Title: Contract: Official City Newspaper Advertising

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager or the City Manager's designee to execute a one-year contract for official City advertising services with The Daily Recorder in a total amount not to exceed $40,000.

Contact: Gary O'Neill, Administrative Analyst, (916) 808-7432; Dawn Holm, Director of Finance, (916) 808-5574, Department of Finance

Presenter: None

Attachments:
1-Description/Analysis
2-The Daily Recorder Bid Response
3-Bid Evaluation
4-Contract – Official City Newspaper Advertising
5-Insurance
Description/Analysis

**Issue Detail:** City Code section 3.56.260 requires that the City Council approve a contract for official advertising on an annual basis for the ensuing fiscal year. The City may use the contract for advertising services, printing and publication of all ordinances, resolutions, notices, regulations, bids, and advertisements of any nature that may be required by any agent of the City. The current contract with Metropolitan News Company dba Sacramento Bulletin (2019-0445) expires on June 30, 2020.

**Policy Considerations:** The recommendations in this report are in accordance with the provisions of City Code Chapter 3.56 regarding contracts for official advertising.

**Economic Impacts:** None.

**Environmental Considerations:**

- **California Environmental Quality Act (CEQA):** This report concerns administrative activities and governmental fiscal activities that do not constitute a “project” as defined by the CEQA Guidelines Sections 15378(b)(2) and 15378(b)(4) and are not subject to the provisions of CEQA (CEQA Guidelines Section 15060(c)(3)).

- **Sustainability:** Not applicable.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** In accordance with City Code section 3.56.260, the Procurement Division issued Request for Bid No. B2006151103 for official advertising services on February 12, 2020. The City received two bids in response to the solicitation. The Daily Recorder was determined to be the lowest responsive and responsible bidder. The bid evaluation is included in Attachment 3 – Bid Evaluation.

**Financial Considerations:** Services will begin on July 1, 2020 and expire on June 30, 2021. The total not to exceed amount for this contract is $40,000. The City’s advertising needs are anticipated to be $30,000 in FY2020/21. A $10,000 contingency is included in the contract to allow for unanticipated citywide advertising needs. This is in keeping with the practice from previous years. Funding for this contract will be provided by FY2020/21 operating budgets and/or capital improvement program budgets of the departments that require advertising services.

**Local Business Enterprise (LBE):** The Daily Recorder is an LBE.
CITY OF SACRAMENTO

PROCUREMENT DIVISION, FINANCE

Bid Number: B2006151103

INVITATION FOR BID
And
Contract Specifications Nonprofessional Services

FOR: Official City Newspaper Advertising

Bids Must Be Received Up To The Hour of 2:00 P.M. on March 11, 2020

Bids Must Be Submitted To: Office of the City Clerk
915 I Street, New City Hall
5th Floor Public Counter
Sacramento, CA 95814

Pre-Bid Conference: N/A

NAME AND ADDRESS OF BIDDER SUBMITTING THIS BID:
(Bidder to complete the following information)

Name of Bidder: THE DAILY RECORDER

Address: 901 H STREET, STE 312

City, State, Zip Code: SACRAMENTO, CA 95814

Phone Number: (916) 444-2355 EXT. 103

Email Address: chris_noheante@dailyjournal.com
CITY OF SACRAMENTO

Bid No. B2006151103

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SECTION III
BIDDER RESPONSE DOCUMENTS
SECTION III — BIDDER RESPONSE DOCUMENTS

A. SUBMITTALS REQUIRED PRIOR TO START OF CONTRACT

The following documents are required to be completed and submitted by the successful bidder prior to the award of contract of the contract:

1. **CERTIFICATE OF INSURANCE**

   Successful bidders are REQUIRED to submit the necessary Certificate(s) of Insurance as called for in the General Provisions prior to award of the contract.

2. **BUSINESS OPERATIONS TAX CERTIFICATE**

   Chapter 3.08 of the Sacramento City Code requires that anyone conducting business in the City of Sacramento obtain a Business Operations Tax Certificate and pay the applicable tax if necessary. Successful bidders will be REQUIRED to show compliance with this requirement prior to award of the contract.

   To obtain information about the Business Operations Tax Certificate, contact the City of Sacramento, Revenue Division, 915 I Street, Room 1214, Sacramento, CA 95814, or telephone (916) 808-8500.
SECTION III – BIDDER RESPONSE DOCUMENTS

B. ITEMS REQUIRING BIDDER RESPONSE

NOTE: Proposers must provide responses to the following items. Failure to provide a response to each of the items in this section may be grounds for rejection of the proposal.

1. LBE FIVE PERCENT (5%) PARTICIPATION

On April 3, 2012, the Sacramento City Council adopted a Local Business Enterprise (LBE) Preference Program to provide enhanced opportunities for the participation of local business enterprises (LBEs) in the City's contracting and procurement activities. On November 19, 2013, City Council increased the LBE preference and authorized City departments to require minimum LBE participation levels in individual contracts. Under City Code section 3.60.270, when the bid specifications for a City contract establish a minimum LBE participation level for LBEs, no bidder on the contract shall be considered responsive unless its bid meets the minimum LBE participation level required by the bid specifications.

The City has established a minimum 5% participation level for LBEs on this contract. Pursuant to City Code Section 3.60.270, no bidder on this contract shall be considered responsive unless its bid meets or exceeds this minimum participation level.

Local Business Enterprise means a business enterprise, including but not limited to, a sole proprietorship, partnership, limited liability company, corporation, or other business entity that has a legitimate business presence in the city or unincorporated county of Sacramento. Evidence of legitimate business presence in the city or unincorporated county of Sacramento shall include:

1. Having a current City of Sacramento Business Operation Tax or County of Sacramento Business License for at least twelve (12) consecutive months prior to submission of bid; and
2. Having either of the following types of offices or workspace operating legally within the city or unincorporated county of Sacramento for at least twelve (12) consecutive months prior to submission of bid:
   a. The LBE’s principle business office or workspace; or
   b. The LBE’s regional, branch or satellite office with at least one full time employee located in the city or unincorporated county of Sacramento.

A. LOCAL BUSINESS ENTERPRISE (LBE)

Is the firm submitting the bid qualified as a local business enterprise? Check the appropriate box below:

☑ YES - the firm submitting the bid is qualified as a local business enterprise.

☐ NO - the firm submitting the bid is not qualified as a local business enterprise.

If the response to the above is YES, provide the City of Sacramento Business Operations Tax Certificate Number and/or County of Sacramento Business License Number:

57-81

If the response to the above is YES, provide a current copy of the City of Sacramento Business Operations Tax Certificate and/or County of Sacramento Business License.

If the response to the above is YES, provide business office or workspace address*:

901 H ST STE 312
SACRAMENTO, CA 95814

* Address must be a physical address for the basis of location, this excludes P.O. Box addresses.
2. PAYMENT DISCOUNT

Will you offer a prompt payment discount?  Yes □ or No ☒ (Net 30 days)

If Yes, the Payment Discount is _____% for payment within _____ calendar days, which will be computed from the date delivery is made and is accepted by the City, or the date a proper invoice is received, whichever is later.

PAYMENT DISCOUNTS WILL NOT BE CONSIDERED AS A BASIS OF AWARD. ANY PAYMENT DISCOUNT OFFERED BY THE SUCCESSFUL BIDDER WILL BE ACCEPTED BY THE CITY OF SACRAMENTO AS SET FORTH IN THE "BID INSTRUCTIONS AND REQUIREMENTS", PARAGRAPH 12 (ENTITLED "PAYMENT DISCOUNTS").

3. ELECTRONIC FUNDS TRANSFER (EFT) (informational only):

Do you have the ability to accept electronic payments (EFT)?  Yes ☒ or No □

If Yes, what percentage discount would you offer the City to be paid through EFT?  ____%
C. PRICING SCHEDULE
CITY OF SACRAMENTO
SACRAMENTO, CALIFORNIA

Contractor is to provide all labor, materials, services, and supplies necessary to furnish to the City of Sacramento, prices in accordance with the provisions and specifications contained herein:

PUBLICATION RATES AND DEADLINES

The City's estimated annual production of 4,000 Typeset column inches (more or less) is to be used to determine the cost to the City. This number is based upon the best estimates available for the term of this contract and is subject to increase or decrease based on the City's advertising needs.

