

**PALM DESERT HOUSING AUTHORITY  
STAFF REPORT**

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MEETING DATE: June 22, 2023

PREPARED BY: Celina Cabrera, Management Analyst

REQUEST: AWARD AGREEMENT FOR HVAC MECHANICAL SYSTEMS WITH JOHN HARRISON CONTRACTING, INC., IN AN AMOUNT NOT TO EXCEED \$190,000 PLUS CONTINGENCY

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**RECOMMENDATION:**

1. Award Agreement for HVAC Mechanical Systems Services with John Harrison Contracting Inc. For a period of three years, plus two 1-year extensions at the Housing Authority residential rental properties, in an amount not to exceed \$190,000 annually plus \$28,500 for 15% contingency.
2. Authorize RPM Company, the Housing Authority’s contracted management company, to monitor the Agreement and authorize additional services within the contingency amount as determined to be necessary due to emergency actions and/or to proactively respond to the needs of the Properties.
3. Authorize the Executive Director to execute the Agreement and any documents necessary to effectuate the actions taken herewith and amend the terms as may be necessary.

**BACKGROUND/ANALYSIS:**

The Palm Desert Housing Authority (“Housing Authority”) owns 15 affordable residential housing properties (“Properties”) in the City and accounts for 1,114 apartment units. The day-to-day operations of the Properties are contracted with the property management group, RPM Company. The current contract term for HVAC Mechanical System Service at the Properties expires on June 30, 2023, and there are no remaining renewal options.

On February 16, 2023, Staff issued a Request for Proposal (“RFP”) as required by Palm Desert Municipal Code 3.30.100 on the City’s online bid management provider, “OpenGov” and a “Notice Inviting Proposals” was published in the Desert Sun newspaper on February 16, 2023, and February 23, 2023. A mandatory pre-submittal meeting was held on March 1, 2023. Three responses were received by the RFP deadline of March 17, 2023:

<b>Company</b>	<b>Annual Cost Proposal</b>	<b>Criteria/Category Proposer Scored the Lowest on</b>	<b>Overall Evaluation Score (out of 100)</b>
Western Air Cooling & Heating	\$197,000	Not a registered contractor with Department of Industrial Relations (DIR) nor an approved contractor to energy saving programs such as SCE and Gas Company.	79.33
MEP Solutions	\$218,500	Did not demonstrate experience with	48.33

Palm Desert Housing Authority  
 Housing Authority- John Harrison Contracting, Inc. Maintenance Services Agreement

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		multifamily properties in the proposal or through references. Did not demonstrate qualifications of proposer and key personnel. Not an approved contractor to energy saving programs such as SCE and Gas Company. Cost Proposal notes that cost is not inclusive of parts or diagnosing labor time of failed units.	
John Harrison Contracting, Inc.	\$300,000	Overall Cost Proposal	85.67

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Pursuant to Palm Desert Municipal Code 3.30.140, Staff evaluated all responses in comparison to the evaluation criteria published in the RFP. After conducting interviews with the top two ranked proposers, John Harrison Contracting Inc. (“JHC”) demonstrated to be the most qualified respondent and best overall value for services demonstrated through their proposal, experience, and past performance. JHC has serviced the Housing Authority Properties for the past ten years.

JHC is an approved Southern California Edison (“SCE”) vendor as well as Southern California Gas Company Energy Savings Assistance Program Contractor, and an approved weatherization contractor for both the State of California Department of Community Services and Development as well as with Community Action Partnership of Riverside. JHC’s involvement and leveraging resources of utility companies and government agencies offers value in the future, as it has in the past, to extend applicable discounted services to the Housing Authority and our residents. Additionally, JHC is a registered contractor with the Department of Industrial Relations (DIR) and is familiar with the required prevailing wage requirements.

In past HVAC agreements, there was not a provision for routine service and maintenance of the units because SCE had a program that encompassed this task at no charge to the Authority. The SCE program is currently unfunded and therefore the RFP was written with a requirement of two routine maintenance services on all units each calendar year. After receiving the cost proposal and data of service calls over the past 12 months, Staff determined that service of the units once a year will be sufficient. Staff contacted JHC and asked for a revision of their cost proposal to include service of all units once a year, rather than twice.

<b>Revised Cost Proposal</b>	
John Harrison Contracting, Inc.	\$190,000

Staff recommends the award of a three-year General Services Agreement in an annual amount not to exceed \$218,500 (includes an annual cost of \$190,000 and \$28,500 for 15% contingency) to John Harrison Contracting, Inc. and authorize RPM company to monitor the Agreement and authorize additional services, as determined to be necessary due to emergency actions and/or to proactively respond to the needs of the Properties. Additional Services include unit repairs and unit replacements beyond that which is already included in the proposal, and other emergency service responses that may be required. At the expiration of three years, the Authority reserves the right to extend the Agreement for two additional one-year terms.

**Commission Recommendation:**

The Housing Commission will review this recommendation at its regularly scheduled meeting on June 14, 2023. Upon request a verbal report will be provided.

**FINANCIAL IMPACT:**

The fiscal impact of this request is the annual cost of the Agreement in an annual amount not to exceed \$218,500. Funds have been budgeted in the proposed FY 2023-2024 contract services operating budget allocated within each of the 15 Housing Authority Properties. Future years are contingent upon appropriation.

**REVIEWED BY:**

Department Director:	<i>Eric Ceja</i>
Special Counsel to Housing Authority:	<i>Craig Hayes</i>
Finance Director:	<i>Veronica Chavez</i>
Assistant City Manager:	<i>Chris Escobedo</i>
City Manager:	<i>Todd Hileman</i>

**ATTACHMENTS:**

1. Maintenance Services Agreement
2. John Harrison Contracting Proposal
3. John Harrison Contracting Revised Cost Proposal

**PALM DESERT HOUSING AUTHORITY  
MAINTENANCE SERVICES AGREEMENT**

**1. PARTIES AND DATE.**

This Agreement is made and entered into this **22<sup>nd</sup> day of June , 2023**, by and between the **Palm Desert Housing Authority (“ the Authority”)**, a Public Body, Corporate and Politic, a political subdivision organized under the laws of the State of California with its principal place of business at 73-510 Fred Waring Drive, Palm Desert, California 92260-2578, County of Riverside, State of California and **John Harrison Contracting, Inc, a California Corporation** with its principal place of business **1143 West Lincoln Street, Suite 2, Banning, CA 92220** (“Contractor”). The Authority and Contractor are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

**2. RECITALS.**

**2.1 Contractor.**

Contractor desires to perform and assume responsibility for the provision of certain maintenance services required by the Authority on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing maintenance services to public clients, that it and its subcontractors have all necessary licenses and permits to perform the services in the State of California, and that it is familiar with the plans of the Authority. Contractor shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of the Authority. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

**2.2 Project.**

The Authority desires to engage Contractor to render such services for **Heating, Ventilation, and Air Conditioning Mechanical Systems Services** project (“Project”) as set forth in this Agreement.

**3. TERMS.**

**3.1 Scope of Services and Term.**

3.1.1 General Scope of Services. Contractor promises and agrees to furnish to the Authority all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the maintenance services necessary for the Project (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations.

3.1.2 Term. The term of this Agreement shall be from **July 1, 2023 to June 30, 2026**, unless earlier terminated as provided herein The Authority shall have the unilateral option, at its sole discretion, to renew this Agreement for no more than **two additional one-year terms**. Contractor shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Services.

### 3.2 Responsibilities of Contractor.

3.2.1 Control and Payment of Subordinates; Independent Contractor. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. The Authority retains Contractor on an independent contractor basis and not as an employee. Any personnel performing the Services under this Agreement on behalf of Contractor shall not be employees of the Authority and shall at all times be under Contractor's exclusive direction and control. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Contractor shall perform the Services in a prompt and timely manner in accordance with the Schedule of Services set forth in Exhibit "A" attached hereto and incorporated herein by reference. Contractor represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. Upon request of the Authority, Contractor shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of the Authority.

3.2.4 Authority's Representative. The Authority hereby designates **Jessica Gonzales**, or his or her designee, to act as its representative for the performance of this Agreement ("Authority's Representative"). Authority's Representative shall have the power to act on behalf of the Authority for all purposes under this Agreement except for increasing compensation. Contractor shall not accept direction or orders from any person other than the Authority's Representative or his or her designee.

3.2.5 Contractor's Representative. Contractor hereby designates **Mauricio Blanco**, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.6 Coordination of Services. Contractor agrees to work closely with the Authority's staff in the performance of Services and shall be available to the Authority's staff, consultants and other staff at all reasonable times.

