

**CITY OF COSTA MESA
AGREEMENT FOR UNLEADED FUEL SERVICES
WITH MERRIMAC PETROLEUM, INC. DBA MERRIMAC ENERGY GROUP**

THIS AGREEMENT FOR UNLEADED FUEL SERVICES ("Agreement") is made and entered into this 1st day of July 2026 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and MERRIMAC PETROLEUM, INC., a California corporation DBA MERRIMAC ENERGY GROUP ("Contractor").

WITNESS ETH:

A. WHEREAS, City proposes to utilize the services of Contractor as an independent contractor to provide unleaded fuel services, as more fully described herein; and

B. WHEREAS, Section 2-165(b)(5) of the Costa Mesa Municipal Code permits the City to purchase services through competitively awarded agreements of other local, state, or federal government agencies, a process known as "piggybacking"; and

C. WHEREAS, the County of Orange competitively awarded Contractor a contract for unleaded fuel services, Regional Cooperative Agreement Contract Number RCA-017-26010049, attached hereto as Exhibit "A" and incorporated herein by this reference ("County Contract"); and

D. WHEREAS, the City desires to "piggyback" onto the County Contract, and Contractor consents to the "piggybacking"; and

E. WHEREAS, City and Contractor desire to contract for the unleaded fuel and related supplies and services in accordance with the County Contract, subject to the modifications set forth herein; and

F. WHEREAS, Contractor represents that it has the experience and expertise to properly perform such services and holds all necessary licenses to practice and perform the services; and

G. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1. Contractor agrees to perform the services set forth in the County Contract for the City in accordance with the terms of the County Contract, except as otherwise stated herein.

2. Except as otherwise stated herein, the terms and conditions of the County Contract, and any amendments thereto, shall form the basis of this Agreement, with the City having the rights, duties, and obligations of the County of Orange set forth in the County Contract and any amendments thereto.

3. If any provision of this Agreement conflicts with any provision of the County Contract, then the terms, conditions and provisions of this Agreement shall control.

4. The terms and conditions of the County Contract are modified, amended, or supplemented as follows:

- a. All references in the County Contract to "County" shall be amended to read "City." All references in the County Contract to "Board of Supervisors" shall be amended to read "City Council."
- b. Section 1, "Compensation," (Attachment B – Payment and Compensation, page 1) shall be amended as follows by adding the following as paragraph 3: "The Contract price, as more fully described in Attachment B, shall include full compensation for providing all required goods and services in accordance with required specifications, or services as specified herein or when applicable, in the scope of work attached to this Contract, and no additional compensation will be allowed therefore, unless otherwise provided for in this Contract. Contractor's annual compensation shall not exceed Seven Hundred Thousand Dollars (\$700,000.00)."
- c. Article 2 (Term of Contract) of the Additional Terms and Conditions, page 12 of Exhibit A, shall be amended to read as follows: "The initial term of this Contract shall become effective on July 1, 2026 and shall continue for a period of five (5) years, ending on June 30, 2031, unless otherwise terminated as provided herein."
- d. Article 43 (Notices) of the Additional Terms and Conditions shall be amended to provide the following contact information for City:

City: City of Costa Mesa
Public Services Department
77 Fair Drive
Costa Mesa, CA 92626
Attn: Ruben Salas
Phone (714) 327-7481

cc: City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Purchasing

- e. Section 5 (Spillage Requirements) of the Scope of Work, page 29 of Exhibit "A" shall be amended to add a fourth paragraph as follows:

In order to prevent leakage or spillage, Contractor shall only transfer fuel to underground storage tanks by the gravity drop method. Contractor shall not transfer fuel to underground storage tanks by the pressurized fill method.

5. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described in Article 2 under "Indemnification and

Insurance Provisions) pages 9 and 10 of Exhibit "A," "General Insurance Requirements, naming the City of Costa Mesa as an additional insured, prior to performing any services under this Agreement.

6. Contractor agrees to indemnify and hold harmless the County of Orange from all claims, demands, actions or causes of action of every kind resulting directly or indirectly, arising out of, or in any way connected with the City's use of the County Contract.

7. Contractor shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "B" and incorporated herein by reference. Contractor's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

8. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,
A municipal corporation

Cecilia Gallardo-Daly
City Manager

Date: _____

CONTRACTOR

Signature

Date: _____

Name and Title

Social Security or Taxpayer ID Number

ATTEST:

Brenda Green
City Clerk

Date: _____

APPROVED AS TO FORM:

Kimberly Hall Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

DEPARTMENTAL APPROVAL:

Raja Sethuraman
Public Works Director

Date: _____

APPROVED AS TO PURCHASING:

Finance Director

Date: _____

EXHIBIT A

REGIONAL COOPERATIVE AGREEMENT

CONTRACT NUMBER MA-017-26010049TIVE

REGIONAL COOPERATIVE AGREEMENT (RCA)
CONTRACT RCA-017-26010049
FOR
UNLEADED FUEL AND RELATED SUPPLIES AND SERVICES
BETWEEN
COUNTY OF ORANGE/COUNTY PROCUREMENT OFFICE
AND
MERRIMAC PETROLEUM, INC., DBA MERRIMAC ENERGY GROUP



REGIONAL COOPERATIVE AGREEMENT (RCA)
CONTRACT NUMBER RCA 017-26010049
BETWEEN
COUNTY OF ORANGE/COUNTY PROCUREMENT OFFICE
AND
MERRIMAC PETROLEUM, INC., DBA MERRIMAC ENERGY GROUP
FOR
UNLEADED FUEL AND RELATED SUPPLIES AND SERVICES

This Contract RCA-017-26010049 for Unleaded Fuel and Related Supplies and Services (Contract) is made and entered into as of the date fully executed by and between the County of Orange, a political subdivision of the State of California ("County"), and Merrimac Petroleum, Inc., doing business as Merrimac Energy Group, a State of California Corporation (Contractor), with County and Contractor sometimes referred to as Party or collectively as Parties.

ATTACHMENTS

This Contract is comprised of this document and the following Attachments, which are attached hereto and incorporated by reference into this Contract:

Attachment A – Scope of Work

Attachment B – Payment and Compensation

RECITALS

WHEREAS, Contractor and County are entering into this Contract for Unleaded Fuel and Related Supplies and Services under a usage Contract; and,

WHEREAS, County solicited Contract for Unleaded Fuel and Related Supplies and Services as set forth herein, and Contractor represented that it is qualified to provide Unleaded Fuel and Related Supplies and Services to the County as further set forth here; and,

WHEREAS, Contractor agrees to provide Unleaded Fuel and Related Supplies and Services to the County as further set forth in the Scope of Work, attached hereto as Attachment A; and,

WHEREAS, County agrees to pay Contractor based on the schedule of fees set forth in Payment/Compensation, attached hereto as Attachment B; and,

NOW, THEREFORE, the Parties mutually agree as follows:

ARTICLES

GENERAL TERMS AND CONDITIONS

1. Governing Law and Venue:

This Contract has been negotiated and executed in the state of California and shall be governed by and construed under the laws of the state of California. In the event of any legal action to enforce or interpret this Contract, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure Section 394. Furthermore, the parties specifically agree to waive any and all rights to request that an action be transferred for adjudication to another county.

2. Entire Contract:

This Contract contains the entire Contract between the parties with respect to the matters herein, and there are no restrictions, promises, warranties or undertakings other than those set forth herein or referred to herein. No exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing. Electronic acceptance of any additional terms, conditions or supplemental Contracts by any County employee or agent, including but not limited to installers of software, shall not be valid or binding on County unless accepted in writing by County's Procurement Agent or designee.

3. Amendments:

No alteration or variation of the terms of this Contract shall be valid unless made in writing and signed by the parties; no oral understanding or agreement not incorporated herein shall be binding on either of the parties; and no exceptions, alternatives, substitutes or revisions are valid or binding on County unless authorized by County in writing.

4. Taxes:

Unless otherwise provided herein or by law, price quoted does not include California state sales or use tax. Out-of-state Contractors shall indicate California Board of Equalization permit number and sales permit number on invoices, if California sales tax is added and collectable. If no permit numbers are shown, sales tax will be deducted from payment. The Auditor-Controller will then pay use tax directly to the State of California in lieu of payment of sales tax to Contractor.