City Staff requires two types of publishing deadlines and associated rates.

- **"Standard" Publishing Rate**: A submission by city staff on a given business day (and by the deadline time as specified below) is published on the second subsequent business day.

- **"Next Day" Publishing Rate**: A submission by city staff on a given business day (and by the deadline time as specified below) is published on the next subsequent business day.

For the purposes of this solicitation, we anticipate that roughly 75% of ads to be published will fall under the "Next Day Publishing" rate.

<table>
<thead>
<tr>
<th>Rate per Column Inch</th>
<th>Daily Deadline Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Standard Publishing)</td>
<td>$5.40</td>
</tr>
<tr>
<td></td>
<td>10:00 AM; 2 DAYS PRIOR</td>
</tr>
<tr>
<td>(All deadlines are calculated using weekdays only. For example, the deadline for Monday publication using &quot;Standard Publishing&quot; would be Thursday prior to the deadline time.)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rate per Column Inch</th>
<th>Daily Deadline Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Next Day Publishing)</td>
<td>$5.40</td>
</tr>
<tr>
<td></td>
<td>10:00 AM; PRIOR DAY</td>
</tr>
<tr>
<td>(All deadlines are calculated using weekdays only. For example, the deadline for Monday publication using &quot;Next Day Publishing&quot; would be Friday prior to the deadline time.)</td>
<td></td>
</tr>
</tbody>
</table>

Both levels of service noted above must be offered on a guaranteed publishing basis up to the deadline times entered.

NEWSPAPER'S STANDARD COLUMN INCH DEFINED

For the purpose of this bid, the price per column inch will be deemed to be one (1) vertical inch of printed matter, of a width equal to the width of the column specified below.

The width of a standard column is defined to be: 1.50 INCHES
Per Item # 8 of the Technical specifications (Page 15 of this solicitation) please provide (if applicable) a list of expected non-publishing dates, for the period of 7/1/19 through 6/30/20, excluding weekends.

7/3, 9/7, 11/26, 12/25, 1/1, 2/15, 5/31
SECTION III – REQUIREMENTS

D. BID SIGNATURE PAGE

BID NO. B2006151103

FOR SERVICES/SUPPLIES: Official City Newspaper Advertising

To the City of Sacramento:

The undersigned bidder (hereafter referred to as the "bidder" or the "Contractor") submits the attached bid, and certifies as follows: that the only persons or parties interested in this bid as principals are those named herein as bidder; that this bid is made without collusion with any other person, firm, or corporation; that in submitting this bid the bidder has examined all of the Contract Documents identified below; that the bidder proposes and agrees that if this bid is accepted, the bidder will execute and fully perform the contract for which bids are called; that the bidder shall perform all the work and/or furnish all the materials specified in the Contract Documents, in the manner and time therein prescribed, and according to the requirements as therein set forth; and that the bidder shall take in full payment therefore, the prices set forth in the attached Pricing Schedule.

CONTRACT DOCUMENTS

Performance of and payment for the contract for which bids are called shall be subject to all terms and conditions of the Invitation for Bid, the Bid Instructions and Requirements, the Bid, the Pricing Schedule(s), the Items Requiring Bidder Response, the Required Submittals, the General Conditions, General Provisions and any Addenda, Amendments, Special Provisions, Specifications, Plans, or other requirements applicable to performance of the work and/or furnishing the materials specified herein. Such documents referred to herein as the "Contract Documents", are fully incorporated herein by this reference and are collectively referred to as the "Contract". By submitting this Bid, the Contractor agrees to fully perform each and every provision of the Contract, provided that City awards the Contract to the Contractor, and provided further that City shall have no obligation hereunder unless and until such award is made. Contractor shall not make any changes to this form without City's written approval, and any changes made without such approval shall be void.

To Be Filled Out By Bidder

NAME OF CONTRACTOR: THE DAILY RECORDER
ADDRESS: 901 H STREET, STE 312 SACRAMENTO, CA 95814
PHONE #: 916.444.2355 FAX #: 916.444.2354 E-MAIL: chris.robenson@dailymercury.com
STATE TAX I.D. #: SYAA11242764 FED. TAX I.D. #: 95-4133299
City of Sacramento Business Operation Tax Certificate #: 5781
(Contract award will not be processed without a valid and current Certificate Number.)

TYPE OF BUSINESS ENTITY (check one): ☑ Individual/Sole Proprietor □ Corporation □ Partnership □ Limited Liability Company □ Other (please specify: )

BY: (signature of authorized person) ____________________________
PRINT NAME: CHRISTOPHER NOFUESTE ____________________________
TITLE: ACCOUNT MANAGER ____________________________

Note: All information submitted in or in connection with a bid is submitted under penalty of perjury. The City shall have the right to terminate at any time any contract awarded pursuant to a bid that contains false information.
### B2006151103 EVALUATION

<table>
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<tr>
<th></th>
<th>Bidder #1</th>
<th>Bidder #2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DAILY RECORDER</td>
<td>METROPOLITAN NEWS</td>
</tr>
<tr>
<td>Bid Amt Per Column Inch:</td>
<td>$5.40</td>
<td>$5.54</td>
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<tr>
<td>LBE Preference Program</td>
<td>5%</td>
<td>5%</td>
</tr>
<tr>
<td>Amt Per Column Inch after Discount:</td>
<td>$5.13</td>
<td>$5.26</td>
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<tr>
<td>Standard Column Width:</td>
<td>1.56 inches</td>
<td>1.583333 inches</td>
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<tr>
<td><strong>COST PER INCH FORMULA:</strong></td>
<td>(Amt Per Column Inch after Discount) / (Standard Column Width)</td>
<td>$3.29</td>
</tr>
</tbody>
</table>
CONTRACT
ROUTING SHEET

Contract Cover/Routing Form: Must Accompany ALL Contracts; however, it is NOT part of the contract.

**General Information (Required)**

Original Contract # (supplements only): PRC000866
Assessor's Parcel Number(s): n/a
Contract Effective Date: 06/01/2020
$ Amount (Not to Exceed): $ 40,000.00
Contract Expiration Date (if applicable): 06/30/2021
Adjusted $ Amount (+/-): $ 0.00
Other Party: The Daily Recorder
Project Title: OFFICIAL CITY NEWSPAPER ADVERTISING
Project #: 06001521-1001-454031
Bid/RFQ/RFP #: B2006151103
City Council Approval: YES
if YES, Council File ID#: 2020-00484

**Contract Processing Contacts**

Department: Finance
Contract Coordinator: Gary O'Neill
Project Manager: Gary O'Neill
Email: goneill@cityofsacramento.org

**Department Review and Routing**

<table>
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<tr>
<th>Department</th>
<th>Supervisor</th>
<th>Division Manager</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
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<tr>
<td></td>
<td>(Signature)</td>
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<tr>
<td>Apr 9, 2020</td>
<td>(Signature)</td>
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<tr>
<td></td>
<td>(Date)</td>
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<tr>
<td></td>
<td>(Date)</td>
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</tbody>
</table>

**Special Instruction/Comments (i.e. recording requested, other agency signatures required, etc.)**

Canvas

- Recording Requested
- Other Party Signature Required

---------------------FOR CLERK & IT DEPARTMENTS ONLY – DO NOT WRITE BELOW THIS LINE--------------------
CITY OF SACRAMENTO

NONPROFESSIONAL SERVICES AGREEMENT

THIS CONTRACT is made at Sacramento, California, as of June 1, 2020, by and between the CITY OF SACRAMENTO, a charter city and municipal corporation ("CITY"), and

The Daily Recorder
901 H Street, Suite 312
Sacramento, CA 95814-1808
Phone 916-444-2355 / E-mail
Chris_Nofuentes@dailyjournal.com www.dailyrecorder.news

("Contractor"), as of the date it is fully executed ("Effective Date"). The City and Contractor agree as follows:

1. Contract Documents. This Contract includes each of the following documents, which are attached or incorporated by this reference (referred to collectively as the "Contract Documents"): Invitation to Bid, Request for Qualifications, or Request for Proposals, and any Addenda
   Exhibit A – Scope of Services
   Exhibit B – Payment
   Exhibit C – Insurance
   Exhibit D – General Conditions
   Purchase Orders

If there is a conflict between the terms and conditions of any document prepared or provided by the Contractor and made a part of this Contract and the other terms or conditions of the Contract, the other terms and conditions of the Contract control.