3.2.7 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, including a City Business License, and that such licenses and approvals shall be maintained

throughout the term of this Agreement. Contractor shall perform, at its own cost and expense and without reimbursement from the Authority, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein. Any employee of the Contractor or its sub-contractors who is determined by the Authority to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the Authority, shall be promptly removed from the Project by the Contractor and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.8 Period of Performance. Contractor shall perform and complete all Services under this Agreement within the term set forth in Section 3.1.2 above ("Performance Time"). Contractor shall perform the Services in strict accordance with any completion schedule or Project milestones described in Exhibits "A" attached hereto, or which may be provided separately in writing to the Contractor. Contractor agrees that if the Services are not completed within the aforementioned Performance Time and/or pursuant to any such completion schedule or Project milestones developed pursuant to provisions of this Agreement, it is understood, acknowledged and agreed that the Authority will suffer damage. Pursuant to Government Code Section 53069.85, Contractor shall pay to the Authority as fixed and liquidated damages, and not as a penalty, the sum of Two Hundred Dollars per day for each and every calendar day of delay beyond the Performance Time or beyond any completion schedule or Project milestones established pursuant to this Agreement.

3.2.9 Disputes. Should any dispute arise respecting the true value of any work done, of any work omitted, or of any extra work which Contractor may be required to do, or respecting the size of any payment to Contractor during the performance of this Contract, Contractor shall continue to perform the Work while said dispute is decided by the Authority. If Contractor disputes the Authority's decision, Contractor shall have such remedies as may be provided by law.

3.2.10 Laws and Regulations; Employee/Labor Certifications. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with the Services and this Agreement. All violations of such laws and regulations shall be grounds for the Authority to terminate the Agreement for cause. The Authority is a public entity of the State of California subject to certain provisions of the Health & Safety Code, Government Code, Public Contract Code, and Labor Code of the State. It is stipulated and agreed that all provisions of the law applicable to the public contracts of a municipality are a part of this Agreement to the same extent as though set forth herein and will be complied with.

3.2.10.1 Employment Eligibility; Contractor. Contractor certifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time and shall require all subconsultants and sub-subconsultants to comply with the same. Contractor certifies that it has not committed a violation of any such law within the five (5) years immediately preceding the date of execution of this Agreement, and shall not violate any such law at any time during the term of the Agreement.

3.2.10.2 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.2.10.3 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, physical disability, ancestry, sex, age, marital status, gender, gender identity, gender expression, sexual orientation, reproductive health decision making, veteran or military status, or any other consideration made unlawful by federal, state, or local laws. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.2.10.4 Air Quality. Contractor must fully comply with all applicable laws, rules and regulations in furnishing or using equipment and/or providing services, including, but not limited to, emissions limits and permitting requirements imposed by the California Air Resources Board (CARB). Contractor shall specifically be aware of the CARB limits and requirements' application to "portable equipment", which definition is considered by CARB to include any item of equipment with a fuel-powered engine. Contractor shall indemnify the Authority against any fines or penalties imposed by CARB or any other governmental or regulatory agency for violations of applicable laws, rules and/or regulations by Contractor, its subcontractors, or others for whom Contractor is responsible under its indemnity obligations provided for in this Agreement.

3.2.10.5 Water Quality Management and Compliance. To the extent applicable, Contractor's Services must account for, and fully comply with, all local, state and federal laws, rules and regulations that may impact water quality compliance, including, without limitation, all applicable provisions of the Federal Water Pollution Control Act (33 U.S.C. §§ 1300); the California Porter-Cologne Water Quality Control Act (Cal Water Code §§ 13000-14950); laws, rules and regulations of the Environmental Protection Agency and the State Water Resources Control Board; the City's ordinances regulating discharges of storm water; and any and all regulations, policies, or permits issued pursuant to any such authority regulating the discharge of pollutants, as that term is used in the Porter-Cologne Water Quality Control Act, to any ground or surface water in the State. Failure to comply with the laws, regulations and policies described in this Section is a violation of law that may subject Contractor to penalties, fines, or additional regulatory requirements.

3.2.11 Insurance.

3.2.11.1 Minimum Requirements. Without limiting Contractor's indemnification of the Authority, and prior to commencement of the Services, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form that is satisfactory to the Authority.

(A) General Liability Insurance. Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services



Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

(B) Automobile Liability Insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident. The City's Risk Manager may modify this requirement if it is determined that Consultant will not be utilizing a vehicle in the performance of his/her duties under this Agreement.

(C) Umbrella or Excess Liability Insurance. Contractor may opt to utilize umbrella or excess liability insurance in meeting insurance requirements. In such circumstances, Contractor may obtain and maintain an umbrella or excess liability insurance policy with limits that will provide bodily injury, personal injury and property damage liability coverage at least as broad as the primary coverages set forth above, including commercial general liability and employer's liability. Such policy or policies shall include the following terms and conditions:

(a) A drop down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason;

(b) Pay on behalf of wording as opposed to reimbursement;

(c) Concurrency of effective dates with primary policies; and

(d) Policies shall "follow form" to the underlying primary policies.

(e) Insureds under primary policies shall also be insureds under the umbrella or excess policies.

(D) Workers' Compensation Insurance. Contractor shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000). Contractor shall submit to the Authority, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives.

(E) Fidelity Coverage. Reserved

(F) Cyber Liability Insurance. Reserved

If coverage is maintained on a claims-made basis, Contractor shall maintain such coverage for an additional period of three (3) years following termination of the Agreement.

(G) Pollution Liability Insurance. Reserved

3.2.11.2 Other Provisions and Requirements.

(A) Proof of Insurance. Contractor shall provide certificates of insurance to the Authority as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsements must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with the Authority at all times during the term of this contract. The Authority reserves the right to require complete, certified copies of all required insurance policies, at any time.

(B) Duration of Coverage. Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the work hereunder by Contractor, his/her agents, representatives, employees or subconsultants.

(C) Primary/Non-Contributing. Coverage provided by Contractor shall be primary and any insurance or self-insurance procured or maintained by the Authority shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Authority before the Authority's own insurance or self-insurance shall be called upon to protect it as a named insured.

(D) Authority's Rights of Enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications, or is canceled and not replaced, the Authority has the right, but not the duty, to obtain the insurance it deems necessary and any premium paid by the Authority will be promptly reimbursed by Contractor, or the Authority will withhold amounts sufficient to pay premium from Contractor payments. In the alternative, the Authority may cancel this Agreement.

(E) Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

(F) Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives, or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(G) Enforcement of Contract Provisions (non estoppel). Contractor acknowledges and agrees that any actual or alleged failure on the part of the Authority to inform Contractor of non-compliance with any requirement imposes no additional obligations on the Authority nor does it waive any rights hereunder.

(H) Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Contractor maintains higher limits than the minimums shown above, the Authority requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority.

(I) Notice of Cancellation. Contractor agrees to oblige its insurance agent or broker and insurers to provide the Authority with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(J) Additional Insured Status. General liability, automobile liability, and if applicable, pollution liability and cyber liability, policies shall provide or be endorsed to provide that the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(K) Prohibition of Undisclosed Coverage Limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to the Authority and approved of in writing.

(L) Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(M) Pass Through Clause. Contractor agrees to ensure that its sub-consultants, sub-contractors, and any other party involved with the Project who is brought onto or involved in the project by Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Contractor agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the Project will be submitted to the Authority for review.

(N) Authority's Right to Revise Specifications. The Authority or its Risk Manager reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice of such change. If such change results in cost to the Contractor, the Authority and Contractor may renegotiate Contractor's compensation. If the Authority reduces the insurance requirements, the change shall go into effect immediately and require no advanced written notice.

(O) Self-Insured Retentions. Any self-insured retentions must be declared to and approved by the Authority. The Authority reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the Authority.

(P) Timely Notice of Claims. Contractor shall give the Authority prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(Q) Additional Insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

3.2.12 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions, where applicable, shall include, but shall not be limited to: (A) adequate life protection and lifesaving equipment and procedures; (B) instructions in accident prevention for all employees and subcontractors, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

### 3.2.13 Bonds.

3.2.13.1 Performance Bond. If required by law or otherwise specifically requested by the Authority in Exhibit "C" attached hereto and incorporated herein by reference, Contractor shall execute and provide to the Authority concurrently with this Agreement a Performance Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the Authority. If such bond is required, no payment will be made to Contractor until it has been received and approved by the Authority.

3.2.13.2 Payment Bond. If required by law or otherwise specifically requested by the Authority in Exhibit "D" attached hereto and incorporated herein by reference, Contractor shall execute and provide to the Authority concurrently with this Agreement a Payment Bond in the amount of the total, not-to-exceed compensation indicated in this Agreement, and in a form provided or approved by the Authority. If such bond is required, no payment will be made to Contractor until it has been received and approved by the Authority.

3.2.13.3 Bond Provisions. Should, in the Authority's sole opinion, any bond become insufficient or any surety be found to be unsatisfactory, Contractor shall renew or replace the affected bond within ten (10) days of receiving notice from the Authority. In the event the surety or Contractor intends to reduce or cancel any required bond, at least thirty (30) days prior written notice shall be given to the Authority, and Contractor shall post acceptable replacement bonds at least ten (10) days prior to expiration of the original bonds. No further payments shall be deemed due or will be made under this Agreement until any replacement bonds required by this Section are accepted by the Authority. To the extent, if any, that the total

compensation is increased in accordance with the Agreement, the Contractor shall, upon request of the Authority, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the Authority. To the extent available, the bonds shall further provide that no change or alteration of the Agreement (including, without limitation, an increase in the total compensation, as referred to above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor, will release the surety. If the Contractor fails to furnish any required bond, the Authority may terminate this Agreement for cause.

