

AGREEMENT NUMBER 32A0040

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME

Department of Transportation

CONTRACTOR'S NAME

Safety-Kleen Systems

2. The term of this Agreement is: **7/1/03** Through **6/30/06**
 July 1, 2003 through June 30, 2006

3. The maximum amount of this Agreement is: **\$2,700,000.00**
 Two million, seven hundred thousand dollars and no cents

4. The parties agree to comply with the terms and conditions of the following exhibits/attachments, which are by this reference a part of the Agreement.

Exhibit A – Scope of Work	6 Pages
Exhibit B – Budget Detail and Payment Provisions	2 Pages
Exhibit C* – General Terms and Conditions (Electronic File: GTC 103)	
Exhibit D - Special Terms and Conditions	4 Pages
Exhibit E - Additional Provisions	2 Pages
Attachment A - Bidder Certification Sheet	1 Page
Attachment 1 - Bid Proposal	4 Pages
Attachment 2 - Contractor Certification Clauses	3 Pages
Appendix A - Equipment Service Center Contract Projections for Various Shop Locations	23 Pages
Appendix B - Waste Oil Tank Locations	26 Pages

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this Agreement as if attached hereto. *These documents can be viewed at* <http://www.ols.dgs.ca.gov/Standard+Language/default.htm>

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		California Department of General Services Use Only
CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)		
Safety-Kleen Systems		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
William Kleiser, Market Manager		
ADDRESS		
6000 - 88th Street, Sacramento, CA 95828		
STATE OF CALIFORNIA		<input type="checkbox"/> Exempt per:
AGENCY NAME		
Department of Transportation		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
Mapula Conley, Contracts Officer		
ADDRESS		
1727 - 30th Street (MS 67), Sacramento, CA 95816		

EXHIBIT A
Standard Agreement

SCOPE OF WORK

1. Contractor agrees to provide service to state-owned parts cleaners for the Department of Transportation (Caltrans), as described herein:

The services shall be performed at location: Various Caltrans facilities statewide.

2. This Agreement shall begin on July 1, 2003, contingent upon approval by the State, and expire on June 30, 2006, unless extended by amendment. The services shall be provided during .
3. The project representatives and all inquiries during the term of this Agreement will be directed to:

Department of Transportation	Safety-Kleen Systems
Division of Equipment	Section/Unit: Market Manager
Contract Manager: Theodore Sanchez	Project Manager: William Kleiser
Address: P.O. Box 160048 Sacramento, CA 95816	6000 - 88 th Street, Sacramento, CA 95828
Bus. Phone No.: 916-227-9722	Bus. Phone No.:
Fax No: 916-227-9655	Fax No:

4. Detailed description of work to be performed and duties of all parties:

A. Contractor shall furnish all equipment, tools, materials (including solvents) to service state-owned parts cleaners (COMS) and provide a variety of parts cleaning equipment, including stationary recirculating sinks, 30 and 40 gallon solvent bath type units, Cyclonic filtration units, Ultrasonic units, automated spray cabinet washers, and machines that are equipped to recycle solvent on site. In addition the contractor will provide the units with aqueous and synthetic solutions that are in compliance with air regulations currently enforced in Los Angeles, the San Joaquin Valley, the Bay Area, and Sacramento County. The vendor will also furnish and service the following units:

(1) Parts Washer Model/Service	Capacity Gallons
14 - Standard Service	5
16-Standard Service	10
23 - Standard Service	10
26 - Aqueous Brake Cleaner	5
30 - Standard Service	20
34 - Standard Service	30
44 - Standard Service	40
90 – Aqueous	20
91 – Aqueous	40

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94 – Aqueous	10
Ultra Sonic Washer	30
Recycling Unit Model 250 (or equivalent)	40
Recycling Unit Model 251 (or equivalent)	
Model 257	
Cyclonic Filtration Unit	16
Cyclonic Filtration Unit	30
Recirculating Unit	16
Recirculating Unit	30
Ultrasonic Unit	30
Ultrasonic Unit	60
Automated spray cabinet	
510 (COMS) -Standard Service	7
510 (COMS) -Standard Service	7
Immersion Cleaner	
Gun-Cleaner	
Paint Booth Filter Removal	
Used Oil Filter Removal (55 gallon) vendor supplied drums	
Used Oil Filter Removal (30 gallon) vendor supplied drums	
Used Fuel Filter Removal (55 gallon) vendor supplied drums	
Used Fuel Filter Removal (30 gallon) vendor supplied drums	
Absorbent Waste Removal (370 - 55 gallon) vendor supplied drums	
Waste Oil Removal (Recycle)	
Spent Aerosol Can Removal (50 gallon) vendor supplied drums	
Spent Aersol Can Removal (30 gallon) vendor supplied drums	

B. Standard service shall include the use of various cleaning solutions, normal cleaning, and preventative maintenance of the units, and removal and recycling used solutions containing hazardous material.