2. Services. Subject to the terms and conditions set forth in this Contract, Contractor shall provide to City the non-professional services described in Exhibit A ("Services").

Contractor will not be compensated for non-professional services outside the scope of Exhibit A ("Additional Services") unless, before providing Additional Services: (a) Contractor notifies City and City agrees that the Additional Services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these Additional Services; and (c) City, after
notice, approves in writing a Supplemental Contract specifying the Additional Services and the amount of additional compensation to be paid Contractor.

City will have no obligations whatsoever under this Contract or any Supplemental Contract, unless and until this Contract or any Supplemental Contract is approved by the City as required by the Sacramento City Code. As used in this Contract, the term “Services” includes both Services and Additional Services as applicable.

3. **Payment.** City shall pay Contractor at the times and in the manner set forth in Exhibit B. Contractor shall submit all invoices to City in the manner specified in Exhibit B.

4. **Facilities and Equipment.** Except as set forth below, Contractor shall, at its sole cost and expense, furnish all facilities and equipment required for Contractor to perform this Contract. City shall furnish to Contractor only the facilities and equipment listed below, if any.

   *No facilities or equipment are to be furnished.*

5. **Insurance.** Contractor shall, at its sole cost and expense, maintain the insurance coverage described in the attached Exhibit C.

6. **General Conditions.** Contractor shall comply with the terms and conditions set forth in the attached Exhibit D.

7. **Non-Discrimination in Employee Benefits.** This Contract may be subject to Sacramento City Code chapter 3.54, Non-Discrimination in Employee Benefits by City Contractors. A summary of the requirements, entitled "Requirements of the Non-Discrimination in Employee Benefits Code (Equal Benefits Ordinance),” can be viewed at:


   Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.54. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor’s compliance.

   Contractor's violation of Sacramento City Code chapter 3.54 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

8. **Living Wage.** This Contract may be subject to Sacramento City Code chapter 3.58, Living Wage. A summary of the requirements, entitled "Living Wage Requirements", can be viewed at: https://www.cityofsacramento.org/Finance/Procurement/Contract-Ordinances. The Living Wage Ordinance is applicable to certain contracts with the City in an amount of $100,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is $100,000 or more over a 12-month period. Contractor acknowledges and represents that Contractor has read and understands the requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.58. If requested by City, Contractor shall promptly provide any documents and
information required by City to verify Contractor's compliance.
Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.58 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.58.

Contractor's violation of Sacramento City Code chapter 3.58 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

In addition, for Services that constitute "Public Works" under California Labor Code Section 1720 et seq., if both prevailing wage and living wage requirements apply, Contractor shall pay the higher of the two rates.

9. **Considering Criminal Conviction Information in the Employment Application Process.** This Contract may be subject to the requirements of Sacramento City Code chapter 3.62, Procedures for Considering Criminal Conviction Information in the Employment Application Process. A summary of the requirements, entitled “Ban-The-Box Requirements,” can be viewed at:


The Ban-The-Box Requirements are applicable to certain contracts with the City in an amount of $100,000 or more (either initial value or total value after amendment) or if the total value of all Contractor's contracts with the City is $100,000 or more over a 12-month period.

Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.62. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.62 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.62.

Contractor's violation of Sacramento City Code chapter 3.62 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

10. **Local Business Enterprise Program.** The Local Business Enterprise Program Participation Requirements ("LBE Participation Requirements") are applicable to this Contract. A summary of the requirements, entitled "LBE Participation Requirements," can be viewed at:


Contractor acknowledges and represents that Contractor has read and understands these requirements and shall fully comply with all applicable requirements of Sacramento City Code chapter 3.60. If requested by City, Contractor shall promptly provide any documents and information required by City to verify Contractor's compliance. Contractor shall require applicable subcontractors to fully comply with all applicable requirements of Sacramento City Code chapter 3.60 and include these requirements in all subcontracts covered by Sacramento City Code chapter 3.60.
Contractor's violation of Sacramento City Code chapter 3.60 constitutes a material breach of this Contract, for which the City may terminate the Contract and pursue all available legal and equitable remedies.

11. **Authority.** The person signing this Contract for Contractor represents and warrants that he or she has read, understands, and agrees to all the Contract terms and is fully authorized to sign this Contract on behalf of the Contractor and to bind the Contractor to the performance of the Contract's obligations.

[Signatures Page Following Exhibits]
EXHIBIT A

SCOPE OF SERVICES

1. Representatives.

The CITY Representative for this Agreement is:

Gary O’Neill / Administrative Analyst / Procurement Division
Sacramento City Hall
915 I Street, 2nd Floor
Sacramento, CA 95814-2604
Phone 916-808-7432 / Fax 916-808-5747 / E-mail goneill@cityofsacramento.org

The CONTRACTOR Representative for this Agreement is:

Chris Nofuente / Account Manager
The Daily Recorder
901 H Street, Suite 312
Sacramento, CA 95814-1808
Phone 916-444-2355 ext. 103 / E-mail Chris_Nofuente@dailyjournal.com

Unless otherwise provided in this Contract, all Contractor questions and correspondence pertaining to this Contract must be addressed to the City Representative. All City questions and correspondence must be addressed to the Contractor Representative.

2. Scope of Services. Contractor shall provide Services to City as set forth in Attachment 1 to this Exhibit A.

3. Time of Performance. The Services described in this Contract shall be provided for one year, from July 1, 2020 through June 30, 2021, with a preliminary period of one month prior to the start date to allow for implementation and training. This contract may not be renewed. Contractor shall provide the Services in accordance with any schedule in Attachment 1 to this Exhibit A. Contractor shall immediately notify the City if Contractor is unable to perform Services in compliance with this Contract.
Attachment 1 to Exhibit A for Agreement PRC000866

Scope of Services

1. **Purpose.** This is a contract for official newspaper advertising for the City of Sacramento in accordance with Chapter 3.56, Section 3.56.260, of the Sacramento City Code.

2. **Designation.** During the period of this contract, the newspaper shall be known and designated as the “OFFICIAL NEWSPAPER of City of Sacramento” (Sacramento City Code Chapter 3.56, Section 3.56.270).

3. **Types of Advertising.** The printing to be done hereunder will consist of printing and publishing all ordinances, resolutions, notices, regulations, bid notices, and advertisements of whatever kind or nature that may be required by an agent of the City of Sacramento.

4. **Size of Type.** The body and captions of each advertisement shall be converted by the vendor, to the vendor’s typeface specification normally used for such advertisements, and the font size shall be reduced, in a similar manner, by the vendor, to a readable size. **Vendor shall not require city staff to submit advertisement copy via a vendor-provided template.**

5. **Submission of Publication Material.** All material for publication will be transmitted to the vendor by the City of Sacramento, via an on-line placement program or system (i.e. web portal) or as an e-mail attachment. City will submit all material to the vendor on a given business day to be published on a guaranteed basis in accordance with the deadline and rate information submitted via the pricing schedule of this solicitation.

6. **Proof of Publication.** The vendor is required to deliver an electronic confirmation of publication for each advertisement to the City’s representative ordering the publication, after each publication. The Proof of Publication must be clear, complete and include an actual reproduction of what was published. The Proof of Publication must also certify the actual date of publication. This information must be offered automatically available (on a continuing basis) to city staff via online (vendor web portal) access.