5. Delivery:

Time of delivery of commodities and services is of the essence in this Contract. County reserves the right to refuse any commodities and services and to cancel all or any part of the commodities not conforming to applicable specifications, drawings, samples or descriptions or services that do not conform to the prescribed scope of work. Acceptance of any part of the order for commodities shall not bind County to accept future shipments nor deprive it of the right to return commodities already accepted at Contractor's expense. Over shipments and under shipments of commodities shall be only as agreed to in writing by County. Delivery shall not be deemed to be complete until all commodities or services have actually been received and accepted in writing by County.

6. Acceptance Payment:

Unless otherwise agreed to in writing by County, 1) acceptance shall not be deemed complete unless in writing and until all the commodities/services have actually been received, inspected, and tested to the satisfaction of County, and 2) payment shall be made in arrears after satisfactory acceptance.

7. Warranty:

Contractor expressly warrants that the commodities covered by this Contract are 1) free of liens or encumbrances, 2) merchantable and good for the ordinary purposes for which they are used, and 3) fit for the particular purpose for which they are intended. Acceptance of this order shall constitute an agreement upon Contractor's part to indemnify, defend and hold County and its indemnitees as identified in the Insurance and Indemnification section, and as more fully described in the Insurance and Indemnification section harmless from liability, loss, damage and expense, including reasonable counsel fees, incurred or sustained by County by reason of the failure of the goods/services to conform to such warranties, faulty work performance, negligent or unlawful acts, and non-compliance with any applicable state or federal codes, ordinances, orders, or statutes, including the Occupational Safety and Health Act (OSHA) and the California Industrial Safety Act. Such remedies shall be in addition to any other remedies provided by law.

8. Patent/Copyright Materials/Proprietary Infringement:

Unless otherwise expressly provided in this Contract, Contractor shall be solely responsible for clearing the right to use any patented or copyrighted materials in the performance of this Contract. Contractor warrants that any software as modified through services provided hereunder will not infringe upon or violate any patent, proprietary right, or trade secret right of any third party. Contractor agrees that, in accordance with the more specific requirement contained in the Insurance and Indemnification section, it shall indemnify, defend and hold County and County Indemnitees harmless from any and all such claims and be responsible for payment of all costs, damages, penalties and expenses related to or arising from such claim(s), including, costs and expenses but not including attorney's fees.

9. Assignment:

The terms, covenants, and conditions contained herein shall apply to and bind the heirs, successors, executors, administrators and assigns of the parties. Furthermore, neither the performance of this Contract nor any portion thereof may be assigned by Contractor without the express written consent of County. Any attempt by Contractor to assign the performance or any portion thereof of this Contract without the express written consent of County shall be invalid and shall constitute a breach of this Contract.

10. Non-Discrimination:

In the performance of this Contract, Contractor agrees that it will comply with the requirements of Section 1735 of the California Labor Code and not engage nor permit any subcontractors to engage in discrimination in employment of persons because of the race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons. Contractor acknowledges that a violation of this provision shall subject Contractor to penalties pursuant to Section 1741 of the California Labor Code.

11. Termination:

In addition to any other remedies or rights it may have by law, County has the right to immediately terminate this Contract without penalty for cause or after 30 days' written notice without cause, unless otherwise specified. Cause shall be defined as any material breach of contract, any misrepresentation or fraud on the part of Contractor. Exercise by County of its right to terminate Contract shall relieve County of all further obligation.

12. Consent to Breach Not Waiver:

No term or provision of this Contract shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute consent to, waiver of, or excuse for any other different or subsequent breach.

13. Independent Contractor:

Contractor shall be considered an independent contractor and neither Contractor, its employees, nor anyone working under Contractor shall be considered an agent or an employee of County. Neither Contractor, its employees nor anyone working under Contractor shall qualify for workers' compensation or other fringe benefits of any kind through County.

14. Performance Warranty:

Contractor shall warrant all work under this Contract, taking necessary steps and precautions to perform the work to County's satisfaction. Contractor shall be responsible for the professional quality, technical assurance, timely completion and coordination of all documentation and other commodities/services furnished by Contractor under this Contract. Contractor shall perform all work diligently, carefully, and in a good and workmanlike manner; shall furnish all necessary labor, supervision, machinery, equipment, materials, and supplies, shall at its sole expense obtain and maintain all permits and licenses required by public authorities, including those of County required in its governmental capacity, in connection with performance of the work. If permitted to subcontract, Contractor shall be fully responsible for all work performed by subcontractors.

15. Changes:

Contractor shall make no changes in the work or perform any additional work without County's specific written approval.

16. Change of Ownership/Name, Litigation Status, Conflicts with County Interests:

Contractor agrees that if there is a change or transfer in ownership of Contractor's business prior to completion of this Contract, and the County agrees to an assignment of the Contract, the new owners shall be required under the terms of sale or other instruments of transfer to assume Contractor's duties and obligations contained in this Contract and complete them to the satisfaction of the County.

County reserves the right to immediately terminate the Contract in the event the County determines that the assignee is not qualified or is otherwise unacceptable to the County for the provision of services under the Contract.

In addition, Contractor has the duty to notify the County in writing of any change in the Contractor's status with respect to name changes that do not require an assignment of the Contract. The Contractor is also obligated to notify the County in writing if the Contractor becomes a party to any litigation against the County, or a party to litigation that may reasonably affect the Contractor's performance under the Contract, as well as any potential conflicts of interest between Contractor and County that may arise prior to or during the period of Contract performance. While Contractor will be required to provide this information without prompting from the County any time there is a change in Contractor's name, conflict of interest or litigation status, Contractor must also provide an update to the County of its status in these areas whenever requested by the County.

The Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with County interests. In addition to the Contractor, this obligation shall apply to the Contractor's employees, agents, and subcontractors associated with the provision of goods and services provided under this Contract. The Contractor's efforts shall include, but not be limited to, establishing rules and procedures preventing its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers in the performance of their duties.

17. Force Majeure:

Contractor shall not be assessed with liquidated damages or unsatisfactory performance penalties during any delay beyond the time named for the performance of this Contract caused by any act of God, war, civil disorder, employment strike or other cause beyond its reasonable control, provided Contractor gives written notice of the cause of the delay to County within 36 hours of the start of the delay and Contractor avails himself of any available remedies.

18. Confidentiality:

Contractor agrees to maintain the confidentiality of all County and County-related records and information pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this Contract. All such records and information shall be considered confidential and kept confidential by Contractor and Contractor's staff, agents and employees.

19. Compliance with Laws:

Contractor represents and warrants that services to be provided under this Contract shall fully comply, at Contractor's expense, with all standards, laws, statutes, restrictions, ordinances, requirements, and regulations (collectively "laws"), including, but not limited to those issued by County in its governmental capacity and all other laws applicable to the services at the time services are provided to and accepted by County. Contractor acknowledges that County is relying on Contractor to ensure such compliance, and pursuant to the requirements of the Insurance and Indemnification section, Contractor agrees that it shall defend, indemnify and hold County and County Indemnitees harmless from all liability, damages, costs and expenses arising from or related to a violation of such laws.

Contractor shall remain in compliance and in good standing, maintaining current and active business entity and/or nonprofit registration status, with all applicable federal, state and local registration requirements at the time of execution of the contract through the duration of the term of the Contract, and shall provide annual confirmation of current and active status to County through the term of the Contract.

20. Freight:

Prior to County's express acceptance of delivery of products. Contractor assumes full responsibility for all transportation, transportation scheduling, packing, handling, insurance, and other services associated with delivery of all products deemed necessary under Contract.

21. Severability:

If any term, covenant, condition or provision of this Contract is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

22. Attorney Fees:

In any action or proceeding to enforce or interpret any provision of this Contract, each party shall bear their own attorney's fees, costs and expenses.

