by Consultant or Consultant's officers, employees or agents.

## **SECTION 9. INSURANCE.**

A. Errors and Omissions Insurance. Consultant shall obtain and maintain in full force throughout the term of this Contract a professional liability insurance policy (Errors and Omissions), in a company authorized to issue such insurance in the State of California, with limits of liability of not less than One Million Dollars (\$1,000,000.00) to cover all professional services rendered pursuant to this Contract.

B. Auto and Commercial General Liability Insurance. Consultant shall also maintain in full force and effect for the term of this Contract, automobile insurance and commercial general liability insurance with an insurance carrier satisfactory to City, which insurance shall include protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from any actual occurrence arising out of the performance of this Contract. The amounts of insurance shall not be less than the following:

(1) Commercial general liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, such limit shall apply separately to each project Consultant performs for City. Such insurance shall (a) name City, its appointed and elected officials, and its employees as insureds; and (b) be primary with respect to insurance or self-insurance programs maintained by City and (c) contain standard separation of insured's provisions.

(2) Business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000.00 per occurrence. Such insurance shall include coverage for owned, hired and non-owned automobiles.

C. Workers' Compensation Insurance. In accordance with the provisions of Section 3700 of the Labor Code, Consultant shall be insured against liability for Workers' Compensation or undertake self-insurance. Consultant agrees to comply with such provisions before commencing performance of any work under this Contract.

D. Proof of Insurance to City before Notice to Proceed to Work. Consultant shall satisfactorily provide certificates and endorsements of insurance to the City Clerk before Notice to Proceed to Work of this Contract will be issued. Certificates and policies shall state that the policy shall not be canceled or reduced in coverage without thirty (30) days written notice to City. Approval of insurance by City shall not relieve or decrease the extent to which Consultant may be held responsible for payment of damages resulting from services or operations performed pursuant to this Contract. Consultant shall not perform any work under this Contract until Consultant has obtained the required insurance and until the required certificates have been submitted to the City and approved by the City Attorney. If Consultant fails or refuses to produce or maintain the insurance required by these provisions, or fails or refuses to furnish City required proof that insurance has been procured and is in force and paid for, City shall have the right at City's

election to forthwith terminate this Contract immediately without any financial or contractual obligation to the City. As a result of such termination, the City reserves the right to employ another consultant to complete the project.

E. Written notice. Contractor shall provide immediate written notice if (1) any insurance policy required by this Contract is terminated; (2) any policy limit is reduced; (3) or any deductible or self insured retention is increased.

#### **SECTION 10. NON-DISCRIMINATION.**

Consultant shall not discriminate, in any way, against any person on the basis of age, sex, race, color, creed, national origin, or disability in connection with or related to the performance of this Contract.

#### **SECTION 11. TERMINATION.**

A. City and Consultant shall have the right to terminate this Contract, without cause, by giving not less than ten (10) days written notice of termination.

B. If Consultant fails to perform any of its material obligations under this Contract, in addition to all other remedies provided by law, City may terminate this Contract immediately upon written notice.

C. The City Manager is empowered to terminate this Contract on behalf of City.

D. In the event of termination, Consultant shall deliver to City copies of all work papers, schedules, reports and other work performed by Consultant and upon receipt thereof, Consultant shall be paid in full for services performed and reimbursable expenses incurred to the date of termination.

#### **SECTION 12. COMPLIANCE WITH LAWS.**

Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Consultant shall obtain and maintain a City of Watsonville business license during the term of this Contract.

#### **SECTION 13. GOVERNING LAW.**

City and Consultant agree that the law governing this Contract shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Contract shall be filed and maintained in the Municipal or Superior Court of the County of Santa Cruz.

#### **SECTION 14. PRIOR CONTRACTS AND AMENDMENTS.**

This Contract represents the entire understanding of the parties as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Contract may only be modified by a written amendment.

#### **SECTION 15. CONFIDENTIAL INFORMATION.**

All data, documents, discussions, or other information developed or received by or for Consultant in performance of this Contract are confidential and not to be disclosed to

any person except as authorized by the City Manager or his designee, or as required by law.

#### **SECTION 16. OWNERSHIP OF MATERIALS.**

All reports, documents or other materials developed or received by Consultant or any other person engaged directly by Consultant to perform the services required hereunder shall be and remain the property of City without restriction or limitation upon their use.

#### **SECTION 17. COVENANT AGAINST CONTINGENT FEES.**

The Consultant covenants that Consultant has not employed or retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure the Contract, and that Consultant has not paid or agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fees, commissions, percentage, brokerage fee, gift, or any other consideration contingent on or resulting from the award or making of this Contract, for breach or violation of this covenant, the City shall have the right to annul this Contract without liability, or in its discretion, to deduct from the contract price or consideration or otherwise recover, the full amount of such fee, commission, percentage fee, gift, or contingency.

#### **SECTION 18. WAIVER.**

Consultant agrees that waiver by City or any one or more of the conditions of performance under this Contract shall not be construed as waiver of any other condition of performance under this Contract.

#### **SECTION 19. CONFLICT OF INTEREST.**

A. A Consultant shall avoid all conflict of interest or appearance of conflict of interest in performance of this Contract. Consultant shall file a disclosure statement, if required by City Council Resolution, which shall be filed within thirty (30) days from the effective date of this Contract or such Resolution, as applicable.

B. No member, officer, or employee of the City, during their tenure, or for one (1) year thereafter, shall have any interest, direct or indirect, in this Contract or the proceeds thereof and Consultant agrees not to allow, permit, grant, transfer, or otherwise do anything which will result in such member, officer, or employee of the City from having such interest.