7. **Order and Invoice information.** All previous and current orders and invoices (plus their current status) must be offered automatically (and continuously) available to city staff via the vendor’s online portal.

8. **Non-Publishing Dates.** Expected non-publishing dates are July 3, September 7, November 26, and December 25, 2020, and January 1, February 15, and May 31, 2021. Vendor shall inform city staff (via e-mail, through the online portal, or preferably, both) of any changes to their publishing schedule with at least two weeks prior notice.

9. **Updates.** Vendor shall be responsible for providing updates (with at least two weeks prior notice) to city staff (via e-mail, the web portal, or preferably, both) of any changes to procedure required for proper submittal of advertising copy or use/availability of the online vendor portal.

10. **Purchase Orders.** All City departments placing advertisements under this contract shall issue purchase orders prior to placing advertisements.
EXHIBIT B

PAYMENT

1. **Contractor’s Compensation.** The total of all fees paid to the Contractor for the provision of Services as set forth in Exhibit A, including any authorized reimbursable expenses, shall not exceed the total sum of $40,000. The payments specified in this Exhibit B shall be the only payments made to Contractor unless the City approves a Supplemental Contract.

2. **Pricing.** Contractor shall be paid as set forth in Attachment 1 to this Exhibit B and any applicable special provisions included in the request for bids or proposals. If there is a conflict between Exhibit A or Exhibit B and the Special Provisions, Exhibit A or Exhibit B controls.

3. **Contractor’s Reimbursable Expenses.** “Reimbursable Expenses” are limited to actual expenditures of Contractor for expenses that are necessary for the proper satisfaction of the Contract and are only payable if specifically authorized in advance in writing by the City.

4. **Miscellaneous Charges.** No additional charges will be allowed unless specified in the Contract, including charges for transportation, fuel, containers, packing, or disposal.

5. **Payments to Contractor.** Contractor is responsible for supplying all documentation necessary to verify invoices to the City’s satisfaction.

   A. Payment terms are NET 30 days, unless the Contractor offers a prompt payment discount that was accepted by the City or as otherwise stated in this Contract. Any prompt payment discounts will be computed from the date of acceptance by the City, or from the date an invoice is received, whichever occurs later.

   B. Invoices must be submitted to either of the addresses specified below.

      (1) Email. Submit email invoices and any attachments to:

      apinvoices@cityofsacramento.org

      (2) Postal Mail. If emailing is not an option, mail to:

      A/P Processing Center
      City of Sacramento
      915 I Street, Floor 4
      Sacramento, CA 95814-2608

   C. All invoices submitted by CONTRACTOR must contain the following information:

      (1) Job/Project Name – “Official City Newspaper Advertising”
      (2) CITY’s current Purchase Order Number
      (3) Contractor’s Invoice Number
      (4) Date of Invoice Issuance
      (5) Work Order Number (if applicable)
      (6) CITY representative identified on the Purchase Order
      (7) Contractor’s remit address
(8) Itemized description of items billed under Invoice
(9) Itemized description of all authorized Reimbursable Expenses
(10) Itemized description of all applicable taxes (sales, use, excise, etc.)
(11) Amount of invoice (itemize all authorized Reimbursable Expenses)
(12) Total Billed to Date under Contract (if applicable)

D. Items must be separated into Goods, Services, and Reimbursable Expenses. All applicable sales, use, excise, or similar taxes, including federal excise tax, must be itemized separately on the invoice. Invoices that do not conform to the format outlined above will be returned to Contractor for correction. City is not responsible for delays in payment to Contractor resulting from Contractor’s failure to comply with the invoice format described above.

E. For Goods only, a bill of lading number and weight of shipment will be shown for shipments on the Government Bill of Lading.

F. Unless otherwise specified in this Contract, partial payments will not be made by the City and payment will not be due until the completion of the Goods order. No payment precludes the City’s right to inspect. Requests for payment status should be addressed to the City Representative for this Contract.

6. **Additional Services.** Additional Services shall be provided only when a Supplemental Contract authorizing the Additional Services is approved in writing by the City in accordance with the City’s contract amendment procedures. The City reserves the right to perform any Additional Services with its own staff or to retain other contractors to perform the Additional Services.

7. **Accounting Records of Contractor.** During performance of this Contract and for a period of three years after completion of performance, Contractor shall maintain all accounting and financial records related to this Contract, in accordance with generally accepted accounting practices, including records of Contractor’s costs for performance under this Contract and records of Contractor’s Reimbursable Expenses. Contractor shall keep and make records available for inspection and audit by representatives of the City upon reasonable written notice.

8. **Tax Payments.** Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor’s compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request. Contractor hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of Contractor’s breach of this section.

9. **Public Works Requirements.** [Not applicable to this agreement]
Pricing Schedule

Contractor is to provide all labor, materials, services, and supplies necessary to furnish to the City of Sacramento, prices in accordance with the provisions and specifications contained herein:

PUBLICATION RATES AND DEADLINES

The City’s estimated annual production of 4,000 Typeset column inches (more or less) is to be used to determine the cost to the City. This number is based upon the best estimates available for the term of this contract and is subject to increase or decrease based on the City’s advertising needs.

City Staff requires two types of publishing deadlines and associated rates.

- "Standard" Publishing Rate: A submission by city staff on a given business day (and by the deadline time as specified below) is published on the second subsequent business day.
- "Next Day" Publishing Rate: A submission by city staff on a given business day (and by the deadline time as specified below) is published on the next subsequent business day.

For the purposes of this solicitation, we anticipate that roughly 75% of ads to be published will fall under the "Next Day Publishing" rate.

Rate per Column Inch (Standard Publishing) $5.40

Daily Deadline time for Standard Publishing 10:00 AM; 2 DAYS PRIOR

Rate per Column Inch (Next Day Publishing) $5.40

Daily Deadline time for Next Day Publishing 10:00 AM; PRIOR DAY

Both levels of service noted above must be offered on a guaranteed publishing basis up to the deadline times entered.

NEWSPAPER’S STANDARD COLUMN INCH DEFINED

For the purpose of this bid, the price per column inch will be deemed to be one (1) vertical inch of printed matter, of a width equal to the width of the column specified below.

The width of a standard column is defined to be: 1.56 INCHES
EXHIBIT C

INSURANCE

1. **Insurance Requirements.** During the entire term of this Contract, Contractor shall maintain the insurance coverage described in the Insurance Terms below. Full compensation for all premiums that Contractor is required to pay for the insurance coverage described herein shall be included in the compensation specified under this Contract. No additional compensation will be provided for Contractor's insurance premiums. Any available insurance proceeds in excess of the specified minimum limits and coverages shall be available to the City.

   Contractor's liability to the City is not in any way limited to or affected by the amount of insurance coverage required or carried by the Contractor in connection with this Contract.

2. **General Liability Minimum Scope and Limits of Insurance Coverage.** Commercial General Liability Insurance is required providing coverage at least as broad as ISO CGL Form 00 01 on an occurrence basis for bodily injury, including death, of one or more persons, property damage, and personal injury, arising out of activities performed by or on behalf of the Contractor and subcontractors, products and completed operations of Contractor and subcontractors, and premises owned, leased, or used by Contractor and subcontractors, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide contractual liability and products and completed operations coverage for the term of the policy.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects general liability arising out of: activities performed by or on behalf of Contractor and subcontractors; products and completed operations of Contractor and subcontractors; and premises owned, leased, or used by Contractor and subcontractors.

3. **Automobile Liability Minimum Scope and Limits of Insurance Coverage.** Automobile Liability Insurance is required providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars ($1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.

   The City, its officials, employees and volunteers shall be covered by policy terms or endorsement as additional insureds as respects auto liability.