23. Interpretation:

This Contract has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with in this Contract. In addition, each party had been represented by experienced and knowledgeable independent legal counsel of their own choosing or has knowingly declined to seek such counsel despite being encouraged and given the opportunity to do so. Each party further acknowledges that they have not been influenced to any extent whatsoever in executing this Contract by any other party hereto or by any person representing them, or both. Accordingly, any rule or law (including California Civil Code Section 1654) or legal decision that would require interpretation of any ambiguities in this Contract against the party that has drafted it is not applicable and is waived. The provisions of this Contract shall be interpreted in a reasonable manner to effect the purpose of the parties and this Contract.

24. Employee Eligibility Verification:

Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirement set forth in Federal statutes and regulations. Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal or State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, 8 U.S.C. §1324 et seq., as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for all covered employees for the period prescribed by the law. Contractor shall indemnify, defend with counsel approved in writing by County, and hold harmless, County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against Contractor or County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

25. Audits/Inspections:

Contractor agrees to permit County's Auditor-Controller or the Auditor-Controller's authorized representative (including auditors from a private auditing firm hired by County) access during normal working hours to all books, accounts, records, reports, files, financial records, supporting documentation,

including payroll and accounts payable/receivable records, and other papers or property of Contractor for the purpose of auditing or inspecting any aspect of performance under this Contract. The inspection and/or audit will be confined to those matters connected with the performance of Contract including, but not limited to, the costs of administering Contract. County will provide reasonable notice of such an audit or inspection.

County reserves the right to audit and verify Contractor's records before final payment is made.

Contractor agrees to maintain such records for possible audit for a minimum of three years after final payment, unless a longer period of records retention is stipulated under this Contract or by law. Contractor agrees to allow interviews of any employees or others who might reasonably have information related to such records. Further, Contractor agrees to include a similar right to County to audit records and interview staff of any subcontractor related to performance of this Contract.

Should Contractor cease to exist as a legal entity, Contractor's records pertaining to this Contract shall be forwarded to County's project manager.

26. Contingency of Funds:

Contractor acknowledges that funding or portions of funding for this Contract may be contingent upon state budget approval; receipt of funds from, and/or obligation of funds by, the state of California to County; and inclusion of sufficient funding for the services hereunder in the budget approved by County's Board of Supervisors for each fiscal year covered by this Contract. If such approval, funding or appropriations are not forthcoming, or are otherwise limited, County may immediately terminate or modify this Contract without penalty.

27. Expenditure Limit:

Contractor shall notify County of Orange assigned Deputy Procurement Agent in writing when the expenditures against Contract reach 75 percent of the dollar limit on Contract. County will not be responsible for any expenditure overruns and will not pay for work exceeding the dollar limit on Contract unless a change order to cover those costs has been issued.

28. California Public Records Act:

Contractor and County agree and acknowledge that all information and documents related to the award and performance of this Contract may be subject to disclosure pursuant to the California Public Records Act, California Government Code Section 7920.000 et seq. Contractor shall not respond to any California Public Records Act request directed at County; all responses shall be handled by County.

INDEMNIFICATION AND INSURANCE PROVISIONS

1. Indemnification

Contractor agrees to indemnify, defend with counsel approved in writing by County, and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided by Contractor pursuant to this Contract. If judgment is entered against Contractor and County by a court of

competent jurisdiction because of the concurrent active negligence of County or County Indemnites, Contractor and County agree that liability will be apportioned as determined by the court. Neither Party shall request a jury apportionment. Notwithstanding anything stated above, nothing contained herein shall relieve Contractor of any insurance requirements of obligations created elsewhere in this Contract.

2. General Insurance Requirements

Prior to the provision of services under this Contract, the Contractor agrees to carry all required insurance at Contractor's expense, including all endorsements required herein, necessary to satisfy the County that the insurance provisions of this Contract have been complied with. Contractor agrees to keep such insurance coverage current, provide Certificates of Insurance, and endorsements to the County during the entire term of this Contract.

Contractor shall ensure that all subcontractors performing work on behalf of Contractor pursuant to this Contract shall be covered under Contractor's insurance as an Additional Insured or maintain insurance subject to the same terms and conditions as set forth herein for Contractor. Contractor shall not allow subcontractors to work if subcontractors have less than the level of coverage required by County from Contractor under this Contract. It is the obligation of Contractor to provide notice of the insurance requirements to every subcontractor and to receive proof of insurance prior to allowing any subcontractor to begin work. Such proof of insurance must be maintained by Contractor through the entirety of this Contract for inspection by County representative(s) at any reasonable time.

All self-insured retentions (SIR)'s shall be clearly stated on the Certificate of Insurance. Any SIR in excess of Fifty Thousand Dollars \$50,000 shall specifically be approved by the County's Risk Manager, or designee. The County reserves the right to require current audited financial reports from Contractor. If Contractor is self-insured, Contractor will indemnify the County for any and all claims resulting or arising from Contractor's services in accordance with the indemnity provision stated in this contract.

If the Contractor fails to maintain insurance acceptable to the County for the full term of this Contract, the County may terminate this Contract.

Qualified Insurer

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the **Best's Key Rating Guide/Property-Casualty/United States or ambest.com**).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, the CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Contractor shall provide the minimum limits and coverage as set forth below.

Increased insurance limits may be satisfied with Excess/Umbrella policies. Excess/Umbrella policies when required must provide Follow Form coverage.

All insurance policies required by this Contract shall waive all rights of subrogation against the ***County of Orange, its elected and appointed officials, officers, employees, and agents*** when acting within the scope of their appointment or employment.

Contractor shall provide thirty (30) days prior written notice to the County of any policy cancellation or non-renewal and ten (10) days prior written notice where cancellation is due to non-payment of premium and provide a copy of the cancellation notice to County. Failure to provide written notice of cancellation may constitute a material breach of the Contract, upon which the County may suspend or terminate this Contract.

Insurance certificates should be forwarded to the agency/department address listed on the solicitation.

If the Contractor fails to provide the insurance certificates and endorsements within ten (10) days of notification by CEO/Procurement or the agency/department procurement division, award may be made to the next qualified vendor.

County expressly retains the right to require Contractor to increase or decrease insurance of any of the above insurance types throughout the term of this Contract. Any increase or decrease in insurance will be as deemed by County of Orange Risk Manager as appropriate to adequately protect County.

County shall notify Contractor in writing of changes in the insurance requirements. If Contractor does not provide acceptable Certificates of Insurance and endorsements to County incorporating such changes within thirty (30) days of receipt of such notice, this Contract may be in breach without further notice to Contractor, and County shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this Contract, nor act in any way to reduce the policy coverage and limits available from the insurer.

3. Commercial General Liability

Minimum limits and coverage

\$1,000,000 per occurrence; \$2,000,000 aggregate

Required Coverage Forms

The Commercial General Liability coverage shall be written on occurrence basis utilizing Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- A. An Additional Insured endorsement using ISO form CG 20 26 04 13, or a form at least as broad naming the County of Orange its elected and appointed officials, officers, employees, and agents as Additional Insureds, or provide blanket coverage, which will state As Required by Written Contract.
- B. A primary non-contributory endorsement using ISO form CG 20 01 04 13, or a form at least as broad evidencing that the Contractor's insurance is primary, and any insurance or self-insurance maintained by the County shall be excess and non-contributing.

The Commercial General Liability policy shall contain a severability of interests clause also known as a "separation of insureds" clause (standard in the ISO CG 0001 policy).

4. Automobile Liability including coverage for owned, non-owned and hired vehicles

Minimum limits and coverage

\$1,000,000 combined Single Limit

Required Coverage Forms

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

5. Workers' Compensation

Minimum limits and coverage

Statutory

Required Endorsements

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, agents, and employees* or provide blanket coverage, which will state *As Required by Written Contract*.

6. Employers Liability Insurance

Minimum limits and coverage

\$1,000,000 per accident or disease

7. Pollution Liability

Minimum limits and coverage

NO VALUE

Required Endorsements

The Pollution Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- A. An Additional Insured endorsement naming the County of Orange, its elected and appointed officials, officers, employees, and agents as Additional Insureds or provide blanket coverage which shall state *As Required by Written Contract*.
- B. A primary non-contributory endorsement evidencing that the Contractor's insurance is primary, and any insurance or self-insurance maintained by the County shall be excess and non-contributing.