C. EQUIPMENT TO BE SERVICES/SERVICE TO BE PROVIDED:

Recirculating Units:

These parts cleaners are sinks that are placed on top of either a 30 or 16 gallon drum with a recirculating pump and fusible link lid. The service consists of the contractor changing the drum of solvent on a pre-determined service interval, maintaining the machine, and removing the spent material for recycling. The 30 and 40 gallon vat type units are recirculating and offer the option to soak parts beneath shelves that cover the solvent bath. These units are serviced in a similar manner. The aqueous versions of the above described machines have the same look and foot print as the solvent versions. They are serviced the same way. The difference is that these units are outfitted with heater pumps that allow the

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aqueous chemistry to reach a temperature that optimizes its cleaning ability.

Cyclonic Filtration Units:

These parts cleaners look like the 30 and 16-gallon sink on drum solvent tanks described above. The difference is instead of a recirculating pump; it is outfitted with cyclonic separator. This device separates the particulate matter from the solvent and extends its life and cleaning ability. The parts cleaner will need to be serviced less frequently, resulting in waste minimization improvement for the user.

Ultrasonics and Automated Spray:

Ultrasonic cleaning tanks are 30 to 60-gallon vats utilizing a heated aqueous solution. Sonic waves are created to remove baked on greases and other difficult cleaning applications. Ultrasonic waves also penetrate blind spots in parts and are utilized for cleaning complicated shapes that must be completely free of contamination. The vendor provides the equipment, maintenance, and service in one turnkey price. Spray cabinets are large dishwashers designed to utilize automation to clean batches of parts at one time. The advantages to these units are in the economics of automating a task that someone else would do. Also the hands free aspect of the spray cabinet allows for utilizing higher temperatures, (up to 165 degrees). This results in more effective aqueous cleaning. The contractor provides a variety of sizes of the units, including custom designs. The service of the solution and removal of the spent material is provided in the service price.

Stationary Units:

The unit is a stationary vat type unit with a footprint similar to the 40-gallon vat described above. The difference is this machine houses a distillation process device that will recycle the spent solvent with in the unit itself. The user draws solvent to clean parts from a 5-gallon reservoir that recirculates though a standard flex hose dispenser. When this solvent needs to be replaced, the user pushes a button and the 5-gallon reservoir is replenished with fresh clean solvent. Another button will initiate the recycle process of all the spent solvents stored in the unit. While this process is going on, the user can continue cleaning operations. The advantage with this choice is nearly eliminating the parts cleaning waste stream. With the stationary machine there is only still residue to dispose of which could be less than 10 gallons per machine per year. The contractor removes this still residue as part of the service. In areas with air regulations banning the use of petroleum solvents, the stationary machine can operate using a Soloxane synthetic called Q-solve.

D. OIL/FILTER SERVICE

Oil Recovery:

The contractors bulk trucks service every Cal Trans location at least once every 90 days, on a regular service interval, and, after testing, remove all motor oils for re-processing and recycling. The price is a per gallon fee, with no truck transportation charges or minimum quantity fees.

Oil Filter/Fuel Filter Service:

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The contractor provides either a 30-gallon or a 55-gallon container for these filters. During the regular parts cleaner service call. The contractor inspects these filter drums and removes them for disposal, replacing the empty drum.

Absorbent Service:

The contractor will provide both a poly absorbent pad and a granular material to clean spills. The service includes a 30-gallon yellow-marked drum full of the clean pads or granular corn cob material. Also provided is an empty 30-gallon drum with a foot operated fusible link lid for the spent materials. These containers are inspected during the regular parts cleaning service and replenished when needed. The spent absorbent materials are used as a supplemental fuel in the cement manufacturing process, considered a form of recycling. The complete service is one price. No separate disposal fee, delivery fee, or charge for the clean absorbent materials.