   No automobile liability insurance is required if Contractor completes the following certification:

   “Contractor certifies that a motor vehicle will not be used in the performance of any work or services under this agreement. If, however, Contractor does transport items under this Contract, or this Contract is amended to require any employees of Contractor to use a vehicle to perform services under the Contract, Contractor understands that it must maintain and provide evidence of Automobile Liability Insurance providing coverage at least as broad as ISO Form CA 00 01 for bodily injury, including death, of one or more persons, property damage and personal injury, with limits of not less than one million dollars ($1,000,000) per occurrence.”
dollars ($1,000,000) per occurrence. The policy shall provide coverage for owned, non-owned and/or hired autos as appropriate to the operations of the Contractor.”

[Initials]

4. **Excess Insurance.** The minimum limits of insurance required above may be satisfied by a combination of primary and umbrella or excess insurance coverage, provided that any umbrella or excess insurance contains, or is endorsed to contain, a provision that it will apply on a primary basis for the benefit of the City, and any insurance or self-insurance maintained by City, its officials, employees, or volunteers will be in excess of Contractor's umbrella or excess coverage and will not contribute to it.

5. **Workers’ Compensation Minimum Scope and Limits of Insurance Coverage.** Workers’ Compensation Insurance is required with statutory limits and Employers' Liability Insurance with limits of not less than one million dollars ($1,000,000). The Workers' Compensation policy shall include a waiver of subrogation in favor of the City.

If no work or services will be performed on or at CITY facilities or CITY Property, the CITY Representative may waive this requirement by selecting the option below:

- Workers’ Compensation waiver of subrogation in favor of the CITY is not required.

[Initials]

6. **Other Insurance Provisions.** The policies must contain, or be endorsed to contain, the following provisions:

   A. Contractor’s insurance coverage, including excess insurance, shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers will be in excess of Contractor's insurance and will not contribute with it.

   B. Any failure to comply with reporting provisions of the policies will not affect coverage provided to the City, its officials, employees or volunteers.

   C. Coverage shall state that Contractor’s insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits ofthe insurer's liability.

   D. Contractor shall provide the City with 30 days written notice of cancellation or material change in the policy language or terms.

7. **Acceptability of Insurance.** Insurance must be placed with insurers with a Bests' rating of not less than A:VI. Self-insured retentions, policy terms or other variations that do not comply with the requirements of this Exhibit C must be declared to and approved by the City in writing before execution of this Contract.

8. **Verification of Coverage.**

   A. Contractor shall furnish City with certificates and required endorsements evidencing the insurance required. Certificates of insurance must be signed by an authorized representative of the insurance carrier. Copies of policies shall be delivered to the City Representative on demand.
B. Contractor shall send all insurance certificates and endorsements, including policy renewals, during the term of this Contract directly to:

City of Sacramento  
c/o Exigis LLC  
PO Box 4668 ECM- #35050  
New York, NY 10168-4668

C. Certificate Holder must be listed as:

City of Sacramento  
c/o Exigis LLC  
PO Box 4668 ECM- #35050  
New York, NY 10168-4668

D. The City may withdraw its offer of Contract or cancel this Contract if the certificates of insurance and endorsements required have not been provided before execution of this Contract. The City may withhold payments to Contractor and/or cancel the Contract if the insurance is canceled or Contractor otherwise ceases to be insured as required herein.

9. **Subcontractor Insurance Coverage.** Contractor shall require and verify that all subcontractors maintain insurance coverage that meets the minimum scope and limits of insurance coverage specified in this Exhibit C.
EXHIBIT D

GENERAL CONDITIONS

1. Independent Contractor.

A. It is understood and agreed that Contractor (including Contractor’s employees) is an
independent contractor and that no relationship of employer-employee exists between
the parties hereto for any purpose whatsoever. Neither Contractor nor Contractor’s
assigned personnel will be entitled to any benefits payable to CITY employees. CITY is not
required to make any deductions or withholdings from the compensation payable to
Contractor under the provisions of this Contract, and Contractor will be issued a Form
1099 for its services hereunder. As an independent contractor, Contractor hereby agrees
to indemnify and hold CITY harmless from any and all claims that may be made against
CITY based upon any contention by any of Contractor’s employees or by any third party,
including any state or federal agency, that an employer-employee relationship or a
substitute therefor exists for any purpose whatsoever by reason of this Contract or by
reason of the nature and/or performance under this Contract.

B. It is further understood and agreed by the parties that Contractor, in the performance
of its obligations, is subject to the City’s control and direction as to the designation of tasks
to be performed and the results to be accomplished under this Contract, but not as to the
means, methods, or sequence used by Contractor for accomplishing the results. To the
extent that Contractor obtains permission to, and does, use CITY facilities, space,
equipment or support services in the performance of this Contract, this use will be at the
Contractor’s sole discretion based on the Contractor’s determination that the use will
promote Contractor’s efficiency and effectiveness. Except as may be specifically provided
elsewhere in this Contract, the CITY does not require that Contractor use CITY facilities,
equipment or support services or work in CITY locations in the performance of this
Contract. As used in this Contract, "sole discretion" or "sole judgment" means that the
party authorized to exercise its discretion or judgment may do so based on an unfettered
assessment of its own interests, without considering how its decision affects the other
party, and unconstrained by the implied covenant of good faith and fair dealing.

C. If, in the performance of this Contract, any third persons are employed by Contractor,
such persons will be entirely and exclusively under the direction, supervision, and control
of Contractor. Except as otherwise provided in this Contract, all terms of employment,
including hours, wages, working conditions, discipline, hiring, and discharging, or any
other terms of employment or requirements of law, shall be determined by Contractor.
It is further understood and agreed that Contractor will issue W-2 or 1099 Forms for
income and employment tax purposes for all Contractor’s assigned personnel and
subcontractors.

D. The provisions of this section will survive any expiration or termination of this Contract.
Nothing in this Contract creates an exclusive relationship between CITY and Contractor.
Contractor may represent, perform services for, or be employed by any additional
persons or companies so long as Contractor does not violate the provisions of Section 5,
below.
2. **Licenses; Permits, Etc.** Contractor represents and warrants that Contractor has, and shall maintain at all times during the term of this Contract at its sole cost and expense, all licenses, permits, qualifications, and approvals of any nature that are legally required for Contractor to practice its profession or fulfill the terms of this Contract, including a City Business Operations Tax Certificate and any required certification issued by the California Secretary of State.

3. **Time.** Time is of the essence in the performance of this Contract. Contractor shall devote the necessary time and effort to its performance under this Contract. Neither party will be considered in default of this Contract, to the extent that party’s performance is prevented or delayed by any cause, present or future, that is beyond the reasonable control of that party.

4. **Contractor Not Agent.** Except as City may specify in writing, Contractor and Contractor’s personnel have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor and Contractor’s personnel shall have no authority, express or implied, to bind City to any obligations whatsoever.

5. **Conflicts of Interest.** Contractor covenants that neither it, nor any officer or principal of its firm, has or will acquire any interest, directly or indirectly, that would conflict in any manner with the City’s interests or that would in any way hinder Contractor’s performance under this Contract. Contractor further covenants that in the performance of this Contract, no person having any such interest will be employed by it as an officer, employee, agent or subcontractor, without the City’s written consent.

Contractor agrees to avoid conflicts of interest or the appearance of any conflicts of interest with the City’s interests during the performance of this Contract. If Contractor is or employs a former officer or employee of the City, Contractor and any former City officer or employee shall comply with the provisions of Sacramento City Code Section 2.16.090 pertaining to appearances before the City Council or any City department, board, commission, or committee.

6. **Hazardous Substances.** "Hazardous Substances" means any substance, material, waste, or other pollutant or contaminant that is or becomes designated, classified, or regulated as hazardous or toxic under any law, regulation, rule, order, decree, or other governmental requirement now in effect or later enacted. If Contractor is shipping Hazardous Substances, Contractor must supply a Safety Data Sheet ("SDS") with the first shipment of Hazardous Substances to each City location receiving the Hazardous Substances. If the content of an SDS is revised, Contractor must provide a revised SDS to each City location receiving Hazardous Substances.