The Pollution Liability insurance must include coverage for bodily injury and property damage, including coverage for loss of use and/or diminution in property value, and for clean-up costs arising out of, pertaining to, or in any way related to the actual or alleged discharge, dispersal, seepage, migration, release or escape of contaminants or pollutants resulting from any services or work performed by, or behalf of, Contractor, including the transportation of hazardous waste, hazardous materials, or contaminants.

If the Pollution Liability is a claims-made policy, Contractor shall agree to the following:

- A. The retroactive date must be shown and must be before the date of the Contract or the beginning of the Contract services.
- B. Insurance must be maintained, and evidence of insurance must be provided for at least three (3) years after expiration or earlier termination of Contract services.
- C. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Contract services, Contractor must purchase an extended reporting period for a minimum of three (3) years after expiration of earlier termination of the Contract.

ADDITIONAL TERMS AND CONDITIONS

1. Scope of Contract:

This Contract specifies contractual terms and conditions by which County will procure Unleaded Fuel and Related Supplies and Services from Contractor as further detailed in the Scope of Work, identified and incorporated herein by this reference as "Attachment A".

2. Term of Contract:

The initial term of this Contract shall become effective Wednesday, July 1, 2026 and shall continue for five (5) calendar years, unless otherwise terminated as provided herein.

3. Adjustments – Scope of Work:

No adjustments made to the Scope of Work will be authorized without prior written approval of County assigned Deputy Purchasing Agent.

4. Bills and Liens:

Contractor shall pay promptly all indebtedness for labor, materials and equipment used in performance of the work. Contractor shall not permit any lien or charge to attach to the work or the premises, but if any does so attach, Contractor shall promptly procure its release and, in accordance with the requirements of the Indemnification and Insurance section, indemnify, defend, and hold County harmless and be responsible for payment of all costs, damages, penalties and expenses related to or arising from or related thereto.

5. Breach of Contract:

The failure of Contractor to comply with any of the provisions, covenants or conditions of this Contract shall be a material breach of this Contract. In such event County may, and in addition to any other remedies available at law, in equity, or otherwise specified in this Contract:

- A. Terminate Contract immediately, pursuant to the General Terms and Conditions section, Termination paragraph herein;
- B. Afford Contractor written notice of the breach and ten (10) calendar days or such shorter time that may be specified in this Contract within which to cure the breach;

- C. Discontinue payment to the Contactor for and during the period in which Contractor is in breach; and
- D. Offset against any monies billed by Contractor but yet unpaid by County those monies disallowed pursuant to the above.

6. Civil Rights:

Contractor attests that services provided shall be in accordance with the provisions of Title VI and Title VII of the Civil Rights Act of 1964, as amended, Section 504 of the Rehabilitation Act of 1973, as amended; the Age Discrimination Act of 1975 as amended; Title II of the Americans with Disabilities Act of 1990, and other applicable State and federal laws and regulations prohibiting discrimination on the basis of race, color, national origin, ethnic group identification, age, religion, marital status, sex or disability.

7. Conflict of Interest – Contractor’s Personnel:

Contractor shall exercise reasonable care and diligence to prevent any actions or conditions that could result in a conflict with the best interests of County. This obligation shall apply to Contractor, Contractor’s officers, directors, employees, agents, and subcontractors associated with accomplishing work and services hereunder. Contractor’s efforts shall include, but not be limited to establishing precautions to prevent its employees, agents, and subcontractors from providing or offering gifts, entertainment, payments, loans or other considerations which could be deemed to influence or appear to influence County staff or elected officers from acting in the best interests of County.

Contractor shall notify County, in writing, of any potential or actual conflicts of interest between Contractor and County that may arise prior to, or during the period of, Contract performance, including, but not limited to, whether any known County public officer’s child is an officer or director of, or has an ownership interest of ten (10) percent or more in, Contractor. While Contractor will be required to provide this information without prompting from County any time there is a change regarding conflict of interest, Contractor must also provide an update to County upon request by County.

8. Conflict of Interest – County Personnel:

County of Orange Board of Supervisors policy prohibits its employees from engaging in activities involving a conflict of interest. Contractor shall not, during the period of this Contract, employ any County employee for any purpose.

9. Contractor’s Project Manager and Key Personnel:

Contractor shall appoint a Project Manager to direct Contractor’s efforts in fulfilling Contractor’s obligations under this Contract. This Project Manager shall be subject to approval by County and shall not be changed without the written consent of County’s Project Manager, which consent shall not be unreasonably withheld.

Contractor’s Project Manager shall be assigned to this project for the duration of Contract and shall diligently pursue all work and services to meet the project time lines. County’s Project Manager shall have the right to require the removal and replacement of Contractor’s Project Manager from providing services to County under this Contract. County’s Project manager shall notify Contractor in writing of such action. Contractor shall accomplish the removal within five (5) business days after written notice by County’s Project Manager. County’s Project Manager shall review and approve the appointment of the replacement

for Contractor's Project Manager. County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under Contract.

10. Contractor's Expense:

The Contractor will be responsible for all costs related to photo copying, telephone communications, fax communications, and parking while on County sites during the performance of work and services under this Contract. The County will not provide free parking for any service in the County Civic Center.

11. Conditions Affecting Work:

Contractor shall be responsible for taking all steps reasonably necessary to ascertain the nature and location of the work to be performed under this Contract and to know the general conditions which can affect the work or the cost thereof. Any failure by Contractor to do so will not relieve Contractor from responsibility for successfully performing the work without additional cost to County. County assumes no responsibility for any understanding or representations concerning the nature, location(s) or general conditions made by any of its officers or agents prior to the execution of this Contract, unless such understanding or representations by County are expressly stated in Contract.

12. Cooperative Contract:

This Contract is a cooperative contract and may be utilized by all County of Orange departments.

The provisions and pricing of this Contract may be extended, at the option of Contractor, to any Municipal, County, Public Utility, Hospital, Educational Institution, or any other non-profit or governmental organization (the "Cooperative Program"). Parties in a Cooperative Program wishing to use this Contract will be responsible for issuing their own purchase documents / price agreements, providing for their own acceptance, and making any subsequent payments. Contractor shall be required to include in any agreement entered into with another agency or entity that is entered into pursuant to the provisions and pricing of this Contract a clause that binds the parties to the agreement to "indemnify, defend with counsel approved in writing by the County of Orange, California ("County"), and hold County, its elected and appointed officials, officers, employees, agents and those special districts and agencies which County's Board of Supervisors acts as the governing Board ("County Indemnitees") harmless from any claims, demands or liability of any kind or nature, including but not limited to personal injury or property damage, arising from or related to the services, products or other performance provided" under the agreement.. Failure to so include this clause voids the Contract's extension to a Cooperative Program and will be considered a material breach of this Contract and grounds for immediate Contract termination. The cooperative entities are responsible for obtaining all certificates of insurance and bonds required. The County of Orange makes no guarantee of usage by other users of this Contract.

As a cost-recovery mechanism for County, a 2 percent administrative rebate on total sales from all subordinate contracts will be paid to the County for any contracts the Contractor agrees to enter into with another agency or entity, other than the County of Orange or a department thereof, under the provisions and pricing of this Contract. The County has partnered with Pavilion, a third-party administrator, responsible for managing all reporting and payments under this Cooperative Program. The Contractor shall provide quarterly Volume Sales Reports about additional sales to other entities under the provisions and pricing of this Contract. The Reports shall include the ordering agency, detail of items sold including description, quantity, and price, and shall include all transactions pertaining to sales under the Contract provisions and

pricing for that Reporting Period. Contractor shall provide the Volume Sales Reports regardless of whether or not any sales have been conducted. Failure of the Contractor to provide quarterly reports as required may be deemed by the County as a material breach of the Contract. A late penalty of 15 percent on the value of the rebate may be assessed to the Contractor for each month the payments are not received.

Subordinate contracts must be executed prior to the expiration or earlier termination of this Contract and may survive the expiration of this Contract. This Cooperative Contract provision shall survive expiration or termination of this Contract.

