



RENTAL SERVICE AGREEMENT

Acct. No. MASTER Date 3/14/2024 Phone 831-768-3133 Email customerservice@watsonville.gov
 Business Name CITY OF WATSONVILLE Contact Name Gabe Gordo
 Delivery/Street Address 320 HARVEST DRIVE City WATSONVILLE State CA Zip 95076

ITEM	TYPE OF SERVICE TYPE	COLOR	IC	UNIT PRICE	TOTAL INVENTORY	NO. OF EMP.	NO. OF CHANGES WKLY	SERVICE CHARGE	WKLY. MIN. CHARGE PER ITEM/EMP.	SPECIAL ITEMS
SERVICE CHARGE				5.00						<input type="checkbox"/>
SHOP TOWELS		BLUE		.10	100				100%	<input type="checkbox"/>
BAR MOP TOWELS		WHITE		.12	100				100%	<input type="checkbox"/>
DUST MOPS	24 IN	RED		1.50	5				100%	<input type="checkbox"/>
MAT	3 X 4	SLATE		2.00	16				100%	<input type="checkbox"/>
MAT	4 X 6	SLATE		3.00	12				100%	<input type="checkbox"/>
MAT	3 X 10	SLATE		4.00	8				100%	<input type="checkbox"/>
MAT	SCRAPER	BLACK		2.00	2				100%	<input type="checkbox"/>
COVERALLS	BLEND	POST BLUE		.40	8				100%	<input type="checkbox"/>
JACKETS	INDUST	NAVY		.55	1	50			100%	<input type="checkbox"/>
VEST	INDUST	NAVY		.55	1	50			100%	<input type="checkbox"/>
JEANS	DENIM			.25	11	60			100%	<input type="checkbox"/>
PANTS	BLEND	VARIES		.25	11	22			100%	<input type="checkbox"/>
PANTS	COTTON	NAVY		.30	11	8			100%	<input type="checkbox"/>
SHIRTS	BLEND	VARIES		.20	11	50			100%	<input type="checkbox"/>
SHIRTS	COTTON	VARIES		.25	11	30			100%	<input type="checkbox"/>
SHIRTS		VARIES		.25	11	20			100%	<input type="checkbox"/>
UNIFORM MAINTENANCE			12 %							<input type="checkbox"/>

TERMS OF PAYMENT

(Check ☐ C.O.D.
one box) ☐ CHARGE
(if approved)

All invoices of MISSION shall be deemed to be true and correct, and unless an objection to an invoice is made by the CUSTOMER in writing on or before the due date, or unless the account is C.O.D. etc., all charges are due and payable by the 10th of the month following service. A late charge of 1½% percent per month (18% per annum) for any amount in arrears may be charged. In the event CUSTOMER charges are not paid in a timely manner, MISSION has the option to place CUSTOMER on a C.O.D. basis, plus a percentage of any past due bills. MISSION shall apply any payment received toward the current bills first and any balance against past due bills until the CUSTOMER is again current.

☒ There is an Addendum associated with this agreement. _____ (initial)
☐ There is not an Addendum associated with this agreement. _____ (initial)

\$ _____ Stop Minimum

MISSION LINEN SUPPLY (dba Mission Linen & Uniform Service)

Signature _____
 (Authorized Representative)

Accepted by DM/GM _____
 (Signature)

Date _____

BUSINESS NAME City of Watsonville

Authorized Representative Rene Mendez

DocuSigned by: _____ (Please Print Name)

Signature Rene Mendez

1108E0075171410...

Title City Manager

Date 3/27/2024 | 3:35 PM PD

By initialing below, I acknowledge that I have read the terms and conditions on the back of this agreement.

RM

TERMS & CONDITIONS

1. CUSTOMER understands that all items rented under this Agreement shall remain the property of MISSION LINEN SUPPLY (hereafter "MISSION") and shall be laundered and maintained exclusively by MISSION. CUSTOMER agrees to accept from MISSION and pay for the rental and laundering of all linen, industrial, dust control items and all other products and services provided by MISSION used in and required by CUSTOMER'S business. Additional products, services and quantities may be added to this Agreement upon written or oral request of CUSTOMER at the prices then in effect. CUSTOMER understands that MISSION will be required to make a substantial investment in rental merchandise, and therefore it is agreed that a minimum weekly inventory charge will be made as part of this Agreement. Minimum charges are stated on the reverse side. Charges may be assessed for additional deliveries to CUSTOMER'S place of business over and above CUSTOMER'S normal delivery schedule, provided the need for the additional delivery was not caused by MISSION.