7. **Confidentiality of City Information.** During performance of this Contract, Contractor may gain access to and use City information regarding inventions, machinery, products, prices, apparatus, costs, discounts, future plans, business affairs, governmental affairs, processes, trade secrets, technical matters, systems, facilities, customer lists, product design, copyright, data, and other vital information (hereafter collectively referred to as “City Information”) that are valuable, special and unique assets of the City.

Contractor agrees to protect all City Information and treat it as strictly confidential, and further agrees that Contractor shall not at any time, either directly or indirectly, divulge, disclose or
communicate in any manner any City Information to any third party without the City’s prior written consent.

In addition, Contractor must comply with all City policies governing the use of the CITY network and technology systems, as set forth in applicable provisions of the City of Sacramento Administrative Policy Instructions # 30. A violation by Contractor of this section is a material violation of this Contract and shall justify legal and equitable relief.

8. Contractor Information.

A. City shall have full ownership and control, including ownership of any copyrights, of all information prepared, produced, or provided by Contractor under this Contract. In this Contract, the term “information” means and includes: any and all work product, submittals, reports, plans, specifications, and other deliverables consisting of documents, writings, handwritings, typewriting, printing, photostatting, photographing, computer models, and any other computerized data and every other means of recording any form of information, communications, or representation, including letters, works, pictures, drawings, sounds, or symbols, or any combination thereof. Contractor shall not be responsible for any unauthorized modification or use of such information for other than its intended purpose by City.

B. Contractor shall fully defend, indemnify and hold harmless City, its officers and employees, and each of them, from and against any and all claims, actions, lawsuits or other proceedings alleging that all or any part of the information prepared, produced, or provided by Contractor under this Contract infringes upon any third party’s trademark, trade name, copyright, patent or other intellectual property rights. City shall make reasonable efforts to notify Contractor not later than ten days after City is served with any such claim, action, lawsuit or other proceeding. However, City’s failure to provide notice within the ten-day period does not relieve Contractor of its obligations hereunder, which survive any termination or expiration of this Contract.

C. All proprietary and other information received from Contractor by City, whether received in connection with Contractor’s proposal to City or in connection with Contractor’s performance, will be disclosed upon receipt of a request for disclosure, in accordance with the California Public Records Act; provided, however, that, if any information is set apart and clearly marked “trade secret” when it is provided to City, City shall give notice to Contractor of any request for the disclosure of such information. The Contractor will then have five days from the date it receives notice to petition the court for a protective order to prevent the disclosure of the information. The Contractor shall have sole responsibility for defense of the actual “trade secret” designation of such information.

D. The parties understand and agree that any failure by Contractor to respond to the notice provided by City and seek a protective order, in accordance with the provisions of subsection C, above, constitutes a complete waiver by Contractor of any rights regarding the information designated “trade secret” by Contractor, and the information will be disclosed by City in accordance with the Public Records Act.
9. **Notification of Material Changes in Business.** Contractor agrees that if it experiences any material changes in its business, including a reorganization, refinancing, restructuring, leveraged buyout, bankruptcy, name change, or loss of key personnel, it will immediately notify the City of the changes. Contractor also agrees to immediately notify the City of any condition that may jeopardize the scheduled delivery or fulfillment of Contractor's obligations to the City under this Contract.

10. **Standard of Performance.** Contractor shall perform in the manner and according to the standards currently observed by a competent practitioner of Contractor’s profession in California and in compliance with all requirements of this Contract. All products that Contractor delivers to City under this Contract must be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor’s profession.

Contractor shall assign only competent personnel to perform on its behalf under this Contract. Contractor must notify the City in writing of any changes in Contractor’s staff assigned to perform under this Contract, before any performance by the new staff member. If the City, in its sole discretion, determines that any person assigned by the Contractor to perform under this Contract is not performing in accordance with the standards required herein, City shall provide notice to Contractor. Contractor shall immediately remove the assigned person upon receipt of the notice.

11. **Performance or Different Terms and Conditions.** The City's subsequent performance will not be construed as either acceptance of additional or different terms and conditions or a counteroffer by the Contractor, nor will the City's subsequent performance be viewed as acceptance of any provision of the Uniform Commercial Code, as adopted by any State, that is contrary to the terms and conditions contained herein. Contractor’s performance shall conform to the applicable requirements of the Sacramento City Charter, Sacramento City Code, and all applicable State and Federal laws, and all the requirements of this Contract. The California Commercial Code will apply except as otherwise provided in the Contract.

12. **Emergency/Declared Disaster Requirements.** If an emergency is declared by the City Manager, or if any portion of the City is declared a disaster area by the county, state or federal government, this Contract may be subjected to increased usage. The Contractor shall serve the City during a declared emergency or disaster, subject to the same terms and conditions that apply during non-emergency / non-disaster conditions. The pricing set forth in this Contract will apply, without mark-up, regardless of the circumstances. If the Contractor is unable to fulfill the terms of the Contract because of a disruption in its chain of supply or service, then the Contractor shall provide proof of the disruption. Acceptable forms of proof will include a letter or notice from the Contractor's source stating the reason for the disruption.

13. **Term; Suspension; Termination.**

   A. This Contract is effective on the Effective Date and continues in effect until both parties have fully performed their respective obligations under this Contract, unless sooner terminated as provided herein.

   B. City shall have the right at any time to suspend Contractor’s performance hereunder, in whole or in part, by giving a written notice of suspension to Contractor. Upon receipt of
such notice, Contractor shall immediately suspend its activities under this Contract, as specified in the notice.

C. The City shall have the right to terminate this Contract at any time by giving a written notice of termination to Contractor. Upon receipt of such notice, Contractor shall immediately cease performance under this Contract as specified in the notice. If the City terminates this Contract:

(1) Contractor shall, not later than five days after receipt of the notice, deliver all information prepared under this Contract to the City.

(2) The City shall pay Contractor the reasonable value of Goods or Services provided by Contractor before termination; provided, however, City shall not in any manner be liable for lost profits that might have been made by Contractor had the Contract not been terminated or had Contractor completed performance required by this Contract. Contractor shall furnish to the City any financial information requested by the City to determine the reasonable value of the Goods or Services provided by Contractor. The foregoing is cumulative and does not affect any right or remedy that City may have in law or equity.

14. **Default by Contractor.** In case of default by the Contractor, the City reserves the right to procure the Goods or Services from other sources and deduct from any monies due, or that may thereafter become due to the Contractor, the difference between the price named in this Contract and the actual cost to the City to procure from an alternate source. Prices paid by the City will be considered the prevailing market price at the time such purchase is made.

15. **Guarantee and Warranty.** Contractor assumes design responsibility and warrants the articles to be free from design defect and suitable for the purposes intended by City. If it is determined by the City that the Goods and Services do not meet the minimum requirements of this Contract, the Contractor shall correct the same at Contractor’s sole expense.

A. The Contractor agrees that the Goods and Services furnished under this Contract will be covered by the industry standard or better warranty.

B. Contractor further warrants that the Goods and Services furnished under this Contract will be covered by the most favorable commercial warranties the Contractor gives to any customer for the Goods and Services and that the rights and remedies provided herein are in addition to and do not limit any rights afforded to the City at law or equity, or by any other clause of this Contract.

C. Any additional warranties provided by law, including the warranty of merchantability and warranty of fitness for a particular purpose will remain in full force and effect and inure to the City’s benefit. City reserves all rights and remedies provided by law for breach of any applicable warranty related to the Goods and Services.

D. City’s inspections, approval, acceptance, or payment for all or part of any Goods and
Services will in no way affect City's warranty rights.