13. Debarment:

Contractor shall certify that neither Contractor nor its principles are presently debarred, proposed for debarment, declared ineligible or voluntarily excluded from participation in the transaction by any Federal department or agency. Where Contractor as the recipient of federal funds, is unable to certify to any of the statements in the certification, Contractor must include an explanation with the bid/proposal. Debarment pending debarment, declared ineligibility or voluntary exclusion from participation by any Federal department or agency may result in the bid/proposal being deemed non-responsible.

14. Data – Title To:

All materials, documents, data or information obtained from County data files or any County medium furnished to Contractor in the performance of this Contract will at all times remain the property of County. Such data or information may not be used or copied for direct or indirect use by Contractor after completion or termination of this Contract without the express written consent of County. All materials, documents, data or information, including copies, must be returned to County at the end of this Contract.

15. Default – Re-Procurement Costs:

In case of Contract breach by Contractor, resulting in termination by County, County may procure the commodities and services from other sources. If the cost for those commodities and services is higher than under the terms of the existing Contract, Contractor will be responsible for paying County the difference between Contract cost and the price paid, and County may deduct this cost from any unpaid balance due Contractor. The price paid by County shall be the prevailing market price at the time such purchase is made. This is in addition to any other remedies available under this Contract and under law.

16. Disputes – Contract:

The parties shall deal in good faith and attempt to resolve potential disputes informally. If the dispute concerning a question of fact arising under the terms of this Contract is not disposed of in a reasonable period of time by the Contractor's Project Manager and the County's Project Manager, as specified in Article titled "Notices" below, such matter shall be brought to the attention of the County DPA by way of the following process:

- A. The Contractor shall submit to the agency/department assigned Deputy Purchasing Agent a written demand for a final decision regarding the disposition of any dispute between the parties arising under, related to, or involving this Contract, unless County, on its own initiative, has already rendered such a final decision.

- B. The Contractor's written demand shall be fully supported by factual information, and, if such demand involves a cost adjustment to Contract, Contractor shall include with the demand a written statement signed by a senior official indicating that the demand is made in good faith, that the supporting data are accurate and complete, and that the amount requested accurately reflects Contract adjustment for which Contractor believes County is liable.

Pending the final resolution of any dispute arising under, related to, or involving this Contract, Contractor agrees to diligently proceed with the performance of this Contract, including the delivery of commodities and/or provision of services. Contractor's failure to diligently proceed shall be considered a material breach of this Contract.

Any final decision of County shall be expressly identified as such, shall be in writing, and shall be signed by County Deputy Purchasing Agent or his designee. If County fails to render a decision within 90 days after receipt of Contractor's demand, it shall be deemed a final decision adverse to Contractor's contentions. Nothing in this section shall be construed as affecting County's right to terminate Contract for cause or termination for convenience as stated in Article K herein.

17. Drug-Free Workplace:

Contractor hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. Contractor will:

- A. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a)(1).
- B. Establish a drug-free awareness program as required by Government Code Section 8355(a)(2) to inform employees about all of the following:
 - 1. The dangers of drug abuse in the workplace;
 - 2. The organization's policy of maintaining a drug-free workplace
 - 3. Any available counseling, rehabilitation and employee assistance programs; and
 - 4. Penalties that may be imposed upon employees for drug abuse violations.
- C. Provide as required by Government Code Section 8355(a)(3) that every employee who works under this Contract:
 - 1. Will receive a copy of the company's drug-free policy statement; and
 - 2. Will agree to abide by the terms of the company's statement as a condition of employment under this Contract.
- D. Failure to comply with these requirements may result in suspension of payments under Contract or termination of Contract or both, and Contractor may be ineligible for award of any future County contracts if County determines that any of the following has occurred:
 - 1. Contractor has made false certification, or
 - 2. Contractor violates the certification by failing to carry out the requirements as noted above.

18. EDD Independent Contractor Reporting Requirements:

Effective January 1, 2001, County of Orange is required to file in accordance with subdivision (a) of Section 6041A of the Internal Revenue Code for services received from a “service provider” to whom County pays \$600 or more or with whom County enters into a contract for \$600 or more within a single calendar year. The purpose of this reporting requirement is to increase child support collection by helping to locate parents who are delinquent in their child support obligations.

The term “service provider” is defined in California Unemployment Insurance Code Section 1088.8, subparagraph B.2 as “an individual who is not an employee of the service recipient for California purposes and who received compensation or executes a contract for services performed for that service recipient within or without the state.” The term is further defined by the California Employment Development Department to refer specifically to independent Contractors. An independent Contractor is defined as “an individual who is not an employee of the ... government entity for California purposes and who receives compensation or executes a contract for services performed for that ... government entity either in or outside of California.”

The reporting requirement does not apply to corporations, general partnerships, limited liability partnerships, and limited liability companies.

Additional information on this reporting requirement can be found at the California Employment Development Department website located at http://www.edd.ca.gov/Employer_Services.htm

The failure of Contractor to timely submit the requested data shall constitute a material breach and grounds for termination of this Contract.

19. Emergency/Declared Disaster Requirements:

In the event of an emergency or if Orange County is declared a disaster area by County, state or federal government, Contract may be subjected to unusual usage. Contractor shall service County during such an emergency or declared disaster under the same terms and conditions that apply during non-emergency/disaster conditions. The pricing quoted by Contractor shall apply to serving County’s needs regardless of the circumstances. If Contractor is unable to supply the goods/services under the terms of Contract, then Contractor shall provide proof of such disruption and a copy of the invoice for the goods/services from Contractor’s supplier(s). Additional profit margin as a result of supplying goods/services during an emergency or a declared disaster shall not be permitted. In the event of an emergency or declared disaster, emergency purchase order numbers will be assigned. All applicable invoices from Contractor shall show both the emergency purchase order number and Contract number.

20. Error and Omissions:

All reports, files and other documents prepared and submitted by Contractor shall be complete and shall be carefully checked by the professional(s) identified by Contractor as Project Manager and key personnel attached hereto, prior to submission to the County. Contractor agrees that County review is discretionary, and Contractor shall not assume that the County will discover errors and/or omissions. If the County discovers any errors or omissions prior to approving Contractor’s reports, files and other written documents, the reports, files or documents will be returned to Contractor for correction. Should the County or others discover errors or omissions in the reports, files or other written documents submitted by the Contractor after County approval thereof, County approval of Contractor’s reports, files or documents shall not be used

as a defense by Contractor in any action between the County and Contractor, and the reports, files or documents will be returned to Contractor for correction.

21. Equal Employment Opportunity:

Contractor shall comply with U.S. Executive Order 11246 entitled, "Equal Employment Opportunity" as amended by Executive Order 11375 and as supplemented in Department of Labor regulations (41 CFR, Part 60) and applicable state of California regulations as may now exist or be amended in the future. Contractor shall not discriminate against any employee or applicant for employment on the basis of race, color, national origin, ancestry, religion, sex, marital status, political affiliation or physical or mental condition.

Regarding handicapped persons, Contractor will not discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant for employment is qualified. Contractor agrees to provide equal opportunity to handicapped persons in employment or in advancement in employment or otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicaps in all employment practices such as the following: employment, upgrading, promotions, transfers, recruitments, advertising, layoffs, terminations, rate of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor agrees to comply with the provisions of Sections 503 and 504 of the Rehabilitation Act of 1973, as amended, pertaining to prohibition of discrimination against qualified handicapped persons in all programs and/or activities as detailed in regulations signed by the Secretary of the Department of Health and Human Services effective June 3, 1977, and found in the Federal Register, Volume 42, No. 68 dated May 4, 1977, as may now exist or be amended in the future.

Regarding Americans with disabilities, Contractor agrees to comply with applicable provisions of Title 1 of the Americans with Disabilities Act enacted in 1990 as may now exist or be amended in the future.

22. Headings:

The various headings and numbers herein, the grouping of provisions of this Contract into separate clauses and paragraphs, and the organization hereof are for the purpose of convenience only and shall not limit or otherwise affect the meaning hereof.