E. SUMMARY:

All of the above services include the proper documents the generator needs to remove hazardous waste from their property. All of the labeling of the waste containers is completed and provided by the contractor. All of the parts cleaning equipment is owned by the vendor and is provided as part of the service. Because of this fact, the contractor maintains all of the equipment and will fix or replace it when it fails at no charge to the customer. All of the services provided are on a schedule, but in a emergency, the customer can request a service of any kind and it will be performed at no additional charge.

F. CERTIFICATE OF ASSURANCE:

The contractor provides, in writing, the assurance that if any waste is mishandled or released after it is their hands, no generator will be financially responsible for the clean up, or fines that result from such an incident. All of the assets of the company would be exhausted before a generator would be included in any financial responsibility.

G. Contractor shall contact the appropriate shops listed, in "Appendix B" to obtain field location addresses, cleaner models, and service intervals. Contractor shall be responsible for establishing agreeable service schedules with each shop. Caltrans has the option of using any of the listed cleaner models and intervals as described in "Appendix B". The Contract Manager or his designee shall select either the Standard or Premium service at each listed location.

H. Service shall include removal and recycling of used cleaning solutions containing hazardous materials.

I. After initial set up, adding or subtraction of machines or change in service must be submitted in writing to and approved by the contract manager.

J. Required Qualification

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Bidder must demonstrate that it can meet or exceed the following required qualifications upon submission of bid and throughout the term of the contract. The successful bidder must maintain and/or provide the following:

1. All necessary permits and other required documentation on the facilities they will be treating or disposing of materials from Caltrans' sites. This will include but not limited to, Part A or Part B permits, site closure cost financial assurances, facility descriptions, and facility compliance history.
2. Required waste hauling permits for the vehicles performing services in accordance with the contract.
3. Training records for employees handling and transporting wastes. All training must meet EPA and OSHA regulations.
4. Installed equipment at Caltrans locations must be UL approved or equivalent.
5. Current financial statement.

Minimum 3 years prior experience in performing the service and work required in this contract.

K. Contract Attachments

Attachment A - Bidder Certification Sheet

Attachment 1 - Contractor Bid Proposal

Attachment 2 - Contractor Certification Clauses

Appendix A - Equipment Service Center Contract Projections for Various Shop Locations

Appendix C - Waste Oil Tank Locations

EXHIBIT B
Standard Agreement

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the itemized invoice(s), the State agrees to compensate the Contractor for actual expenditures incurred in accordance with the rates specified herein, which is attached hereto, Appendix A, and made a part of this Agreement.
- B. Itemized invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:

Department of Transportation
Division of Equipment, MS 3
Attention: Theodore Sanchez
P.O. Box 160048
Sacramento, CA 95816

- C. The State will honor cash discounts and will make payment to the Contractor in accordance with the cash discount terms specified on the invoice, provided requirements of the Agreement have been met. Discount must be a minimum of one half of 1% of the amount due, but not less than \$25.00.
- D. Total amount of this agreement shall not exceed \$2,700,000.00.

It is understood and agreed that this total is an estimate and that the State will pay only for those services actually rendered as authorized by the contract manager or his/her designee.

2. Budget Contingency Clause

- A. It is mutually understood between the parties that this Agreement may have been written before ascertaining the availability of congressional or legislative appropriation of funds, for the mutual benefit of both parties in order to avoid program and fiscal delays that would occur if the Agreement were executed after that determination was made.
- B. This Agreement is valid and enforceable only if sufficient funds are made available to the State by the United States Government or the California State Legislature for the purpose of this program. In addition, this Agreement is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress or the State Legislature that may affect the provisions, terms or funding of this Agreement in any manner.

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- C. It is mutually agreed that if the Congress or the State Legislature does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- D. The State has the option to void the Agreement under the 30-day termination clause or to amend the Agreement to reflect any reduction of funds.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. Rates

Rates for these services may be found on Attachment 1 of this document.

5. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

6. Inclusive Costs

The cost of employer payments to or on behalf of employees, subsistence, travel, compensation insurance premiums, unemployment contributions, social security taxes, Agreement bond premiums, and any other taxes or assessments INCLUDING SALES AND USE TAXES required by law or otherwise shall be included in the Agreement rates and no additional allowance will be made thereof, unless separate payment provision should specifically so provide.