3.2.13.4 Surety Qualifications. Only bonds executed by an admitted surety insurer, as defined in Code of Civil Procedure Section 995.120, shall be accepted. The surety must be a California-admitted surety with a current A.M. Best's rating no less than A:VIII and satisfactory to the Authority. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with Section 995.660 of the California Code of Civil Procedure, and proof of such is provided to the Authority.

3.2.14 Accounting Records. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of the Authority during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.2.15 Work Sites.

3.2.15.1 Inspection Of Site. Contractor shall visit sites where Services are to be performed and shall become acquainted with all conditions affecting the Services prior to commencing the Services. Contractor shall make such examinations as it deems necessary to determine the condition of the work sites, its accessibility to materials, workmen and equipment, and to determine Contractor's ability to protect existing surface and subsurface improvements. No claim for allowances—time or money—will be allowed as to such matters after commencement of the Services.

3.2.15.2 Field Measurements. Contractor shall make field measurements, verify field conditions and shall carefully compare such field measurements and conditions and other information known to Contractor with the Contract, including any plans, specifications, or scope of work before commencing Services. Errors, inconsistencies or omissions discovered shall be reported to the Authority immediately and prior to performing any Services or altering the condition.

3.2.15.3 Hazardous Materials and Differing Conditions. Should Contractor encounter material reasonably believed to be polychlorinated biphenyl (PCB) or other toxic wastes, hazardous substances and hazardous materials as defined in California state or federal law at the site which have not been rendered harmless, the Contractor shall immediately stop work at the affected area and shall report the condition to the Authority in writing. The Authority shall contract for any services required to directly remove and/or abate PCBs, hazardous substances, other toxic wastes and hazardous materials, and shall not require the Contractor to subcontract for such services. The Services in the affected area shall not thereafter be resumed except by written agreement of the Authority and Contractor.

3.2.16 Loss and Damage. Contractor shall be responsible for all loss and damage which may arise out of the nature of the Services agreed to herein, or from the action of the elements, or from any unforeseen difficulties which may arise or be encountered in the prosecution of the Services until the same is fully completed and accepted by the Authority.

3.2.17 Warranty. Contractor warrants all Services under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the Authority of any defect in the Services or non-conformance of the Services to the Agreement, commence and prosecute with due diligence all Services necessary to fulfill the terms of the warranty at its sole cost and expense. Contractor shall act sooner as requested by the Authority in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the work (or work of other contractors) damaged by its defective Services or which becomes damaged in the course of repairing or replacing defective work. For any work so corrected, Contractor's obligation hereunder to correct defective work shall be reinstated for an additional one (1) year period, commencing with the date of acceptance of such corrected work. Contractor shall perform such tests as the Authority may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstatement of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the Authority, regardless of whether or not such warranties and guarantees have been transferred or assigned to the Authority by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the Authority. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of the Authority, the Authority shall have the right to correct and replace any defective or non-conforming work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the Authority for any expenses incurred hereunder upon demand.

### 3.3 Fees and Payments.

3.3.1 Compensation. Contractor shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "B" attached hereto and incorporated herein by reference. The total compensation shall not exceed **One Hundred Ninety Thousand Dollars (\$190,000)** without written approval of the Palm Desert Housing Authority Board or Executive Director, as applicable.

3.3.2 Payment of Compensation. Contractor shall submit to the Authority monthly invoices which provides a detailed description of the Services and hours rendered by Contractor. The Authority shall, within thirty (30) days of receiving such statement, review the statement and pay all non-disputed and approved charges. Contractor shall submit its final invoice to the Authority within thirty (30) days from the last date of provided Services or termination of this Agreement and failure by the Contractor to submit a timely invoice shall constitute a waiver

of its right to final payment. Payment shall not constitute acceptance of any Services completed by Contractor. The making of final payment shall not constitute a waiver of any claims by the Authority for any reason whatsoever.

3.3.2.1 Retainer. From each approved progress estimate, five percent (5%) will be deducted and retained by the Authority, and the remainder will be paid to Contractor. All Agreement retainage shall be released and paid to the Contractor and subcontractors pursuant to California Public Contract Code Section 7107. Contractor shall furnish the Authority with labor and material releases from all subcontractors performing work on, or furnishing materials for, the work governed by this Agreement prior to final payment by the Authority.

3.3.3 Deductions. The Authority may deduct or withhold, as applicable, from each progress payment an amount necessary to protect the Authority from loss because of: (1) stop payment notices as allowed by state law; (2) unsatisfactory prosecution of the Services by Contractor; (3) sums representing expenses, losses, or damages as determined by the Authority, incurred by the Authority for which Contractor is liable under the Agreement; and (4) any other sums which the Authority is entitled to recover from Contractor under the terms of the Agreement or pursuant to state law, including Section 1727 of the California Labor Code. The failure by the Authority to deduct any of these sums from a progress payment shall not constitute a waiver of the Authority's right to such sums.

3.3.4 Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by the Authority.

3.3.5 Extra Work. At any time during the term of this Agreement, the Authority may request that Contractor perform Extra Work. As used herein, "Extra Work" means any work which is determined by the Authority to be necessary for the proper completion of the Project, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from the Authority's Representative.

3.3.6 Prevailing Wages. Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. The Authority shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the Project site. Contractor shall defend, indemnify and hold the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all subcontractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment

of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

**3.3.7 Registration/DIR Compliance.** If the Services are being performed as part of an applicable “public works” or “maintenance” project, and if the total compensation is \$15,000 or more, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Contractor and all subcontractors performing such Services must be registered with the Department of Industrial Relations. Contractor shall maintain registration for the duration of the Project and require the same of any subcontractors, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor that affect Contractor’s performance of Services, including any delay, shall be Contractor’s sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Contractor caused delay and shall not be compensable by the Authority. Contractor shall defend, indemnify and hold the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Contractor or any subcontractor.

**3.4 Termination of Agreement.**

**3.4.1 Grounds for Termination.** The Authority may, by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those Services which have been adequately rendered to the Authority, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause.

**3.4.2 Effect of Termination.** If this Agreement is terminated as provided herein, the Authority may require Contractor to provide all finished or unfinished information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

**3.4.3 Additional Services.** In the event this Agreement is terminated in whole or in part as provided herein, the Authority may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

**3.5 General Provisions.**

**3.5.1 Delivery of Notices.** All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:



**Contractor:**

John Harrison Contracting, Inc.  
1143 West Lincoln Street, Suite 2  
Banning, CA 92220  
Attn: Mauricio Blanco

**Authority:**

Palm Desert Housing Authority  
73-510 Fred Waring Drive  
Palm Desert, CA 92260-2578  
Attn: Housing Division

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

**3.5.2 Indemnification.**

**3.5.2.1 Scope of Indemnity.** To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity, regardless of whether the allegations are false, fraudulent, or groundless, to property or persons, including wrongful death, (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Services, the Project or this Agreement, including without limitation the payment of all expert witness fees, attorneys' fees and other related costs and expenses except such Claims caused by the sole or active negligence or willful misconduct of the Authority.

**3.5.2.2 Additional Indemnity Obligations.** Contractor shall defend, with counsel of the Authority's choosing and at Contractor's own cost, expense and risk, any and all Claims covered by this section that may be brought or instituted against the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives. In addition, Contractor shall pay and satisfy any judgment, award or decree that may be rendered against the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse the Authority for the cost of any settlement paid by the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for the Authority's attorney's fees and costs, including expert witness fees. Contractor shall reimburse the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance

proceeds, if any, received by the Contractor, the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives.

3.5.3 Governing Law; Government Code Claim Compliance. This Agreement shall be governed by the laws of the State of California. Venue shall be in Riverside County. In addition to any and all Agreement requirements pertaining to notices of and requests for compensation or payment for extra work, disputed work, claims and/or changed conditions, Contractor must comply with the claim procedures set forth in Government Code sections 900 et seq. prior to filing any lawsuit against the Authority. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, claims, and/or changed conditions have been followed by Contractor. If no such Government Code claim is submitted, or if any prerequisite contractual requirements are not otherwise satisfied as specified herein, Contractor shall be barred from bringing and maintaining a valid lawsuit against the Authority.

3.5.4 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.5 Authority's Right to Employ Other Contractors. The Authority reserves right to employ other contractors in connection with this Project.

3.5.6 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.7 Assignment or Transfer. Contractor shall not assign, hypothecate or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Authority. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.8 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to the Authority include the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content or intent of this Agreement.

3.5.9 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.10 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

3.5.11 No Third Party Beneficiaries. Except to the extent expressly provided for in Section 3.5.7, there are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.12 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.13 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the Authority shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of the Authority, during the term of his or her service with the Authority, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.14 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.15 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.16 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.5.17 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.18 Federal Provisions. Reserved

**[SIGNATURES ON NEXT PAGE]**

**SIGNATURE PAGE FOR MAINTENANCE SERVICES AGREEMENT  
BETWEEN THE PALM DESERT HOUSING AUTHORITY  
AND JOHN HARRISON CONTRACTING, INC.**

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed on the day and year first above written.