23. Lobbying:

On the best information and belief, Contractor certifies no federal appropriated funds have been paid or will be paid by, or on behalf of, the Contractor to any person influencing or attempting to influence an officer or employee of Congress; or an employee of a member of Congress in connection with the awarding of any federal contract, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative contract.

24. News/Information Release:

Contractor agrees that it will not issue any news releases in connection with either the award of this Contract or any subsequent amendment of or effort under this Contract without first obtaining review and written approval of said news releases from County through County's Project Manager.

25. Notices:

Any and all notices, requests demands and other communications contemplated, called for, permitted, or required to be given hereunder shall be in writing with a copy provided to the assigned DPA, except through the course of the Parties' Project Managers' routine exchange of information and cooperation during the terms of the work and services. Any written communications shall be deemed to have been duly given upon actual in-person delivery, if delivery is by direct hand, or upon delivery on the actual day of receipt or no greater than four (4) calendar days after being mailed by US certified or registered mail, return receipt requested, postage prepaid, whichever occurs first. The date of mailing shall count as the first day. All communications shall be addressed to the appropriate party at the address stated herein or such other address as the Parties hereto may designate by written notice from time to time in the manner aforesaid.

Contractor:	Merrimac Petroleum, Inc. DBA Merrimac Energy Group
Attn:	Mary Hazelrigg
Address:	3738 Bayer Ave., Suite 204 Long Beach, CA 90808
Phone:	562-420-6000 Ext: 15
Email:	mhazelrigg@merrimacenergy.net

cc: County Executive Office - CPO/Procurement Services	
Attn:	Robert Esparza, County DPA
Address:	601 N Ross Street Santa Ana, CA 92701
Phone:	(714) 667-9747
Email:	robert.esparza@ocpw.ocgov.com

26. Precedence:

Contract documents consist of this Contract and its exhibits and attachments. In the event of a conflict between or among Contract documents, the order of precedence shall be the provisions of the main body of this Contract, i.e., those provisions set forth in the recitals and articles of this Contract, and then the exhibits and attachments.

27. Substitutions:

The Contractor is required to meet all specifications and requirements contained herein. No substitutions will be accepted without prior County written approval.

28. Subcontracting:

No performance of this Contract or any portion thereof may be subcontracted or otherwise delegated by Contractor, in whole or in part, without first obtaining the prior express written consent of County. Any attempt by Contractor to subcontract or delegate any performance of this Contract without the prior express written consent of County shall be invalid and shall constitute a material breach of this Contract, and any attempted assignment or delegation in derogation of this paragraph shall be void.

In the event that Contractor is authorized by County to subcontract, this Contract shall take precedence over the terms of the agreement between Contractor and subcontractor, and any agreement between Contractor and a subcontractor shall incorporate by reference the terms of this Contract. Contractor shall remain responsible for the performance of this Contract and indemnification of County notwithstanding the County's consent to Contractor's request for approval of a subcontractor. Under no circumstances shall County be required to directly monitor the performance of any subcontractor. All work performed by a subcontractor must be monitored by Contractor and must meet the approval of the County of Orange pursuant to the terms of this Contract .

29. Termination – Orderly:

After receipt of a termination notice from County of Orange, Contractor may submit to County a termination claim, if applicable. Such claim shall be submitted promptly, but in no event later than 60 days from the effective date of the termination, unless one or more extensions in writing are granted by County upon written request of Contractor. Upon termination County agrees to pay Contractor for all services performed prior to termination which meet the requirements of Contract, provided, however, that such compensation combined with previously paid compensation shall not exceed the total compensation set forth in Contract. Upon termination or other expiration of this Contract, each party shall promptly return to the other party all papers, materials, and other properties of the other held by each for purposes of performance of Contract.

30. Usage:

No guarantee is given by County to Contractor regarding usage of this Contract. Usage figures, if provided, are approximations. Contractor agrees to supply services and/or commodities requested, as needed by County of Orange, at rates/prices listed in Contract, regardless of quantity requested.

31. Usage Reports:

Contractor shall submit usage reports on an annual basis to the assigned Deputy Purchasing Agent of County of Orange user agency/department. The usage report shall be in a format specified by the user agency/department and shall be submitted 90 days prior to the expiration date of Contract term, or any subsequent renewal term, if applicable.

32. Reports/Meetings:

The Contractor shall develop reports and any other relevant documents necessary to complete the services and requirements as set forth in this contract. The County's project manager and the Contractor's project manager will meet on reasonable notice to discuss the Contractor's performance and progress under this contract. If requested, the Contractor's project manager and other project personnel shall attend all

meetings. The Contractor shall provide such information that is requested by the County for the purpose of monitoring progress under this contract.

33. Project Manager, County:

The County shall appoint a Project Manager to act as liaison between the County and the Contractor during the term of this Contract. The County's Project Manager shall coordinate the activities of the County staff assigned to work with the Contractor.

The County's Project Manager shall have the right to require the removal and replacement of the Contractor's Project Manager and key personnel. The County's Project Manager shall notify the Contractor in writing of such action. The Contractor shall accomplish the removal within three (3) business days after written notice from the County's Project Manager. The County's Project Manager shall review and approve the appointment of the replacement for the Contractor's Project Manager and key personnel. Said approval shall not be unreasonably withheld. The County is not required to provide any additional information, reason or rationale in the event it requires the removal of Contractor's Project Manager from providing further services under the Contract.

34. Mandatory Kick-Off Meeting:

Upon award of the contract, the awarded vendor(s) may be required to attend a mandatory kick-off meeting with County representatives to discuss important information related to the scope of work, the contract, and the invoice payment process. A quarterly check-in meeting may be required to review any issues with the contract.

35. Permits and Licenses

Contractor shall be required to obtain any and all approvals, permits and/or licenses which may be required in connection with the permitted operation as set out herein. No permit approval or consent given hereunder by County in its governmental capacity shall affect or limit Contractor's obligations hereunder, nor shall any approvals or consents given by County as a party to this Contract, be deemed approval as to compliance or conformance with applicable governmental codes, laws, ordinances, rules, or regulations.

36. Delivery Location - No Loading Dock

Delivery locations may not have loading docks. Contractor is required to make all necessary arrangement for lift trucks or other means necessary to complete delivery. Inside Delivery to secured facilities may be required.

37. Inventory

County has an ongoing requirement for the commodities indicated in this Contract. Contractor shall maintain a reasonable stock on hand of all commodities for delivery upon request.

38. Order Dates

Orders may be placed during the term of Contract even if delivery may not be made until after the term of Contract. Order dates take precedence over delivery dates. Contract must clearly identify the order date on all invoices to County.

ADDITIONAL TERMS AND CONDITIONS - Law Enforcement

I. Security Requirements:

- A. The County operates several secured facilities: most notable are several Probation, Sheriff and Airport operated sites. Contractors and their employees who perform services in these facilities will be required to strict operation policies and may be required to pass a background check prior to their employment due to security requirements for certain facilities covered under this Contract. During performance of the work, especially at detention facilities, workers shall closely monitor all tools, equipment and other materials at all times. Workers shall have no contact verbal or physical, with any inmate of these facilities. These policies have been designed with the primary purpose of ensuring a safe and secure environment for all involved.
 1. The Contractor will provide a list of all personnel/employees who will be directly performing tasks associated with the Contract. Contractor's personnel/employees providing service in a secured detention facility, a Probation facility or a Sheriff's facility, will be expected to pass two (2) separate background checks performed by the Orange County Sheriff's Department and the Orange County Probation Department. No changes shall be authorized to the approved list without a request in writing submitted by the Contractor and approved by the County Site Coordinator. At no time will unauthorized Contractor employees perform any task associated with this Contract. If this occurs, the Contractor will be notified that they have not complied with the terms of this Contract and are subject to Contract termination. The list of all Personnel/Employees working on County projects shall be submitted prior to award of this Contract.
 2. Contractor shall prepare and submit a Security Clearance form to the County Site Coordinator for all persons who will be working on or who will need access to secured facilities.
 3. Security Clearance forms shall be submitted at least five (5) working days prior to the start of work or prior to the use of any person subsequent to the start of work.
 4. Said Security Clearance forms shall be thoroughly and accurately complete. Omissions or false statements, regardless of the nature or magnitude, may be grounds for denying clearance.
 5. No person shall be employed on this work who has not received prior clearance from the Probation Department, Sheriff's Department or John Wayne Airport.
 6. The County, John Wayne Airport, the Probation Department and the Sheriff's Department are not under any obligation to give a reason clearance is denied.
 7. The Contractor shall be responsible to sign in with the County Site Coordinator or designee, as required. Upon arrival at any secure facility (e.g., JWA, Probation) the Contractor shall report to the Central Control Center (Control). Contractor personnel shall have no contact, either verbal or physical, with internees in secured detention facilities.
 8. Specifically:

- a. Do not give names or addresses to internees.
 - b. Do not receive any names or addresses from internees.
 - c. Do not disclose the identity of any internee to anyone outside the facility.
 - d. Do not give any materials to internees.
 - e. Do not receive any materials from internees (including materials to be passed to another individual or internee).
 - f. **Failure to comply with these requirements is a criminal act and can result in prosecution.*
9. Any Contractor personnel/employee(s) engaged in the performance of work under this Contract shall be expected to pass the screening requirements and abide by all of the security requirements set forth by the Federal Aviation Administration (FAA) and the County of Orange.
- "The Federal Aviation Administration (FAA) approved security program for John Wayne Airport requires that each person issued a John Wayne Airport security badge is made aware of his/her responsibilities regarding the privilege of access to restricted areas of the airport".*
- All persons within the restricted air operation areas of the airport are required to display, on their person, a John Wayne Airport security badge, unless they are specifically exempted for reasons or they are under escort by a properly badge individual. Each airport employee or airport tenant employee who has been issued a John Wayne Airport security badge is responsible for challenging any individual who is not properly displaying an airport issued or approved and valid identification badge. Any person who is not properly displaying or who cannot produce a valid John Wayne Airport security badge must immediately be referred to the Sheriff's Department Airport Detail Office for proper handling. The John Wayne Airport security badge is the property of the County of Orange and must be returned upon termination of employment at John Wayne Airport. The loss of a badge shall be reported within twenty-four (24) hours to the Sheriff's Department Airport Dispatch Center (949) 252-5000. A report shall be made before a replacement badge will be issued.
- a. All vehicles parked on-site shall be locked and thoroughly secured at all times.
 - b. All equipment and materials shall remain in the Contractor possession at all times and shall never be left unattended. All lost or misplaced equipment or materials shall be reported immediately to the (a) security staff or Control in secured detention facilities or (b) the escort or Control in Sheriff's facilities.
 - c. Personnel shall not smoke or use profanity or other inappropriate language while on-site.
 - d. Personnel shall not enter the facility while under the influence of alcohol, drugs or other intoxicants and shall not have such materials in their possession.
 - e. Personnel shall plan their activities to minimize the number of times they must enter and exit a facility, i.e., transport all equipment and materials needed for the day at the start of work and restrict all breaks to the absolute minimum.

- f. Contractor employee(s) shall be well-disposed to the public and County staff utilizing the facilities but shall be responsive only to the requests of the County Site Coordinator unless otherwise directed and shall direct all inquiries or requests to the County Site Coordinator.

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties hereto have executed this Contract on the date first above written.

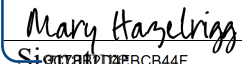
MERRIMAC PETROLEUM, INC., doing business as **MERRIMAC ENERGY GROUP***

a State of California Corporation

If the Contractor is a corporation, signatures of two specific corporate officers are required as further set forth.

- The first corporate officer signature must be one of the following: 1) Chairman of the Board, 2) President, 3) Vice President; and
- The second corporate officer signature must be one of the following: 1) Secretary, 2) Assistant Secretary, 3) Chief Financial Officer, 4) Assistant Treasurer.

In the alternative, a single corporate signature is acceptable when accompanied by a corporate resolution demonstrating the legal authority of the signature to bind the company.

Signed by:			
	Mary Hazelrigg	President	2/23/2026 1:41 PM MST
Signature	Name	Title	Date
Signed by:			
	Mary Hazelrigg	Secretary and Treasurer	2/23/2026 1:41 PM MST
Signature	Name	Title	Date

COUNTY OF ORANGE, a political subdivision of the State of California

COUNTY AUTHORIZED SIGNATURE:

DocuSigned by:			
	Robert Esparza	Deputy Procurement Agent	2/23/2026 12:56 PM PST
Signature	Name	Title	Date

ATTACHMENT A - SCOPE OF WORK

1. GENERAL INFORMATION

The County of Orange is comprised of 24 Agencies and over 17,500 employees located throughout the County. The County's core businesses are public safety, public works, construction management, public health, environmental protection, regional planning, public assistance, social services and aviation.

Contractor is to provide **Unleaded Fuel** to County owned tanks located throughout the County of Orange various facilities on an as needed basis and usage is not guaranteed. Service locations may be added or deleted, and service hours modified at any given time. Contractor is required to provide this service upon request by any County agency/department and participating government entity.

2. FUEL SPECIFICATIONS:

- A. Fuel provided must meet Air Resources Board (ARB), "The California Reformulated Gasoline Regulations" Title 13, California Code of Regulations Sections 2250-2273.5 latest version / sub articles, and all-inclusive amendments.
- B. Fuel provided must meet Reid Vapor Pressure (RVP) Requirements as required under California's Phase 2 Reformulated Gasoline (CaRFG2) & Phase 3 Reformulated Gasoline (CaRFG2).
- C. Fuel provided must comply with the requirements of American Society of Testing and Materials (ASTM) D4815 standard or latest version as verified by an independent lab of the County's choosing.
- D. Regular Unleaded Gasoline shall have Minimum Octane Rating of 87 which shall be determined by using the R+M/2 method.
- E. Unleaded-Plus Gasoline shall have Minimum Octane Rating of 89 which shall be determined by using the R+M/2 method.
- F. Unleaded Premium Gasoline shall have Minimum Octane Rating of 91 which shall be determined by using the R+M/2 method.
- G. Only products of new manufacture or distillation will be accepted. No refined or reclaimed products will be accepted. All fuel/gasoline shall have a minimum shelf life of one (1) year.
- H. All products furnished shall conform to all Federal, State, Local, American Society of Testing & Materials (ASTM), Department of Transportation (DOT) and Air Resources Board (ARB) regulations for the handling and supply of unleaded fuel/gasoline.

3. CONTRACTOR RESPONSIBILITIES

- A. Contractor shall possess all Federal, State and Local permits, licenses and approvals necessary to provide goods/services required in the Scope of Work. Any associated fees shall be the responsibility of the Contractor.

- B. Contractor shall use a fuel stick to measure the fuel level in the tank before and after filling, recording the levels in inches on the fuel receipt.
- C. Contractor shall provide all transitional interfacing and continual uninterrupted services at Contract date.
- D. Contractor shall provide Safety Data Sheet (SDS) at time of fuel delivery as required by law.
- E. Contractor shall be held liable for any damage or criminal/civil citations which may occur as a result of any spills and/or accidents.
- F. Contractor's delivered product pricing shall be inclusive of all freight/unloading/handling and delivery charges.
- G. Contractor shall perform all deliveries and to act in a safe and professional manner, adhering to all applicable Federal, State, Local, American Society of Testing & Materials (ASTM), Department of Transportation (DOT), Air Resource Board (ARB) and any other new law, regulations for the handling and supply of unleaded fuel/gasoline.
- H. Contractor must commit to delivery as requested, at time stated on accepted and confirmed orders.
- I. Contractor shall own or have available a fleet of trucks adequate to handle County delivery needs that shall meet or exceed all industry standards. All vehicles utilized to service County needs must be minimally equipped with a radio dispatch system or mobile telephone access and have the capability to provide a printed metered ticket at time of delivery. Awarded vendor shall be fully responsible to meet all County needs/requirements, including insurance requirements.
- J. Contractor's delivery vehicles/trucks must comply with the California Air Resources Board approved/certified Phase II Vapor Recovery Equipment Requirements and any other applicable regulations. Proof of compliance shall be provided to the County upon request.
- K. Contractor's drivers/delivery crew shall be HAZMAT trained and certified in safety measures to prevent accidents endangering County personnel and property.
- L. Contractor shall be responsible for obtaining fuel readings and managing load inventory as requested by County to meet or exceed all State and local applicable laws and regulations.
- M. All fuel delivered to the County shall be temperature corrected to 60 degrees Fahrenheit and or as at the adequate and required temperature set by Federal, State, Local, American Society of Testing & Materials (ASTM), Department of Transportation (DOT), Air Resources Board (ARB) and/or any other mandated laws, regulations and ordinances.
- N. Contractor shall perform full delivery of fuel within two (2) business days after receipt of agency/department's order. Contractor shall provide a delivery metered ticket for each delivery of fuel; and the metered ticket must be signed and dated and provided to the ordering agency at delivery.
- O. Contractor shall itemize all applicable Federal and California fuel surcharges, Federal and State Excise Tax, California State Sales Tax and/or any other applicable tax and fees as separate line items when invoicing.