#### **SECTION 20. AUDIT BOOKS AND RECORDS.**

Consultant shall make available to City, its authorized agents, officers and employees, for examination any and all ledgers and books of account, invoices, vouchers, canceled checks and other records or documents evidencing or related to the expenditures and disbursements charged to the City, and shall furnish to City, its authorized agents and employees, such other evidence or information as City may require with respect to any such expense or disbursement charged by Consultant.

**SECTION 21. NOTICES.**

All notices shall be personally served or mailed, postage prepaid, to the following addresses, or to such other address as may be designated by written notice by the parties:

**CITY**

City Clerk  
275 Main Street, Suite 400  
Watsonville, CA 95076  
(831) 768-3040

**CONSULTANT**

Epico Systems, Inc.  
712 Walker Street  
Watsonville, CA 95076  
(831) 228-1806

**SECTION 22. EXHIBITS:**

Exhibit A: Scope of Services  
Exhibit B: Schedule of Performance  
Exhibit C: Compensation

**WITNESS THE EXECUTION HEREOF**, on the day and year first hereinabove written.

**CITY**

**CITY OF WATSONVILLE**

**CONSULTANT**

**EPICO SYSTEMS, INC.**

By \_\_\_\_\_  
Rene Mendez, City Manager

By \_\_\_\_\_  
Ricard Borjon, President

ATTEST:

By \_\_\_\_\_  
Irwin I. Ortiz, City Clerk

APPROVED AS TO FORM:

By \_\_\_\_\_  
Samantha W. Zutler, City Attorney

## **EXHIBIT “A”**

### **SCOPE OF SERVICES**

Scope of Services for Epico Systems, Inc. were identified in Exhibit “A”: **REQUEST FOR QUALIFICATIONS FOR CITY OF WATSONVILLE FIBER OPTIC NETWORK MAINTENANCE CONTRACT** dated January 10, 2022.

Scope of Services that the Contractor will provide under this agreement is as follows:

- Cable Fusion Splicing, termination, and testing;
- Both routine and emergency repairs to the fiber optic cable, underground ducts, pull boxes, routes into buildings, and IDF and MDF rooms;
- Routine additions to the network via directional bore or other excavation methods of additional ducts within various municipal locations, including sidewalks and streets within the City right of way.
- Fiber optic cable installation within new or existing ducts as required; and,
- Excavation and restoration of existing cable-in-duct packages to pre-excavated condition. Excavation procedures may take place under concrete, asphalt, gravel, and/or bare ground.

**Outside Plant Construction** – This work consists of underground telecom installations ranging from installing underground conduit infrastructure by open cut method or directional bore method. Placing all types of manholes, vaults and pull boxes. Removing and replacing asphalt, concrete and landscaping. Installation of aerial infrastructure from 35 foot utility poles to anchors, down guys, and strand. Installation of copper, innerduct and fiber optic cabling underground and aerial. Rodding and roping of new and existing conduit infrastructure. Crews are certified as competent persons in excavation safety and confined space entry. Epico Systems has been a “preferred” contractor for AT&T since 2004. Epico Systems is one of only a few companies in the area that works directly for AT&T doing underground and aerial infrastructure installations.

**Inside Plant Construction** – This work consists of installation of low voltage cabling, data, voice, fiber optics, coax and security. Pulling, terminations and testing for a complete service install. Epico Systems has certified Commscope installers which we are able to offer 20 year warranty on installations including fiber optics if the material is Commscope. The inside plant crew is part of the IBEW Local 234 union and they receive continued education from there program.

**Outside Plant Project Manager - Cody Clifton** – Cody has been with the company for 5 years now. He has taken multiple project management classes and is certified in Traffic Control Safety, is confined space Certified and first Aid certification. Cody has worked on multiple projects for the City of Watsonville.

**Inside Plant Project Manager Evey Perez** – Evey has been with the company since 2004. He has been doing low voltage cabling including fiber optics the entire time here at Epico Systems. He is considered a senior communications installer. He is certified in BICSI training, Commscope and unicom connectivity. He is local to Watsonville.

**Standard Hourly Rates** – Epico Systems has a variety of hourly rates, crew rates and equipment rates based on scope of work. Below are a couple of examples.

2 man Labor crew with company compressor truck, jack hammers and associated tools

**= \$210.00 per hour**

2 man Fiber crew with company truck plus FLUKE VERSIV tester, Fusion Splicer and associated tools

**= \$225.00 per hour**

These rates are examples and can and will be varied based on scope of work. Inside plant crews are different from outside plant crews and work tasks are different and cannot be mixed.

After hour rates, weekend rates and holidays all vary based on prevailing wage determinations.



## **EXHIBIT “B”**

### **SCHEDULE OF PERFORMANCE**

Services shall commence immediately upon execution of this Contract. All services performed under the provisions of this Contract shall be completed in accordance with the following schedule:

From execution of this contract to March 31, 2026

## **EXHIBIT "C"**

### **COMPENSATION**

- a. Total Compensation. The total obligation of City under this Contract shall not exceed Three Hundred Thousand Dollars (\$300,000.00).
- b. Basis for Payment. Payment(s) to Consultant for services performed under this contract shall be made as follows and shall not include payment for reimbursable expenses:
- c. Payment Request. Consultant shall submit a request for payment for services on a monthly basis by letter to Director, or said Director's designated representative. Such request for payment shall cover the preceding monthly period during the term hereof, shall note the City's purchase order number for this contract, shall contain a detailed listing of the total number of items or tasks or hours for which payment is requested, the individual dates on which such services were rendered, and invoices for reimbursable expenses, if any. Upon receipt in the Office of Director of said payment request, Director shall cause payment to be initiated to Consultant for appropriate compensation.