PALM DESERT HOUSING AUTHORITY

JOHN HARRISON CONTRACTING, INC.

By: \_\_\_\_\_  
L. TODD HILEMAN  
EXECUTIVE DIRECTOR

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Printed Name: \_\_\_\_\_

By: \_\_\_\_\_  
ANTHONY J. MEJIA  
CITY CLERK

\_\_\_\_\_  
Contractor's License Number and  
Classification

APPROVED AS TO FORM:

\_\_\_\_\_  
DIR Registration Number (*if applicable*)

By: \_\_\_\_\_  
BEST BEST & KRIEGER LLP  
AUTHORITY ATTORNEY

QC: \_\_\_\_\_

Insurance:

\_\_\_\_\_  
Initial

\_\_\_\_\_  
Final

Contract No. \_\_\_\_\_

**EXHIBIT "A"**  
**SCOPE AND SCHEDULE OF SERVICES**

Contract No. \_\_\_\_\_

**EXHIBIT "B"**  
**COMPENSATION**

Contract No. \_\_\_\_\_

**EXHIBIT "C"**  
**PERFORMANCE AND PAYMENT BONDS**

**PERFORMANCE BOND**

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the Palm Desert Housing Authority (hereinafter referred to as "Authority") has awarded to John Harrison Contracting, Inc., (hereinafter referred to as the "Contractor") \_\_\_\_\_ an agreement for Heating, Ventilation and Air Conditioning Mechanical Services (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by the Contractor is more particularly set forth in the Contract Documents for the Project dated July 1, 2023, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, the Contractor is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, \_\_\_\_\_, the undersigned Contractor and \_\_\_\_\_ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the Authority in the sum of ONE HUNDRED AND NINETY THOUSAND DOLLARS, (\$190,000), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if the Contractor, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the one-year guarantee of all materials and workmanship; and shall indemnify and save harmless the Authority, the City, its elected or appointed officers, and their respective agents, officials, employees, volunteers and representatives, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a condition precedent to the satisfactory completion of the Contract Documents, unless otherwise provided for in the Contract Documents, the above obligation shall hold good for a period of one (1) year after the acceptance of the work by the Authority, during which time if Contractor shall fail to make full, complete, and satisfactory repair and replacements and totally protect the Authority from loss or damage resulting from or caused by defective materials or faulty workmanship, Surety shall undertake and faithfully fulfill all such obligations. The obligations of Surety hereunder shall continue so long as any obligation of Contractor remains. Nothing herein shall limit the Authority's rights or the Contractor or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Contractor shall be, and is declared by the Authority to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the Authority's option:

Exhibit C-2



- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such bidder, the Surety and the Authority, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the Authority under the Contract and any modification thereto, less any amount previously paid by the Authority to the Contractor and any other set offs pursuant to the Contract Documents.
- (3) Permit the Authority to complete the Project in any manner consistent with local, California and federal law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Contractor by the Authority under the Contract and any modification thereto, less any amount previously paid by the Authority to the Contractor and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the Authority may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Contractor.

Surety shall not utilize Contractor in completing the Project nor shall Surety accept a bid from Contractor for completion of the Project if the Authority, when declaring the Contractor in default, notifies Surety of the Authority's objection to Contractor's further participation in the completion of the Project.

The Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project, including but not limited to the provisions of sections 2819 and 2845 of the California Civil Code.

**[SIGNATURES ON NEXT PAGE]**

Exhibit C-3

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

(Corporate Seal)

\_\_\_\_\_  
Contractor/ Principal

By \_\_\_\_\_

Title \_\_\_\_\_

(Corporate Seal)

\_\_\_\_\_  
Surety

By \_\_\_\_\_

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title \_\_\_\_\_

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached.

The rate of premium on this bond is \_\_\_\_\_ per thousand. The total amount of premium charges, \$\_\_\_\_\_.

(The above must be filled in by corporate attorney.)

**THIS IS A REQUIRED FORM**

Any claims under this bond may be addressed to:

(Name and Address of Surety)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Name and Address of Agent or Representative for service of process in California, if different from above)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Telephone number of Surety and Agent or Representative for service of process in California)

\_\_\_\_\_  
\_\_\_\_\_

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Exhibit C-4

(BB&K 2019)

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### Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

### OPTIONAL

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

#### CAPACITY CLAIMED BY SIGNER

#### DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

- |   |                                  |
|---|----------------------------------|
| Title(s)                                      |                                  |
| <input type="checkbox"/> Partner(s)           | <input type="checkbox"/> Limited |
|   | <input type="checkbox"/> General |
| <input type="checkbox"/> Attorney-In-Fact     |                                  |
| <input type="checkbox"/> Trustee(s)           |                                  |
| <input type="checkbox"/> Guardian/Conservator |                                  |
| <input type="checkbox"/> Other:               |                                  |

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_

- |                           |  |
|---------------------------|--|
| Title or Type of Document |  |
| Number of Pages           |  |
| Date of Document          |  |

\_\_\_\_\_ Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

### Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

#### OPTIONAL

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

#### CAPACITY CLAIMED BY SIGNER

#### DESCRIPTION OF ATTACHED DOCUMENT

- Individual
- Corporate Officer

- \_\_\_\_\_ Title(s)
- Partner(s)       Limited
  - General
  - Attorney-In-Fact
  - Trustee(s)
  - Guardian/Conservator
  - Other:

\_\_\_\_\_ Title or Type of Document

\_\_\_\_\_ Number of Pages

\_\_\_\_\_ Date of Document

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for the Attorney-in-Fact. The Power-of-Attorney to local representatives of the bonding company must also be attached.

**PAYMENT BOND**

KNOW ALL MEN BY THESE PRESENTS That

WHEREAS, the Palm Desert Housing Authority (hereinafter designated as the "Authority"), by action taken or a resolution passed June 22, 2023 has awarded to John Harrison Contracting, Inc. hereinafter designated as the "Principal," a contract for the work described as follows:

Heating, Ventilation and Air Conditioning Mechanical Services (the "Project"); and

WHEREAS, the work to be performed by the Principal is more particularly set forth in the Contract Documents for the Project dated June 22, 2023 ("Contract Documents"), the terms and conditions of which are expressly incorporated by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said contract; providing that if said Principal or any of its Subcontractors shall fail to pay for any materials, provisions, provender, equipment, or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of said Principal and its Subcontractors with respect to such work or labor the Surety on this bond will pay for the same to the extent hereinafter set forth.

NOW THEREFORE, we, the Principal and \_\_\_\_\_ as Surety, are held and firmly bound unto the Authority in the penal sum of One Hundred Ninety Thousand Dollars (\$190,000) lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if said Principal, his or its subcontractors, heirs, executors, administrators, successors or assigns, shall fail to pay any of the persons named in Section 9100 of the Civil Code, fail to pay for any materials, provisions or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department or Franchise Tax Board from the wages of employees of the contractor and his subcontractors pursuant to Section 18663 of the Revenue and Taxation Code, with respect to such work and labor the Surety or Sureties will pay for the same, in an amount not exceeding the sum herein above specified, and also, in case suit is brought upon this bond, all litigation expenses incurred by the Authority in such suit, including reasonable attorneys' fees, court costs, expert witness fees and investigation expenses.

This bond shall inure to the benefit of any of the persons named in Section 9100 of the Civil Code so as to give a right of action to such persons or their assigns in any suit brought upon this bond.

It is further stipulated and agreed that the Surety on this bond shall not be exonerated or released from the obligation of this bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, plans, specifications, or agreement

Exhibit C-7

(BB&K 2019)

**Contract No.** \_\_\_\_\_

pertaining or relating to any scheme or work of improvement herein above described, or pertaining or relating to the furnishing of labor, materials, or equipment therefore, nor by any change or modification of any terms of payment or extension of the time for any payment pertaining or relating to any scheme or work of improvement herein above described, nor by any rescission or attempted rescission of the contract, agreement or bond, nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond, nor by any fraud practiced by any person other than the claimant seeking to recover on the bond and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given, and under no circumstances shall Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the owner or the Authority and original contractor or on the part of any obligee named in such bond, but the sole conditions of recovery shall be that claimant is a person described in Section 9100 of the Civil Code, and has not been paid the full amount of his claim and that Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned and the provisions of sections 2819 and 2845 of the California Civil Code.

**[SIGNATURES ON NEXT PAGE]**

Exhibit C-8

(BB&K 2019)

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**Item 1H-30**

Contract No. \_\_\_\_\_

IN WITNESS WHEREOF, we have hereunto set our hands and seals this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

(Corporate Seal)

\_\_\_\_\_  
Contractor/ Principal

By \_\_\_\_\_

Title \_\_\_\_\_

(Corporate Seal)

\_\_\_\_\_  
Surety

By \_\_\_\_\_

Attorney-in-Fact

(Attach Attorney-in-Fact Certificate)

Title \_\_\_\_\_

Signatures of those signing for the Contractor and Surety must be notarized and evidence of corporate authority attached. A Power-of-Attorney authorizing the person signing on behalf of the Surety to do so much be attached hereto.