16. **Indemnity.**

A. **Indemnity:** Contractor shall defend, hold harmless, and indemnify City, its officers, and employees, and each and every one of them, from and against all actions, damages, costs, liabilities, claims, demands, losses, judgments, penalties, and expenses of every type and description, whether arising on or off the site of the work or services performed under this Contract, including any fees and costs reasonably incurred by City's staff attorneys or outside attorneys and any fees and expenses incurred in enforcing this provision (hereafter collectively referred to as “Liabilities”), including Liabilities for personal injury or death, damage to personal, real, or intellectual property, damage to the environment, contractual or other economic damages, or regulatory penalties, arising out of or in any way connected with performance of or failure to perform this Contract by Contractor, any subcontractor (including lower-tier subcontractors) or agent of Contractor, their respective officers and employees, and anyone else for whose acts of omissions any of them may be liable, whether or not the Liabilities (i) are caused in part by a party indemnified hereunder, or (ii) are litigated, settled, or reduced to judgment; provided that the foregoing indemnity does not apply to liability for damages for death or bodily injury to persons, injury to property, or other loss, damage, or expense, to the extent arising from the active negligence or willful misconduct of, or defects in design furnished by, City, its agents, servants, or independent contractors who are directly responsible to City, except when such agents, servants, or independent contractors are under the supervision and control of Contractor or any subcontractor (including lower-tier subcontractors) or agent of Contractor.

B. **Insurance Policies; Intellectual Property Claims:** The existence or acceptance by City of any of the insurance policies or coverages described in this Contract will not affect or limit any of City's rights under this Section, nor will the limits of any insurance limit the liability of Contractor hereunder. This Section will not apply to any intellectual property claims, actions, lawsuits or other proceedings subject to the provisions of section 8.B., above.

C. **Survival.** The provisions of this section will survive any expiration or termination of this Contract.

17. **Funding Availability.**

A. This Contract is subject to the budget and fiscal provisions of the Charter and the Sacramento City Code.

B. The City’s payment obligation under this Contract will not exceed the amount of funds appropriated and approved for this Contract by the Sacramento City Council.

C. This Section shall govern over any other contrary provision of the Contract.

18. **Equal Employment Opportunity.** During the performance of this Contract, Contractor, for itself
its assignees and successors in interest, agrees as follows:

A. **Compliance With Regulations:** Contractor shall comply with all state, local, and federal anti-discrimination laws and regulations, including the Executive Order 11246 entitled “Equal Opportunity in Federal Employment,” as amended by Executive Order 11375, 12086, and 13672, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), referred to collectively as the “ Regulations.”

B. **Nondiscrimination:** Contractor, with regards to the work performed by it after award and before completion of the work under this Contract, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. Contractor shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

C. **Solicitations for Subcontractors, Including Procurement of Materials and Equipment:** In all solicitations either by competitive bidding or negotiations made by Contractor for work to be performed under any subcontract, including all procurement of materials or equipment, each potential subcontractor or supplier shall be notified by Contractor of Contractor’s obligation under this Contract and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation.

D. **Information and Reports:** Contractor shall provide all information and reports required by the Regulations, or by any orders or instructions issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City to be pertinent to ascertain compliance with the Regulations, orders and instructions. Where any information required of Contractor is in the exclusive possession of another who fails or refuses to furnish this information, Contractor shall so certify to the City, and shall set forth what efforts it has made to obtain the information.

E. **Sanctions for Noncompliance:** In the event of noncompliance by Contractor with the nondiscrimination provisions of this Contract, the City shall impose any sanctions it determines are appropriate including:

1. Withholding of payments to Contractor under this Contract until Contractor complies;
2. Cancellation, termination, or suspension of this Contract, in whole or in part.

F. **Incorporation of Provisions:** Contractor shall include the provisions of subsections A through E, above, in every subcontract, including procurement of materials and leases of equipment, unless exempted by the Regulations, or by any order or instructions issued pursuant thereto. The City may direct Contractor to take specific actions to enforce these provisions, including sanctions for noncompliance; provided, however, that if Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Contractor may request that the City join such litigation to protect the City’s interests.
19. **Entire Agreement.** This Contract, including all Exhibits and documents referenced herein, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had before the execution of this Contract. No alteration to the terms of this Contract shall be valid unless approved in writing by Contractor, and by City, in accordance with applicable provisions of the Sacramento City Code.

20. **Modification of Contract.** The Contractor shall take no direction from any City employee that changes the executed terms and conditions of the Contract, including Exhibit A, or any change that impacts the cost, price, or schedule, before receiving a written, signed modification to the Contract.

21. **Severability.** If a court with jurisdiction rules that any portion of this Contract or its application to any person or circumstance is invalid or unenforceable, the remainder of this Contract will not be affected thereby and will remain valid and enforceable as written, to the greatest extent permitted by law.

22. **Waiver.** Neither the City’s acceptance of, or payment for, any Goods or Services, nor any waiver by either party of any default, breach or condition precedent, will be construed as a waiver of any provision of this Contract, nor as a waiver of any other default, breach or condition precedent or any other right hereunder. No waiver will be effective unless it is in writing and signed by the waiving party.

23. **Governing Law.** This Contract shall be governed, construed and enforced in accordance with the laws of the State of California, except that the rule of interpretation in California Civil Code section 1654 will not apply. Venue of any litigation arising out of this Contract will lie exclusively in the state trial court or Federal District Court located in Sacramento County in the State of California, and the parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

24. **Assignment Prohibited.** The expertise and experience of Contractor are material considerations for this Contract. City has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on Contractor under this Agreement. In recognition of this interest, Contractor shall not assign any right or obligation pursuant to this Contract without the written consent of the City. Any attempted or purported assignment without City’s written consent shall be void and of no effect.

25. **Binding Effect.** This Contract is binding on the heirs, executors, administrators, successors and assigns of the parties, subject to the provisions of Section 24, above.

26. **Compliance with Laws.** The Contractor shall be responsible for strict compliance with all applicable laws, regulations, court orders and other legal requirements applicable to the work to be accomplished under the Contract, including the California Occupational Safety and Health Act and all applicable safety orders issued by the Division of Occupational Safety and Health, Department of Industrial Relations, State of California, and all applicable requirements of Underwriters Laboratories and the Federal Communication Commission.
Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

By: ______________________________________

Dawn Holm
Finance Director

For: Howard Chan, City Manager

ATTEST:

____________________________________
City Clerk

APPROVED AS TO FORM:

Jennifer Gore (May 6, 2020)

Jennifer Gore, City Attorney

Attachments

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<td>D</td>
<td>General Conditions</td>
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</table>
CONTRACTOR:

The Daily Recorder
NAME OF FIRM

95-4133299
Federal I.D. No.

5YAA11242764
State I.D. No.

5781

TYPE OF BUSINESS ENTITY (check one):

_____ Individual/Sole Proprietor
_____ Partnership
XX Corporation (may require 2 signatures)
_____ Limited Liability Company
_____ Other (please specify: _______________)

Michelle Stephens
Michelle Stephens (Apr 9, 2020)
Signature of Authorized Person

Michelle Stephens, Secretary
Print Name and Title

Signature: Gary O'Neil
Email: gOneill@cityofsacramento.org

Signature:
Email: goneill@cityofsacramento.org
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

INSURER(S) AFFORDING COVERAGE

INSURER A : Hartford Fire Insurance Company 19682
INSURER B : Hartford Accident and Indemnity Company 22357
INSURER C : Hartford Casualty Insurance Company 29242
INSURER D : Hartford Underwriters Insurance Company 30104
INSURER E :
INSURER F :

PRODUCER

Bolton & Company
3475 E. Foothill Blvd., Suite 100
Pasadena, CA 91107

www.boltonco.com 0008309

CONTACT

NAME: Bolton & Company
PHONE (A/C, No.): (626) 799-7000
FAX (A/C, No.): (626) 583-2117
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE

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INSURER F :

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Debra Rosas

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 2/27/2020

COVERAGES

CERTIFICATE NUMBER: 54329792

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR. LTR. TYPE OF INSURANCE ADDL. INSURER INSCR. # POLICY NUMBER POLICY EFF (MM/DD/YYYY) POLICY EFF (MM/DD/YYYY) LIMITS

A ✓ COMMERCIAL GENERAL LIABILITY CLAIMS-MADE ✓ OCCUR ✓ Deductible: $0
GENL AGGREGATE LIMIT APPLIES PER:
POLICY PROJ OTH LOC

B ✓ AUTOMOBILE LIABILITY

C ✓ UMBRELLA LIABILITY OCCUR CLAIMS-MADE

D ✓ WORKERS COMPENSATION AND EMPLOYERS' LIABILITY

Y/N N/A

GL Cancellation Clause applies per IL02700811 attached.
GL Additional Insured and Primary & Non-Contributory Wording apply per HG 00 01 09 16 attached, only if required by written contract/agreement.
Re: Official City Newspaper Advertising. Additional Insured(s): City of Sacramento, its officials, employees, and volunteers.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

GL Additional Insured and Primary & Non-Contributory Wording apply per HG 00 01 09 16 attached, only if required by written contract/agreement.
GL Cancellation Clause applies per IL02700811 attached.
Re: Official City Newspaper Advertising. Additional Insured(s): City of Sacramento, its officials, employees, and volunteers.