2. This rental service Agreement is effective as of the date signed by MISSION on the reverse side hereof and shall remain in effect for a period of sixty (60) months thereafter. This Agreement shall be renewed automatically for a like period unless either party is notified to the contrary in writing not less than thirty (30) days and not more than sixty (60) days in advance of the expiration date of the then current term. This Agreement shall not be binding upon MISSION until it has been accepted by its District Manager or General Manager.

3. MISSION will impose an annual price increase (API). In the event of increased costs, MISSION may impose additional charges by separate written notice or by notation on CUSTOMER'S invoice. CUSTOMER may reject such additional charges by notifying MISSION in writing within ten (10) days of such changes. In such event MISSION may, at its sole option, either adjust the price change or cancel this Agreement.

4. MISSION shall replace rental items or garments due to normal wear as needed. In the event of loss, theft, damage, destruction, misuse, abuse or mysterious disappearance of any rental items or garments, CUSTOMER agrees to pay to MISSION the then current replacement value of the lost, stolen, damaged, destroyed, misused, abused or mysteriously disappeared items. Upon termination of a CUSTOMER employee, the employee's garments or the value of the same shall be returned to MISSION, and upon such return the weekly service charge for such item(s) shall be removed. If garments in use by CUSTOMER are not items MISSION normally stocks (i.e., "special items"), upon discontinuance of service for any reason including expiration of the term of this Agreement, CUSTOMER shall purchase such garments at their current replacement value.

5. CUSTOMER acknowledges that the items furnished under this Agreement are for general purposes and are not designated or recommended for use in areas of flammability risk or where contact with hazardous materials or ignition sources is possible. CUSTOMER agrees to indemnify and hold MISSION harmless from and against liability for any personal injury or property damage resulting from such use.

6. In the event of cancellation of this Agreement for any reason, CUSTOMER agrees to (a) purchase the entire inventory of items in service or otherwise held for CUSTOMER'S use at current replacement cost, (b) pay all outstanding amounts owed to MISSION and (c) pay, as liquidated damages and not as a penalty, 50% of the average weekly

amount invoiced during the month preceding the breach (or, if not available, the weekly minimum) multiplied by the number of weeks remaining in the term of this Agreement, beginning with the date of the breach. The prevailing party shall be entitled to receive its reasonable attorneys' fees and all reasonable costs and expenses in any action to enforce this Agreement.

7. This Agreement remains binding on CUSTOMER in the event of sale, assignment or other transfer of CUSTOMER'S business and/or assets. Obligations hereunder may be transferred only upon prior written consent of MISSION and pursuant to an "agreement to assume" presented in writing from successor/purchaser.

8. The performance of MISSION'S duties under this Agreement may be subject to circumstances beyond MISSION'S control including, but not limited to, labor strikes, lockouts, availability of products, government acts, wars, acts of terrorism and acts of God. MISSION'S failure to perform under this Agreement because of such events shall not be considered a breach.

9. MISSION shall not be liable for any damages to CUSTOMER resulting from a delay or default in performing MISSION'S duties under this Agreement if such delay or default is caused by circumstances beyond MISSION'S control, including but not limited to labor strikes, lockouts, availability of products, government acts, wars, acts of terrorism and acts of God. CUSTOMER shall not have the right to terminate this Agreement for a delay or default in performance by MISSION if such delay or default is caused by circumstances outside of MISSION'S control.

10. All claims by CUSTOMER against MISSION for incidental damages or for consequential damages are excluded. MISSION makes no express warranties, and ALL IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR USE ARE EXCLUDED. MISSION is not responsible for loss or damage to CUSTOMER items left in soiled laundry collection bags.

11. This Agreement contains the entire agreement between the parties, and any terms or conditions not set forth herein are null and void. If any term or provision of this Agreement or the application thereof to any person or circumstance is held to be void or unenforceable to any extent, then the remaining provisions of this Agreement shall continue in full force and effect.

12. CUSTOMER warrants that he/she/it is not under contract or otherwise obligated to take or obtain service contemplated hereunder from any other supplier and that the execution of this Agreement is not a breach or violation of any other agreement. CUSTOMER agrees to use MISSION exclusively for all of CUSTOMER'S textile rental requirements.

13. Should CUSTOMER believe that MISSION has failed to provide service in accordance with the standard and quality comparable to that of other commercial laundries rendering like service in the same area, it shall notify MISSION in writing by certified mail, setting forth the specific nature of the complaint. Should MISSION in its discretion find such complaint to be valid but then fail to remedy the complaint within (30) days, CUSTOMER may terminate this Agreement by giving sixty (60) days' written notice to MISSION and by purchasing all special items in issue and/or in inventory at the then current replacement value.

DISCLOSURE STATEMENT – This statement describes the billing policies and practices of Mission Linen Supply regarding charges that will appear on your invoice. Please read it carefully.