NOTE: A copy of the Power-of-Attorney authorizing the person signing on behalf of the Surety to do so must be attached hereto.

Exhibit C-9

(BB&K 2019)

72500.00001\32374943.1

**Item 1H-31**

### Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

#### OPTIONAL

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

#### CAPACITY CLAIMED BY SIGNER

- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

- Partner(s)
  - Limited
  - General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

Signer is representing:  
Name Of Person(s) Or Entity(ies)

#### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title or Type of Document

\_\_\_\_\_  
Number of Pages

\_\_\_\_\_  
Date of Document

\_\_\_\_\_  
Signer(s) Other Than Named Above

NOTE: This acknowledgment is to be completed for Contractor/Principal.

Exhibit C-10

(BB&K 2019)

72500.00001\32374943.1



### Notary Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Signature of Notary Public

#### OPTIONAL

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

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- Individual
- Corporate Officer

\_\_\_\_\_  
Title(s)

- Partner(s)       Limited
- General
- Attorney-In-Fact
- Trustee(s)
- Guardian/Conservator
- Other:

#### DESCRIPTION OF ATTACHED DOCUMENT

\_\_\_\_\_  
Title or Type of Document

\_\_\_\_\_  
Number of Pages

\_\_\_\_\_  
Date of Document

Signer is representing:  
Name Of Person(s) Or Entity(ies)

\_\_\_\_\_  
Signer(s) Other Than Named Above



# Heating, Ventilation, and Air Conditioning Mechanical Systems Services Proposal

PALM DESERT HOUSING AUTHORITY 2022-RFP-177

JOHN HARRISON CONTRACTING, INC



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## COVER LETTER

Dear Palm Desert Housing Authority,

Ensuring that Palm Desert Housing Authority (“Authority”) residents, which primarily consist of seniors and fixed income tenants, have access to conditioned air is vital. The residents live in an area where the temperatures during the summer soar over 110 degrees and dip near freezing in the winter – proper operation and extending the life expectancy of existing and new qualified Heating, Ventilation, and Air Conditioning (HVAC) units is critical and can be accomplished through proper installation and maintenance.

The Authority issued a Request for Proposal (RFP), seeking the most qualified HVAC Company to service, replace, and maintain the HVAC equipment for its properties. The Authority will award a contract to a service company that is cost effective, and has the experience, knowledge, and skillset to install and service HVAC units according to California and manufacturer’s standards, resulting in energy and bill savings to tenants, and cost savings to the Authority by minimizing the need to replace the equipment prematurely.

John Harrison Contracting (JHC), Inc., a certified minority owned company, registered with the Department of Industrial Relations, has proven experience achieving the high standards sought out by the Authority. With over 35 years of experience, including ten years servicing the properties owned by the Authority, JHC has assisted thousands of households improve their quality of life and save money by repairing, maintaining, and replacing old inefficient HVAC systems with new high-efficiency units in the counties of San Bernardino and Riverside. JHC has continuously achieved its contractual obligations by delivering timely, quality, and professional services. As a result, JHC’s clients, which include Southern California Edison Co, Southern California Gas Co, the State of California, and RPM Company have continuously extended and expanded JHC’s role in their HVAC service and replacement plans.

On behalf of the management team and staff at JHC, we thank you for the opportunity to submit a proposal to service the public housing properties in the city of Palm Desert. We believe our proposal meets or exceeds the RFP requirements and our years of experience in this industry including servicing the Authority’s properties for the past four years, our ability to leverage the utility’s energy efficiency programs, and economies of scale leveraging opportunities with suppliers and distributors will demonstrate we are highly qualified to perform the services outlined in the RFP.

Should you have any questions regarding the RFP response, including JHC’s extensive experience, our company’s green initiatives, safety and social responsibility programs, or the job creation strategy, please do not hesitate to contact me at (760) 322-2653.

Sincerely,

Mauricio Blanco,  
President and CEO, JHC, Inc.



## EXPERIENCE AND TECHNICAL COMPETENCE

### Background

#### JHC'S SUMMARY OF BENEFITS TO YOU

- A small, yet strong business that offers you personalized service that can deliver services with the capacity of a large corporation
- Over 35 years providing HVAC services to Coachella Valley residents
- Main office is located within 45 miles of the RFP facilities
- HVAC technicians are in the Coachella Valley
- Approved SCE Energy Savings Assistance Program contractor
- Ability to leverage existing utility resources and programs to extend free and discounted services to the Authority and its residents
- Ability to leverage economies of scale opportunities to offer high quality HVAC equipment and other appliances at the lowest possible cost
- Key personnel have demonstrated experience servicing the Authority's properties
- JHC is a certified Diverse Business Enterprise registered with Department of Industrial Relations (DIR)

John Harrison Contracting (JHC), Inc., a Minority Business Enterprise was established in 1987 to help households in the counties of Riverside and San Bernardino address their energy conservation and cooling needs. With over 35 years of experience, JHC has delivered energy efficiency services to thousands of households under contract by the southern California utilities, the State of California, and Public Housing Authority for various Coachella Valley communities.

In its 35 years, JHC has continuously achieved its contractual obligations by delivering timely, quality, and professional services. As a result, JHC's clients have continuously extended and expanded JHC's role in their energy efficiency program plans. JHC has extensive experience in conducting energy-efficiency program services that target single and multi-family dwellings, as well as mobile homes, including those occupied by low-income families.

#### SERVICES INCLUDE:

- Marketing, Outreach, and Enrollment
- Central air conditioner and heat pump, installation, replacement and recycling
- Forced air furnace repair, installation, and replacement
- Duct testing and Sealing
- Appliance installation, replacement and recycling
- Packaged Terminal and Ductless System Installation, replacement and recycling
- Window or wall air conditioner / heat-pump installation, replacement and recycling
- Window or wall evaporative cooler installation,
- Weatherization services



At JHC, we are honored to be working alongside utilities, the State of California, and their partners in these fundamental energy efficiency programs that help improve the lives of many, including senior and low-income households. Through these collaborations with utilities and local governments, JHC is dedicated to help residents save on their monthly utility bills and at the same time, contribute to the improvement of our environment by delivering/installing high quality, high-efficiency HVAC equipment, appliances, and lighting devices.

#### **MISSION STATEMENT**

To offer best in class customer service and to deliver high quality energy-efficiency solutions to help families improve their quality of life.

#### **WORK ENVIRONMENT**

JHC's management team is committed to actively promote a healthy work environment that supports and fosters employee growth and work-life balance, while maintaining excellent relationships with all its clients.

There is mounting evidence that unhealthy work environments contribute to high attrition rates, low productivity, and ineffective communication methods that lead to conflict and stress amongst key personnel and clients. JHC's plan to promote and sustain a healthy work environment revolve around five basic principles, which include Communication, Collaboration, Effective Decision Making, Active Leadership, and Meaningful Recognition.

The creation of healthy work environments is imperative to ensure employee retention to secure and sustain the appropriate staffing levels of a skilled workforce.

#### **FACILITIES**

JHC's facilities currently include a 2,000 sq. ft. office and a 16,000 sq. ft. warehouse in the city of Banning located within the 45 miles of the facilities to be serviced.

#### **BACKGROUND CHECKS**

JHC conducts a background check on all its employees utilizing a service from an industry leader in pre-employment screening services.

The background check evaluates items such as criminal, civil, and DMV record, as well as a drug screening. Additionally, certain employee classifications are required to obtain a Home Improvement Sales Registration (HISR) number from the California State Licensing Board, which also conducts a thorough background check utilizing LiveScan.

#### **SAFETY STANDARDS**

JHC employees and management team have set safety as the top priority for the company. We foster a safe work environment through communication, providing the right tools, and empowering employees to take action. We require that all employees and partners plan and conduct all work in a manner that is consistent with the safety of persons and property, and in compliance with reasonable and safe working practices and with applicable federal, state and local laws. JHC maintains a safety program, including but not limited to Injury and Illness Prevention Program, Heat Illness Prevention, and onsite safety training.



### **GIVING HEARTS**

JHC and its employees have one common vision, to enhance the quality of life of those around us through the services we offer and through our employee volunteer program. We recognize giving back to our communities and families in need is the right thing to do – and we enjoy doing it. Through our Giving Hearts employee program, we engage in activities to promote a healthy environment by helping families in need, with the goal to encourage strong moral standards amongst our communities.

Through Giving Hearts, we have supported our communities by offering

- Supplies, material, and labor to retrofit homes,
- Financial assistance to local schools, Wounded Warrior Projects, and St Jude Hospital,
- Hundreds of shoes to less fortunate students,
- Blood drives, and
- Funds for holiday dinners and gifts to less fortunate families identified throughout the year by our field staff through the service delivery process.

Our approach is simple; help those in need in any way possible, because any assistance, even if small can make a big difference. We hope our efforts inspire others to help someone today.