CERTIFICATE HOLDER

Bid #B2006151103
City of Sacramento
915 I Street, New City Hall
5th Floor Public Counter
Sacramento CA 95814

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Debra Rosas

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with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

e. Unnamed Subsidiary
Any subsidiary, and subsidiary thereof, of yours which is a legally incorporated entity of which you own a financial interest of more than 50% of the voting stock on the effective date of the Coverage Part.

The insurance afforded herein for any subsidiary not named in this Coverage Part as a named insured does not apply to injury or damage with respect to which such insured is also a named insured under another policy or would be a named insured under such policy but for its termination or the exhaustion of its limits of insurance.

3. Newly Acquired Or Formed Organization
Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain financial interest of more than 50% of the voting stock, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

4. Nonowned Watercraft
With respect to watercraft you do not own that is less than 51 feet long and is not being used to carry persons for a charge, any person is an insured while operating such watercraft with your permission. Any other person or organization responsible for the conduct of such person is also an insured, but only with respect to liability arising out of the operation of the watercraft, and only if no other insurance of any kind is available to that person or organization for this liability.

However, no person or organization is an insured with respect to:

a. "Bodily injury" to a co-"employee" of the person operating the watercraft; or

b. "Property damage" to property owned by, rented to, in the charge of or occupied by you or the employer of any person who is an insured under this provision.

5. Additional Insureds When Required By Written Contract, Written Agreement Or Permit
The following person(s) or organization(s) are an additional insured when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement.

A person or organization is an additional insured under this provision only for that period of time required by the contract or agreement.

However, no such person or organization is an insured under this provision if such person or organization is included as an insured by an endorsement issued by us and made a part of this Coverage Part.

a. Vendors
Any person(s) or organization(s) (referred to below as vendor), but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business and only if this Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard".

(1) The insurance afforded the vendor is subject to the following additional exclusions:

This insurance does not apply to:

(a) "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;

(b) Any express warranty unauthorized by you;

(c) Any physical or chemical change in the product made intentionally by the vendor;

(d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;

(e) Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally
undertakes to make in the usual course of business, in connection with the distribution or sale of the products;

(f) Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the products;

(g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

(h) "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

(i) The exceptions contained in Sub-paragraphs (d) or (f); or

(ii) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

(2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

b. Lessors Of Equipment

(1) Any person(s) or organization(s) from whom you lease equipment; but only with respect to their liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

(2) With respect to the insurance afforded to these additional insureds this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

c. Lessors Of Land Or Premises

Any person or organization from whom you lease land or premises, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land or premises leased to you.

With respect to the insurance afforded these additional insureds the following additional exclusions apply:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to lease that land; or

2. Structural alterations, new construction or demolition operations performed by or on behalf of such person or organization.

d. Architects, Engineers Or Surveyors

Any architect, engineer, or surveyor, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In connection with your premises; or

(2) In the performance of your ongoing operations performed by you or on your behalf.

With respect to the insurance afforded you or these additional insureds, this insurance does not apply to "occurrence" which takes place after you cease to lease that land.

With respect to the insurance afforded these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

2. Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

e. Permits Issued By State Or Political Subdivisions

Any state or political subdivision, but only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

With respect to the insurance afforded these additional insureds, this insurance does not apply to:

(1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

f. Knowledge Of An Occurrence, Offense, Claim Or Suit

Paragraphs a. and b. apply to you or to any additional insured only when such "occurrence", offense, claim or "suit" is known to:

(1) You or any additional insured that is an individual;

(2) Any partner, if you or the additional insured is a partnership;

(3) Any manager, if you or the additional insured is a limited liability company;

(4) Any "executive officer" or insurance manager, if you or the additional insured is a corporation;

(5) Any trustee, if you or the additional insured is a trust; or

(6) Any elected or appointed official, if you or the additional insured is a political subdivision or public entity.

This duty applies separately to you and any additional insured.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If other insurance is also primary, we will share with all that other insurance by the method described in c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis:

(1) Your Work

That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(2) Premises Rented To You

That is fire, lightning or explosion insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(3) Tenant Liability

That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(4) Aircraft, Auto Or Watercraft

If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability;

(5) Property Damage To Borrowed Equipment Or Use Of Elevators

If the loss arises out of "property damage" to borrowed equipment or the use of elevators to the extent not subject to Exclusion j. of Section I - Coverage A - Bodily Injury And Property Damage Liability;

(6) When You Are Added As An Additional Insured To Other Insurance

Any other insurance available to you covering liability for damages arising out of the premises or operations, or products and completed operations, for which you have been added as an additional insured by that insurance; or

(7) When You Add Others As An Additional Insured To This Insurance

Any other insurance available to an additional insured.

However, the following provisions apply to other insurance available to any person or organization who is an additional insured under this coverage part.

(a) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also
primary, we will share with all that other insurance by the method described in c. below.

(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement, or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (a) and (b) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only.

At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

a. When You Accept This Policy

By accepting this policy, you agree:

(1) The statements in the Declarations are accurate and complete;

(2) Those statements are based upon representations you made to us; and

(3) We have issued this policy in reliance upon your representations.

b. Unintentional Failure To Disclose Hazards

If unintentionally you should fail to disclose all hazards relating to the conduct of your business that exist at the inception date of this Coverage Part, we shall not deny coverage under this Coverage Part because of such failure.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

a. Transfer Of Rights Of Recovery

If the insured has rights to recover all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less:

   If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

   a. 10 days before the effective date of cancellation if we cancel for:

      (1) Nonpayment of premium; or

      (2) Discovery of fraud by:

         (a) Any insured or his or her representative in obtaining this insurance; or

         (b) You or your representative in pursuing a claim under this policy.

   b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

   a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

      (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

      (2) Discovery of fraud or material misrepresentation by:

         (a) Any insured or his or her representative in obtaining this insurance; or

         (b) You or your representative in pursuing a claim under this policy.

      (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:
   (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
   (b) Continuation of the policy coverage would:
      (i) Place us in violation of California law or the laws of the state where we are domiciled; or
      (ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
   (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
   (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3. a.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

The cancellation will be effective even if we have not made or offered a refund.

B. The following provision is added to the Cancellation Common Policy Condition:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants’ household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part

Farm Coverage Part - Farm Property - Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.

b. We may not cancel this policy solely because the first Named Insured has:
   (1) Accepted an offer of earthquake coverage; or
   (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
   (1) Commercial Property Coverage Part - Causes Of Loss - Special Form; or
   (2) Farm Coverage Part - Causes of Loss Form - Farm Property, Paragraph D. Covered Causes of Loss - Special.
C. The following is added and supersedes any provisions to the contrary:

**Nonrenewal**

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

   We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. **Residential Property**

   This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

   - Commercial Property Coverage Part
   - Farm Coverage Part - Farm Property - Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form.

   a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below.

   b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

   However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

   (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

   (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

   (3) We have:

   (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

   (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

   the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

   c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.

   d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

   (1) Commercial Property Coverage Part - Causes Of Loss - Special Form; or

   (2) Farm Coverage Part - Causes Of Loss Form - Farm Property, Paragraph D. Covered Causes Of Loss - Special.

3. We are not required to send notice of nonrenewal in the following situations:

   a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions of risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.