Like many companies, Mission Linen Supply's price for the goods it rents and the services it provides is made up of several components. The goods and services are referred to on the customer invoice by descriptive words such as "bar towel" or "shop towel." The basic price charged is determined by multiplying the number of goods rented or the quantity of services provided by a price per item for such goods or services called the "unit price." The unit price will be the amount determined by the contract with Mission. The result will be the basic price and will be entered as a dollar amount on one line of the customer invoice.

Mission reserves the right to charge amounts in addition to the basic unit prices based on its costs and market conditions. Such additional charges are described on the customer invoice variously as "Environmental Charge," "Ancillary Charge," "Fuel Charge," "Energy Charge," "Service Charge" or "Additional Charge." Some customer invoices have charges added and others do not. Charges may be temporary and will be collected for less than the full term of the contract. Others may be permanent and will be collected over the entire term of the contract. The method of calculation will vary but usually will be either a flat charge or a percentage of the total invoice amount. In unusual situations the charge may be based on circumstances unique to a particular customer. Generally, there will be no exact correlation between the charge assessed and any specific cost or expense incurred by Mission. Instead, the charges are intended to recover Mission's costs associated with energy, gasoline, environmental compliance, wastewater and related expenses on a company-wide basis, but the amount charged to a particular customer will not bear an exact relationship to actual costs incurred on behalf of that customer.

Other charges shown on a customer invoice may be related to actual customer experience. Those charges are described variously as an "Abuse Charge," "Loss Charge," "Loss and abuse charge," "Inventory Maintenance Charge," "Replacement Charge" or "Linen Maintenance Charge." Typically such charges will be assessed on a percent of invoice basis but may be based on another method. These charges may be collected in addition to or in lieu of other charges.

The addition or omission of such charges, the amount and method of calculation and the determination of whether charges are temporary or permanent are all matters within the discretion of Mission Linen Supply and may not be applied the same for all customers or in all locations because of variations in costs, the needs of different customers and the effects of competition in different markets. Unit prices and additional charges may vary according to locale. If charges are added, the amount charged and the method of calculation will be separately reflected on the customer invoice in addition to the unit price.

NOTICE OF POTENTIAL RISK OF SPONTANEOUS COMBUSTION AND HOLD HARMLESS AGREEMENT REGARDING USE OF FIRE RESISTANT BAG

Please be advised that under certain conditions, linens used in your business can be subject to spontaneous combustion. The conditions that lend themselves to spontaneous combustion are the presence of oils (in the form of vegetable oils) and animal fats on the textile products after you have used them. Given the right circumstances, these textiles can spontaneously combust in the soil bag or other container. This combustion can cause injury and/or death to persons and damage to or destruction of property.

Mission wishes to assist you in preventing damage to your property or personnel by providing a fire resistant container (bag) at a nominal purchase price plus a service charge to launder the bag as needed. Although it doesn't guarantee freedom from risk, the fire resistant bag is capable of withstanding 1600 degrees Fahrenheit without damage to the exterior or to the surrounding area. If you choose to utilize the fire resistant bag, you can greatly reduce the risk of spontaneous combustion fire interrupting your business.

IF YOU CHOOSE NOT TO UTILIZE THE FIRE RESISTANT BAG, by your signature on this Agreement you agree that you will: (1) assume all risks and legal liability for the consequences of a spontaneous combustion fire; (2) incur all damages, costs, losses of service and expenses and compensation, of any nature whatsoever, arising from the non-use of the Fire Resistant Bag, arising from the consequences of a spontaneous combustion fire and (3) defend, indemnify and hold harmless Mission Linen Supply from and against all claims and causes of action, wrongful death claims, subrogation claims and other rights whether brought by you, your heirs, assigns, survivors, any first party or third party insurance carriers or their assigns, workers' compensation carriers and their assigns, privies, any governmental agency or subdivision, any third party or any other person whatsoever.



Mission
Linen Supply

MISSION LINEN & UNIFORM SERVICE

ADDENDUM A

This Addendum is made to that certain "Rental Service Agreement" (Agreement) dated 4/29/2024, between Mission Linen Supply and City of Watsonville (customer).

The Agreement provides for a term of three years. The parties now desire a term to 36 months or 3 years.

All other terms and conditions of the Agreement are hereby ratified and confirmed.

Date: 3/27/2024

MISSION LINEN SUPPLY

Signature _____

Accepted by DM/GM _____

Date _____

Customer Name City of Watsonville

Authorized Representative Rene Mendez

Signature *Rene Mendez*

Title City Manager Date 4/3/2024 | 12:31 PM PDT

Item #4835 (11/12)