### **LICENSING AND DIR CONTRACTOR REGISTRATION**

#### **INSURANCE AND BONDS**

JHC currently performs services for the Authority and RPM Company, and complies with the Authorities insurance and bond requirements. Upon request, JHC will immediately provide the documentation required by the Authority.

#### **LICENSING AND REGISTRATION**

- California State Contractors License # 697530
  - B - General Building Contractor
  - C20 – Warm-Air Heating, Ventilating and Air-Conditioning Contractor
  - C38 – Refrigeration Contractor
- Environmental Protection Agency – Lead Certification # NAT-124914-1
- Environmental Protection Agency – Refrigeration Certification # 1041945552641831M
- Department of Industrial Relations Registration # 1000014886
- Supplier Clearinghouse –
  - Certified Minority Business Enterprise – VON:9FN00107

#### **CONTACT INFORMATION**

JHC, Inc  
Mauricio Blanco  
1143 W Lincoln St, Ste 2  
Banning, CA 92220  
760-322-2653  
[MJB@jhcontracting.com](mailto:MJB@jhcontracting.com)



REFERENCES

John Harrison Contracting, Inc has considerable experience in servicing, maintaining, and installing HVAC equipment and related services including servicing of warranties, managing ratepayer funded programs, securing competitive prices on equipment and appliances, performing workforce and technical training, and applying administrative controls. We have serviced tens of thousands of households over the past 35 years and have done so in a timely and diligent fashion.

The table below includes professional references.

Company Information	Work Description
<p><b>State of California - Department of Community Services &amp; Development</b>            Charles Belk – Deputy Director            2389 Gateway Oaks Drive, Suite 100            Sacramento, CA 95833            (916) 576-7212            Charles.Belk@CSD.CA.GOV</p>	<p>Under contract for the Low-Income Weatherization Program, conduct outreach, enrollment, assessment, energy modeling, and delivery of services, inclusive of HVAC and HVAC Maintenance to hundreds of households located in Riverside and Imperial counties.</p>
<p><b>Southern California Gas Co</b>            Mark Aguirre – Program Manager            555 W 5<sup>th</sup> St            Los Angeles, CA 90013            (213) 231-5399            Maaguirre2@socalgas.com</p>	<p>Under contract for the ESA Program, conduct outreach, enrollment, weatherization services, and tune, repair, and replace gas furnaces to thousands of households located in Riverside and San Bernardino counties.</p>
<p><b>Southern California Edison</b>            Rose Solidum – Manager            2244 Walnut Grove Ave            Rosemead, CA 91770            (626) 302-0755            Rosette.solidum@sce.com</p>	<p>Under contract for the ESA Program, conduct outreach, enrollment, assessment, and delivery of services, inclusive of HVAC replacement and maintenance to thousands of households located throughout SCE’s service territory.</p>
<p><b>Community Action Partnership of Riverside County</b>            Alan Reid – Program Manager            2038 Iowa Ave. Suite B-101            Riverside, CA 92507            (951) 955-5516            areid@capriverside.org</p>	<p>Deliver services for the Weatherization Assistance Program, inclusive of HVAC replacement and maintenance to hundreds of low-income households located throughout Riverside County.</p>





## FIRM STAFFING AND KEY PERSONNEL

### STAFFING

JHC staffs over 50 employees, including 25 field service representatives, two field supervisors, and two quality assurance specialists. Employees are located throughout JHC’s service area, including HVAC technicians located in the Coachella Valley.

JHC is proud of its collaborative with local colleges to establish a workforce development plan for local residents. The colleges offer a HVAC certification and upon successful completion of the course, the college and JHC engage in externship opportunities for its graduates.

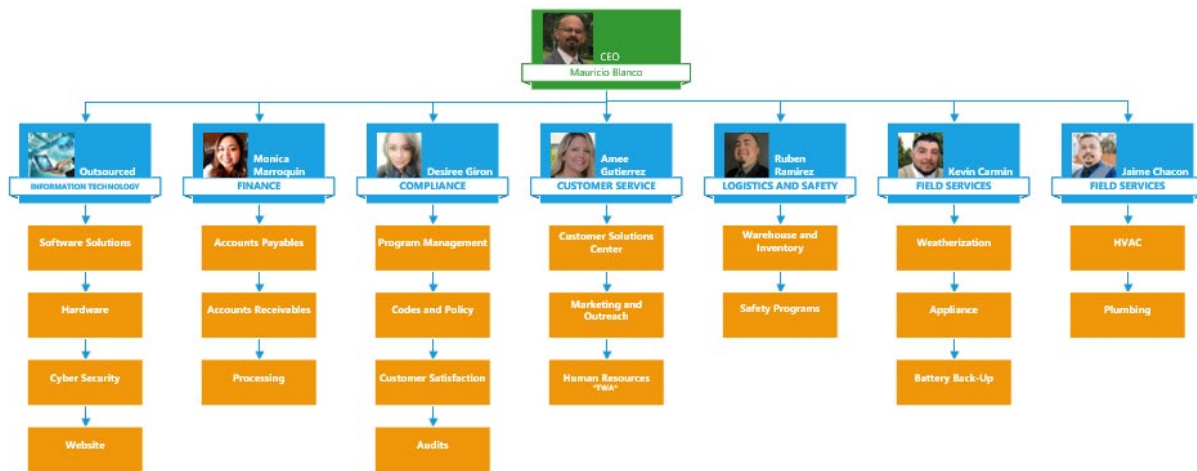
JHC’s will leverage all its resources to service the Authority properties and during key months of the year, will dedicate office and field personnel to respond to service request from facility managers. Additionally, if workload demands, JHC has the capacity to hire additional resources, including the ability to immediately add service trucks and equipment to service the Authority’s properties in a timely manner.

Key Personnel	Roles, Responsibilities, and Experience
<p><b><i>Jaime Chacon</i></b>            Manager,            HVAC Operations</p>	<p>Jaime will develop and implement key deliverables to support day-to-day activities of the HVAC Technicians, including SOPs, technical training, and day-to-day oversight. Jaime brings over 15 years of leadership and HVAC experience, and five years of ESAP experience.</p>
<p><b><i>Linda Jasso</i></b>            Supervisor,            Customer Solutions            Center</p>	<p>Linda oversees our Customer Solution Center who is responsible for addressing all customer inquiries and scheduling installation appointments. She brings over 11 years of experience coordinating services to high level clients. Linda serves as the Single Point of Contact for Authority property managers.</p>
<p><b><i>Mariano Carrillo</i></b>            HVAC Technician</p>	<p>Mariano brings over 25 years of HVAC experience. As a senior technician, Mariano has been servicing the Authority properties for over 10 years.</p>
<p><b><i>Damien Lopez</i></b>            HVAC Technician</p>	<p>Damien brings over 10 years of HVAC experience. He is a lead HVAC Technician with five years of experience servicing the Authority properties.</p>

## KEY PERSONNEL

### TEAM ORGANIZATION

JHC employs an organizational structure that will deliver timely, efficient and cost effective services. By employing an organizational model that is data driven, lean, agile, and easily scalable, JHC’s staffing plan maximizes our team’s deep and extensive experience servicing residential customers. JHC can quickly ramp up and begin program activities to ensure we meet expectations. We have in-house professionals who have the capabilities to support all levels of our organizational structure to ensure program success.



Key Personnel	Roles, Responsibilities, and Experience
<b>Mauricio Blanco</b> President and CEO	Mauricio will guide the leadership team in formulating vision and strategic direction to successfully implement activities to support programs and fulfill contractual obligations. He will direct the leadership team to identify and correct critical problems and to overhaul and improve operating processes and systems to increase efficiencies. Mauricio brings over two decades of organizational management, marketing, and low-income energy-efficiency industry experience.
<b>Monica Marroquin</b> Chief Financial Officer	Monica will oversee the tracking of invoicing and payment processes. She will prepare and review budget, expense, invoices, and other accounting documents. Monica oversees the Finance Team which is responsible for processing and invoicing. Monica brings over 20 years of technical assistance and training, applying unique skills, knowledge, and experience of accounting policies and procedures.
<b>Amee Gutierrez</b> Manager, Customer Service Organization	Amee directs a customer service department responsible for scheduling more than 14,000 appointments and resolving 40,000 customer interactions annually. Amee has over ten years of experience directing a diverse staff working with utility and state energy efficiency programs. She is an innovative strategist with a proven ability to create policies/procedures and lead a team to consistently goals.



<b>Jaime Chacon</b> Manager, HVAC Operations	Jaime will develop and implement key deliverables to support day-to-day activities of the HVAC Technicians, including SOPs, technical training, and day-to-day oversight. Jaime brings over 15 years of leadership and HVAC experience, and five years of ESAP experience.
<b>Kevin Carmin</b> Supervisor, Weatherization and Appliances	Kevin will develop and implement key deliverables to support day-to-day activities of the Field Specialists, including SOPs, technical and NGAT training, and day-to-day oversight. Kevin brings over 10 years of experience and has served as QC Inspector, HVAC Technician, and Supervisor.
<b>Linda Jasso</b> Supervisor, Customer Solutions Center	Linda oversees our Customer Solution Center who is responsible for addressing all customer inquiries and scheduling installation appointments. She brings over 11 years of experience coordinating services to high level clients. Linda serves as the Single Point of Contact for Authority property managers.
<b>Desiree Giron</b> Supervisor, Compliance Department	Desiree oversees the Compliance Department that is responsible for ensuring all departments comply with contractual obligations, policies, guidelines, local and state code. She brings over eight years' experience working with in the energy efficiency industry.
<b>Jordon Scott</b> Coordinator, Field Compliance	Jordon conducts quality and compliance control inspections. He serves as the JHC code expert working directly with Building Departments and other stakeholders to learn and apply code. Jordon has over 10 years of experience working in the in the HVAC industry and is currently BPI and HERS certified.