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<http://www.ols.dgs.ca.gov/Standard+Language/default.htm>

EXHIBIT D
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SPECIAL TERMS AND CONDITIONS

1. The Contractor's Certification Clause, CCC is attached hereto, Attachment 2 and made a part of this Agreement.

2. Settlement of Disputes

- A. Any dispute concerning a question of fact arising under this Agreement that is not disposed of by agreement shall be decided by the Department's Contract Officer, who may consider any written or verbal evidence submitted by the contractor. The decision of the Contract Officer, issued in writing, shall be conclusive and binding on both parties to the Agreement on all questions of fact considered and determined by the Contract Officer.
- B. Neither the pendency of a dispute nor its consideration by the Contract Officer will excuse the contractor from full and timely performance in accordance with the terms of the Agreement.

3. Subcontractors

- A. Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subagreement shall relieve the Contractor of his/her responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.
- B. The contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by the State's Contract Manager.

4. Termination

The Department of Transportation reserves the right to terminate this Agreement without cause upon thirty (30) days written notice to the Contractor or immediately in the event of material breach by the Contractor.

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5. Retention of Records/Audits

- A. For the purpose of determining compliance with Public Contract Code Section 10115, et. seq. and Title 21, California Code of Regulations, Chapter 21, Section 2500 et. seq., when applicable, and other matters connected with the performance of the Agreement pursuant to Government Code Section 8546.7, the Contractor, subcontractors and the State shall maintain all books, documents, papers, accounting records, and other evidence pertaining to the performance of the Agreement, including but not limited to, the costs of administering the Agreement. All parties shall make such materials available at their respective offices at all reasonable times during the Agreement period and for three years from the date of final payment under the Agreement. The State, the State Auditor, FHWA, or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, and documents of the Contractor that are pertinent to the Agreement for audits, examinations, excerpts, and transactions, and copies thereof shall be furnished if requested.
- B. Any subagreement entered into as a result of this Agreement shall contain all the provisions of this article.

6. Default

- A. If, after award and execution of the Agreement, the contractor defaults, the Agreement may be terminated for non-satisfactory performance. Contractor may be assessed damages in the amount of \$500 for administrative costs. Additionally, the contractor may be liable to the State for the difference between the contractor's original bid price and the actual cost of performing the work by the second low bidder or by another contractor.
- B. Default is defined as (1) being within a period of liquidated damages on uncompleted work,, or (2) under notice to begin or complete an Agreement where work has not commenced or was suspended without cause, or (3) where the Agreement is terminated for contractor failing to perform services required by the Agreement in a satisfactory manner.

7. Non-Solicitation

The contractor warrants, by execution of this Agreement, that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained or contracted by the contractor for the purpose of securing

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business. For breach or violation of this warranty, the state shall have the right to annul this Agreement without liability, paying only for the value of the work actually performed, or in its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

8. Disabled Veterans Business Enterprise (DVBE) Participation (Without Goals)

The State has established no goals for the participation of DVBE for this contract. However, the Contractor shall be fully informed respecting the California Public Contract Code Section 10115 et seq., which is incorporated by reference. Contractor is urged to obtain DVBE subcontractor participation should clearly defined portions of the work become available.

9. Contractor's Priority Hiring Considerations

The Contractor shall give priority consideration in filling vacancies in positions funded by this Agreement to qualified recipients of aid under Chapter 2 commencing with Section 11200 of the Welfare and Institutions Code, in accordance with Article 3.9 commencing with Section 11349 of the Welfare and Institutions Code.

10. Audit Review Procedures

- A. Any dispute concerning a question of fact arising under an interim or post audit of this Agreement that is not disposed of by Agreement shall be reviewed by the Chairperson of the Audit Review Committee (ARC). The ARC will consist of the Deputy Director, Audits & Investigations (Chairperson); Deputy Director of the functional Program area; the Chief Counsel, Legal Division, or their designated alternates; and if the Department chooses, two representatives of the Department's choosing, from private industry. The two representatives from private industry will be advisory in nature only and will not have voting rights. Additional members or their alternates may serve on the ARC.
- B. Not later than thirty (30) days after issuance of the final audit report, the Contractor may request a review by the ARC of unresolved audit issues. The request for review will be submitted in writing to the Chairperson of the ARC. The request must contain detailed information of the factors involved in the dispute as well as justifications for reversal. A meeting by the ARC will be scheduled if the Chairperson concurs that further review is warranted. After the meeting, the ARC will make recommendations to the appropriate Chief Deputy Director. The Chief Deputy Director will make the final decision for the Department. The final decision will be made within three (3) months of receipt of the notification of dispute.