**PROPOSED METHOD TO ACCOMPLISH THE WORK**

JHC has been servicing the Authority’s facilities under contract and through the utilities’ ESA Program since 2013. During this timeframe, JHC has replaced hundreds of HVAC units at minimal cost to the Authority. The scheduling and planning of the work to be completed is as important as the actual replacement of the equipment in order to minimize disruption to the residents and property management team. Our single point of contact, Linda Jasso, has over 10 years of experience managing large projects and works directly with the RPM property managers or a designee to plan the work.

Typically, our Field Technical Supervisor (FTS) who has over 10-years’ experience installing, servicing, and maintaining HVAC equipment or our Lead Technicians will diagnose and repair the equipment at the Authority’s facilities. Allowing our staff to become well versed on the facilities and the equipment, resulting in timely resolutions to most service needs.

After completing the diagnostic, unless otherwise indicated by the Authority or its designee, JHC will submit its findings, recommendations, and quote before proceeding with the work. JHC will continue utilize its two-man crews to complete the work. Each crew has a lead technician who typically has over 10 years’ experience. The work at the Authority’s properties will continue to be monitored for quality by the FTS and Quality Control Specialist.



The work will continue to be conducted within the rules adopted in the Palm Desert Municipal Code Section 9.24.070 or according to the Authority or RPM Company standards. JHC plans to utilize the procedures listed in Appendix A, approved by RPM Company.

**CUSTOMER SERVICE**

JHC services a diverse customer base that includes low-to-middle income, disabled, and non-English speaking customers. Our customer service representatives and field representatives receive annual customer service and sensitivity training to ensure we provide high quality customer service to all customers. Each field crew, as well as the customer service representatives have the ability to communicate with customers in Spanish and English. JHC works with a translation service company for individuals who need assistance in languages other than English and Spanish.

JHC clients and/or customers will contact JHC directly for any HVAC service. A representative will attempt to troubleshoot the potential issue over the phone, and if the issue cannot be resolved, the representative will dispatch a technician to diagnose the equipment.

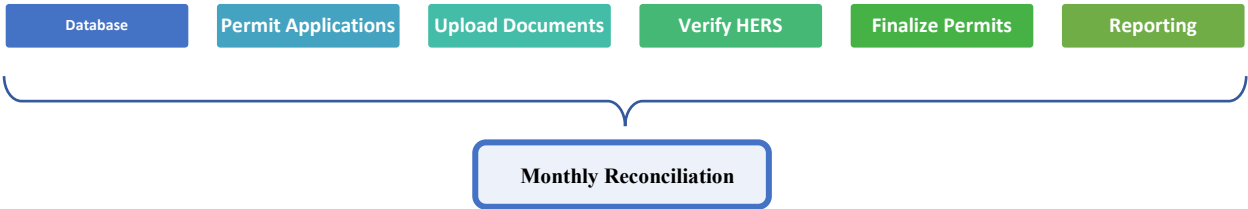
**QUALITY CONTROL**

JHC’s compliance group monitors quality, as well as compliance with specific client requirements and local code. The Field Technical Supervisor and Quality Control Specialists monitor the quality of the work performed at the time of installation and post installation. Post installation quality control efforts are typically done on the same day of the visit to minimize disruption to customers and only with customer’s prior approval.

The compliance group also monitors the quality of all paperwork to ensure the information is accurate, and that we have account for all required documentation, including city or county permits, and HERS verification. To ensure all units meet JHC’s quality requirements, JHC requires that all installations are verified by a third party HERS rater. Service information is filed in a secure manner to ensure customer and/or client information remains confidential.

Utilizing lessons learned and best practices, JHC has implemented controls to its permit process to ensure compliance with RPM’s requirements. At every step of the process, our Finance Department verifies and reconciles all permit activity to ensure data is accurately tracked and reported. Additionally, the backup documentation is uploaded to JHC’s database for all jobs.

The following section describes the steps JHC has implemented to ensure compliance.





**a. Internal Database**

Our internal system includes workflow step driven controls to ensure all steps are verified; preventing the job to proceed without first completing the dependent step. Additionally, the database will generate alerts and tasks to Supervisors/Managers if a deadline is nearing or missed. This would include an alert when the permit is nearing expiration to ensure action is taken to finalize the permit or seek an extension. If an item reaches a second notice, the system will generate a task to the Supervisor/Manager requiring they update the database with the action taken to address the task.

**b. Permit Applications**

Permit applications are scanned and digitally stored for record keeping. The pertinent information from the application is captured in our internal database and utilized for both tracking and reporting.

**c. Permit / Job Cards / Receipts**

Each document is scanned and digitally stored in our internal database. Additionally, our Finance Department verifies all documents have been correctly captured and uploaded prior to invoicing for any job.

**d. HERS Verification**

100% of all jobs requiring HERS verification will be confirmed against the corresponding HERS provider's database by the Permit Coordinators. The CFR forms will be downloaded from the provider's database and uploaded to our internal database.

**e. Finalizing Permits**

JHC utilizes Field Compliance Coordinators (FCC) to coordinate the final inspection with the customers and building inspectors. Upon confirming the inspection passed, the coordinator will update our internal database and upload the backup documentation.

Additionally, the FCC will track any jobs requiring the completion of corrective action to meet building code. This information is captured in our database and utilized by the Compliance Department to identify areas of deficiency and conduct root-cause analysis. Any deficiencies, whether at the department or employee level are communicated to the leadership team, along with a proposed plan for correction, which may include training, and/or changes to JHC's internal procedures.

**f. Reporting**

JHC's database includes dashboards and reports with an automatic report generation function. Dashboards and reports are available to view all jobs requiring permits, the status of each permit, status of HERS verification, upcoming expiration dates, and other key compliance items. The database tracks and reports on a real-time basis and generates weekly reports that it emails to key stakeholders to provide a holistic view of all permits and their respective status to ensure the proper action is taken to remain within compliance.



**REGULAR MAINTENANCE PLAN**

The efficiency of a Central Air Conditioner begins to degrade after the first year of installation, and continues to lose efficiency every year after if not properly maintained. Failure to keep the units tuned up and maintained may affect the units expected lifespan and reduce the unit’s efficiency; resulting in higher utility bills and repair costs.

JHC is proposing a maintenance plan to keep air conditioners operating at peak efficiency, ensure continued operation throughout the unit’s expected life span, improve health and comfort, and to educate the tenants on operation efficiency.

JHC proposes to perform semi-annual maintenance services to central AC units in working condition that are free of major defects, at the Authority’s properties with central HVAC equipment.

**PROPOSED PROCESS (HIGH-LEVEL)**

- JHC will utilize its tracking database to monitor, track, and schedule service
- JHC will work directly with the onsite property managers to schedule the appointments
- During the 1<sup>st</sup> and 3<sup>rd</sup> quarter of each year (or as requested by the Authority or its designee), JHC will provide the RPM team a maintenance schedule for each participating complex
- RPM/property managers will notify each tenant with sufficient notice to guarantee JHC technicians access to the AC equipment
- JHC will begin performing maintenance during the 2<sup>nd</sup> and 4<sup>th</sup> quarter of each year to prepare the units for the cooling and winter season.

**DESCRIPTION OF MAINTENANCE WORK**

HVAC Unit		Education
<ul style="list-style-type: none"> <li>• Check and clean condenser and coil</li> <li>• Check and clean blower components</li> <li>• Check and tighten electrical connections</li> <li>• Lubricate all moving parts</li> <li>• Inspect and flush condensate line</li> <li>• Inspect and replace filter</li> </ul>	<ul style="list-style-type: none"> <li>• Check air flow</li> <li>• Check temperature drops</li> <li>• Check start components</li> <li>• Check motor amps</li> <li>• Check compressor amps</li> <li>• Check pressure controls</li> <li>• Check gas connections</li> <li>• Check refrigerant level</li> <li>• Check unit for leaks</li> <li>• Check t-stat operation</li> </ul>	<ul style="list-style-type: none"> <li>• T-stat temp settings</li> <li>• Filter replacement</li> <li>• Other cooling / heating methods</li> </ul>
		<b>Thermostat</b>
		<ul style="list-style-type: none"> <li>• Check Operation</li> </ul>
		<b>Optional – Duct System</b>
		<ul style="list-style-type: none"> <li>• Test</li> <li>• Seal as applicable</li> </ul>

**PLAN FOR ON-CALL AND EMERGENCY SERVICES**

JHC recognizes the urgency of repairing inoperative units during the extreme climate periods. We will make every effort to resolve these matters in a timely fashion to reduce any health and comfort risks. Because of the complexity of HVAC equipment, we strongly recommend contacting us via telephone. However, clients will have the option to email our service center.



JHC will leverage its existing infrastructure that allows clients access to its on-call technician by contacting our office and selecting the emergency after-hours service phone prompt. When making that selection, the caller will be routed directly to our technician who can provide immediate assistance or if unavailable, can call back the caller. JHC will make every effort to return all calls within 60-minutes of receiving the call.

In case of emergencies, JHC will make every effort to offer same day resolution to inquiries received before 10:00 a.m. and in situations where it is not possible, the inquiry will be scheduled within 24-hours after the client speaks to the representative, except when requested by the client/customer. If the unit cannot be repaired within a reasonable period (e.g. requires specialty parts), JHC will collaborate with the client to set-up temporary cooling solutions to the home until the unit is repaired.

#### **LEVERAGING UTILITY AND STATE PROGRAMS**

Energy efficiency programs date back to the energy crises of the 1970s, when soaring energy prices led utilities to promote energy conservation so customers could reduce their energy consumption to lessen the impact of the higher energy rates. The programs have grown significantly since their introduction back in the 1970s; today energy efficiency is recognized worldwide as a key and valuable energy resource.

JHC is honored to be working alongside utilities, the State of California, and their partners for over 35-years in these fundamental energy efficiency programs that help improve the lives of many, including senior and low-income households. JHC is proud to be an authorized HVAC replacement contractor for SCE's ESA Program that offers HVAC replacement services at no cost to applicants.

The leveraging of the ESA program reduces the cost to the Authority when replacing HVAC systems and has resulted in hundreds of thousands in savings for the hundreds of systems that JHC has replaced at the Authority's properties.

Through these long-standing relationships, the Authority can observe cost savings through:

- Utility / state rebates for high efficiency HVAC equipment, when funds available
- Leveraging
  - Receive other services through the ESA Program services, such as free refrigerators, lightbulbs, and weatherization
  - Obtain rebates for Multi-family buildings offered by the utilities and state of California
  - Observe cost savings through JHC's volume purchasing power resulting in economies of scale discounts for high quality HVAC equipment and appliances
  - Replace furnace at minimal costs at the time of air conditioner replacement to avoid future labor, permit, and Title 24 charges

## APPENDIX A

### PROCEDURES FOR DELIVERING SERVICES TO AUTHORITY PROPERTIES

1. When applicable, JHC will schedule service with no less than 48-hour notice to the property manager.
  - a. Our single point of contact will notify the Property Manager verbally and via e-mail
2. When first arriving, JHC trucks will make an effort to find a visitor parking spot. If one is not available, the crew will locate an alternate parking location near the work site. They will avoid blocking access to the trash or other public areas.
3. The crew lead (“Lead”) will notify the property manager or representative (“Rep”) of their arrival. If not parked in a visitor location, the Lead will obtain the Rep’s approval for the parking location.
4. The Lead will notify the Rep of the unit(s) JHC will service and wait for the Rep to arrive at the location before entering the customer premises. The Lead will contact the Rep at ( \_\_\_\_\_ ). The Rep will be available between \_\_\_\_ a.m. and \_\_\_\_ p.m. on the date of the service appointment. Unless authorized, The Rep must be present before the JHC crew can enter the customer’s residence.
5. With the Rep present, The Lead will introduce themselves and the company to the customer and will briefly explain the reason for the visit. The Lead will only communicate information related to the program or the work to the customer. If the customer raises any concerns unrelated to the program or installation, the Lead will instruct the customer to contact the office.
6. Upon receiving permission to enter the premises, the Lead will
  - a. Provide further details about the work and approximate time it will take to complete the work
  - b. Notify the customer of which rooms in the home the crew will enter to conduct the work and the reason for entering the room(s)
  - c. Conduct a walk-through with the customer and the Rep of the area(s) where the work will be conducted
  - d. Notify the customer and Rep of any existing damage to the customer’s property, including any stains to carpet, furniture, etc.
  - e. If the customer has any valuables exposed, such as money, jewelry, or medication, the Lead will instruct the customer to secure the item(s) before starting the work.
    - i. If the customer refuses to secure the items, the crew will remove themselves from the premise and will immediately notify the JHC office.
  - f. The crew will not enter any area of the residence where they will not conduct any work.
  - g. The crew will prepare the work area as normal (tarps, clear path, etc)
7. Upon completing the work and prior to leaving the premises, the Lead will
  - a. Contact the Rep
  - b. Conduct a walk-through of the area(s) where the crew worked with the customer and the Rep
  - c. Will note, on the service form “Final walk-through approved” and obtain the customer’s initials next to the note.
    - i. If the customer has any concerns, the Lead will immediately notify the JHC office
  - d. Advise the customer that the work is complete and that the crew will be leaving the premises.

In addition, to minimize potential scheduling mishaps, we will notify you of the schedule via e-mail for the units we will service each week.



HVAC Mechanical Systems Services  
 Cost Proposal Form  
**REVISED TO ONE MAINTENANCE SERVICE A YEAR**

**1. Replacement Costs**

The following table shall be used to state the costs **PER UNIT** to replace and maintain the identified HVAC Mechanical Systems units ("Unit") at each Property. **Costs shall be inclusive all direct and indirect costs.** Complex's that do not have a unit count should be assumed to be a single unit. *Be sure to include permit and testing fees in the cost listed per Unit.*

	Complex Name	Fuel Source	Size	SEER	Replacement Cost Per Unit	Maintenance Cost Per Unit SUMMER	Maintenance Lump Sum
1.	Catalina Gardens 72 Apartments 77 Units	Heat Pump	2 Ton	15			
2.	Candlewood 30 Apartments 31 Units	Elec/Gas	2 Ton	15			
3.	Carlos Ortega Villas	Elec/Gas	2.5 Ton	15			
4.	Carlos Ortega Villas	Elec/Gas	5 Ton	15			
5.	Laguna Palms	Ductless Mini Split	18,00 0 BTU				
6.	La Rocca Villas 27 Apartments 28 Units	Elec/Gas	2 Ton	15			

	Complex Name	Fuel Source	Size	SEER	Replacement Cost Per Unit	Maintenance Cost Per Unit SUMMER	Maintenance Lump Sum
7.	La Rocca Villas	Elec/Gas	5 Ton	15			
8.	Las Serenas 150 Apartments 152 units	Heat Pump	2 Ton	15			
9.	Las Serenas	Heat Pump	2 Ton	15			
10.	Las Serenas	Heat Pump	2.5 Ton	15			
11.	Las Serenas	Heat Pump	5 Ton	15			
12.	Neighbors 24 Apartments 25 Units	Heat Pump	2 Ton	15			
13.	One Quail Place Ceiling mounted air handler	Heat Pump	2 Ton	15			
14.	One Quail Place 384 Apartments 393 Units	Heat Pump	3 Ton	15			
15.	One Quail Place	Heat Pump	5 Ton	15			

	Complex Name	Fuel Source	Size	SEER	Replacement Cost Per Unit	Maintenance Cost Per Unit SUMMER	Maintenance Sum of all Units
16.	One Quail Place	Window A/C	12,000 BTU				
17.	One Quail Place	Ductless Mini Split	18,000 BTU				
18.	Palm Village 36 Apartments 39 Units	Elec/Gas	2 Ton	15			
19.	Palm Village	Ductless Mini Split	18,000 BTU				
20.	Pueblos 15 Apartments 16 Units	Elec/Gas	2 Ton				
21.	Pueblos	Window AC	12,000 BTU				
22.	Sagecrest 14 Apartments 14 Units	Heat Pump	2 Ton	15			
23.	Santa Rosa 20 Apartments 20 Units	Elec/Gas	2 Ton	15			
24.	Taos Palms 16 Apartments 16 Units	Elec/Gas	2 Ton	15			

**OTHER SERVICES**

Description		Size	Price Each
Furnace with Filter Base	When installed at the time of unit replacement	1.5 – 3 Ton	
Furnace with Filter Base		3.5 – 4 Ton	
Furnace with Filter Base		5 Ton	
Programmable Thermostat			

**2. Hourly Rates**

*These rates shall be reserved for urgent, as-needed, responses.* Labor rates for replacement and maintenance work should be included in the per unit cost listed in the chart above. In the notes area, describe when these rates apply (i.e., Regular Rate is Monday – Friday 8:00 a.m. to 5:00 p.m.)

Description	Hourly Rate	Notes
Regular Rate Per Hour:		
Emergency Call Per Hour:		
After Normal Business Hours Per Hour:		
Overtime Rate Per Hour:		
Sunday/Holiday Rate Per Hour:		

**3. Proposed Not-To-Exceed Amount**

Firm proposes a Not-to-Exceed Amount of \_\_\_\_\_.

Explain how you calculated the proposed amount. Include methods for determining any potential cost increases during performance of the work. The method of determining costs shall be clearly explained. The final amount in the agreement may differ from the amount stated above.

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