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- C. Neither the pendency of a dispute nor its consideration by Caltrans will excuse the contractor from full and timely performance, in accordance with the terms of this Agreement.

11. Laws to be Observed

The contractor shall keep fully informed of all existing and future state and federal laws and county, and municipal ordinances and regulations which in any manner affect those engaged or employed in the work, the materials used in the work, or which in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Contractor shall at all times observe and comply with, and shall cause all agents and employees to observe and comply with all such existing and future laws, ordinances, regulations, orders, and decrees of bodies or tribunals having any jurisdiction or authority over the work. The contractor shall protect and indemnify the State of California and all officers and employees thereof connected with the work against any claim, injury, or liability arising from or based on the violation of any such law, ordinance, regulation, order, or decree, whether by the contractor, a subcontractor, or an employee. If any discrepancy or inconsistency is discovered in the plans, drawings, specification, or Agreement for the work in relation to any such law, ordinance, regulation, order, or decree, the contractor shall immediately report the same to the contract manager in writing.

12. Specific Statutory Reference

Any reference to certain statutes in this Agreement shall not relieve the Contractor from the responsibility of complying with all other statutes applicable to the service, work, or rental to be furnished thereunder.

13. Equipment Indemnification

- A. The contractor shall indemnify the state against all loss and damage to the contractor's property or equipment during its use under this Agreement and shall at the contractor's own expense maintain such fire, theft, liability or other insurance as deemed necessary for this protection. The contractor assumes all responsibility which may be imposed by law for property damage or personal injuries caused by defective equipment furnished under this Agreement or by operations of the contractor or the contractor's employees under this Agreement.
- B. Any subagreement entered into as a result of this Agreement shall contain all of the provisions of this article.

EXHIBIT E Standard Agreement

1. Liability Insurance Provisions

- A. Contractor shall furnish to the State a certificate of insurance stating that there is liability insurance presently in effect for the Contractor with a combined single limit (CSL) of not less than \$1,000,000 per occurrence.

The certificate of insurance will provide:

1. That the insurer will not cancel the insurer's coverage without 30 days prior written notice to the State.
 2. That the State of California, its officers, agents, employees, and servants are included as additional insured, but only with respect to work performed for the State of California under this contract.
 3. That the State will not be responsible for any premiums or assessments on the policy.
- B. Contractor agrees that the bodily injury liability and property damage insurance herein provided for shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least thirty (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Agreement, or for a period of not less than one (1) year. New certificates of insurance are subject to the approval of the State and Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event Contractor fails to keep in effect at all times insurance coverage as herein provided, State may, in addition to any other remedies it may have, terminate this Agreement upon the occurrence of such event.

2. License Requirements

The Contractor shall be properly licensed in accordance with the laws of the State of California.

3. Licensed Contractor Standards for Quality of Work

- A. Licensed contractors must observe professional standards for quality of work or the California Contractors State License Board will invoke disciplinary action.
- B. Notice is hereby given that certain actions by a Contractor, including, but not limited to the following, constitute grounds for disciplinary action once the State has notified the license board of all violations:

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1. A willful departure from plans and specifications or disregard of trade standards for good and workmanlike construction in any material respect that might prejudice the Department of Transportation, owner of the property upon which you perform work (Bus. & Prof. Code, 7109).
 2. The failure to observe and comply with all of the applicable labor laws (Bus. & Prof. Code 7110).
 3. Material failure to complete this Agreement (Bus. & Prof. Code 7113).
- C. Should the State determine that the work or materials provided vary materially from the specifications, or, that defective work when completed was not performed in a workmanlike manner, then the Contractor warrants that he/she shall perform all necessary repairs, replacement and corrections needed to restore the property according to the Agreement plans and specifications, all at no further or additional cost to the State.