4. ORDERING PROCESS AND EMERGENCY DELIVERY

Ordering Process

Contractor shall not request minimum orders or pattern of use; orders shall be placed as needed and at the convenience of the using Agency/Department. Usage quantities are approximate and shall not be interpreted as quantities ordered.

Contractor shall maintain, at Contractor's expense, a telephone answering system, which, at a minimum, provides eight (8) hours per day, five (5) days per week live coverage from the hours of 8:00 a.m. to 5:00 p.m. and an e-mail address to place all requests/orders, as well as a contact name and number for 24-hour access phone number for emergency situations.

Contractor must confirm receipt of the agency's request within 4 hours.

Contractor shall deliver all fuel orders in full and within two (2) calendar days after confirmation of receipt of agency/department's order (e.g. Any orders submitted on Fridays shall be scheduled for Tuesday delivery, unless other arrangements are made by each Agency and Contractor's acceptance). Each Agency/Department may have different delivery schedules due to facility hours of operation, but all non-emergency deliveries shall be done within regular business hours. Partial order deliveries may be accepted at the discretion and approval of each Agency/Department and shall be billed accordingly.

If a partial order is delivered and accepted, Contractor shall bill only for the fuel delivered and Contractor shall be responsible to schedule the order balance within 24 hours or next business day. If next business day falls on a weekend or Holiday, Contractor shall be responsible to make a delivery, if required by County, over the weekend or holiday at no extra cost to County.

County may place an order for more than 8,500 gallons to accommodate 10,000 Gallon tanks or larger. This order may require more than one (1) truck load and shall be coordinated with the ordering Agency/Department and billed accordingly.

Contractor shall provide a delivery metered ticket for each fuel delivery, listing fuel order amount in gallons, location of facility and a brief description of product delivered. A delivery manual ticket will be accepted only when metered ticket is not available.

Contractor shall perform all work in accordance with accepted industry practice.

Standing Time: Contractor shall be responsible for all the time it takes Contractor to offload/transfer fuel from Contractor's fuel trucks to County tanks at the various locations. The County will not be charged any additional fees for standing time.

Emergency Deliveries:

County may place emergency orders, which is defined as outside of the regular delivery hours of 8:00 a.m. and 5:00 p.m. (PST), weekends and County observed holidays.

Emergency Service requests must be requested/classified as an "Emergency" by County Site Coordinator and must be approved in writing prior to providing the service. This rate will be in addition to hourly rate as set forth in Attachment C-Fees and Compensation. A copy of the written authorization may be required for payment of invoice.

Emergency deliveries shall be orders that required delivery within one (1) business day from order confirmation.

Contractor shall be entitled to an emergency delivery flat fee and a separate "Emergency Delivery" invoice must accompany the regular fuel invoice for payment of the fee. Emergency delivery fees shall be billed at the rate set forth in Attachment B, Payment and Compensation.

The Intent of this Contract is for daily operations; however, in an Emergency Event or Declared Disaster by the County/State or Federal entity, Contractor shall service the County during such an emergency under the same terms and conditions that apply during regular standard non-emergency/disaster conditions. An emergency fee shall be billed at the rate set forth in Attachment B-Fees and Compensation. This Contract may be subject to unusual usage. Emergency Events or Declared Disasters may be rare occurrences.

5. SPILLAGE REQUIREMENT:

County requires "zero leakage" standard for fuel transfer operations.

Contractor shall provide necessary equipment and proper training of delivery personnel to prevent spillage or minimize the chance of spillage during connection and disconnection of hoses and during the transfer of fuel to County tanks. Contractor will ensure that all equipment, tools and procedures used are in compliance with all applicable regulations governing such operations and specifications of this Contract.

In the event of leakage or spillage, Contractor shall be responsible to perform immediate containment, clean up, disposal and restoration activities as necessary in accordance with applicable State of California laws and regulations and subject to the County's satisfaction, at no extra cost to County. **All materials associated with such clean up shall be removed by the Contractor, at no additional cost to County.**

6. REPAIRS ON COUNTY OWNED TANKS:

County owned tanks may require repair services occasionally. Contractor shall service County owned tanks only at County's request at the rates set forth in Attachment B. All repairs must be authorized and approved in writing by County staff.

Contractor shall perform all repairs during normal business hours Monday thru Friday, unless other arrangements are made and approved by County staff. Repairs after hours, weekends and holidays, are not authorized unless a written authorization is received from County staff at the rates set forth in Attachment B.

Contractor repair services shall meet or exceed all Federal, State, Local, American Society of Testing & Materials (ASTM), Department of Transportation (DOT), Air Resources Board (ARB) and/or any other California regulations/standards.

Contractor hourly rate shall include all costs for labor, tools, equipment, transportation, overhead, profit, travel time, (excluding materials) and all other costs related to providing the services described in the scope of work; Hourly service rates shall be prorated and billed to the nearest hour, no minimum.

Contractor shall provide a quote for any repair services to equipment, as per the rate set forth in Attachment B. The quote process shall be as follows:

- A. Quotes for repair services must be provided to each County Project Manager and shall be specific to the repairs requested. Quote request must be provided within two (2) business days.
- B. Invoices shall be submitted for reimbursement, plus material mark-up.

- C. Agencies/Departments are not required to post quotes on BidSync or other online bidding systems.
- D. Agencies/Departments shall request quotes via e-mail and Contractor shall provide a breakdown of time and materials for each project as per the rates set forth in Attachment B.
- E. Quotes shall be coordinated and approved by each individual department. No further approval from CPO is required. All Agencies/Departments shall follow County Procurement Guidelines.

7. COUNTY RESPONSIBILITIES:

County agencies/departments shall provide Contractor a Facilities Fuel Log that will include, but not limited to, the following information:

- A. Agency/ Department Name
- B. Agency /Department Location
- C. Agency Contact's Name & Number
- D. Number of fuel tanks; capacity/sizes; unit of measure & fuel site/delivery location, delivery date, amount delivered, and amount left in tank.

County Agency/Departments are required to track all deliveries on the Facilities Fuel Log and maintain logs throughout the term of the Contract.

County shall appoint a County Project Manager for each department project to serve as the point of contact.

County Project Manager shall ensure Contractor has necessary access to service locations and facilities.

County Agencies/Departments shall be responsible to create their own subordinates against this RCA and for amending their subordinate Contracts as facilities may be added or deleted and service hours may be increased or decreased at a given location at any time during the term of the Contract.

Regarding delivery, each Subordinate Contract against this RCA will list each Agency's project manager, delivery and billing addresses directly with the Contractor.

County agencies/departments shall be responsible to keep a fuel record log that always tracks fuel tanks.

The County reserves the right to obtain competitive bids on any material or service and to utilize the data provided under this Contract relative to necessary materials and services.

County shall be responsible to upgrade their respective Agency/Departments tanks with a meter reader sensor to be able to sign up for the automatic refill service program.

ATTACHMENT B - PAYMENT AND COMPENSATION

1. Compensation:

This is a usage Contract between County and Contractor for Unleaded Fuel and Related Supplies and Services as set forth in Attachment A, "Scope of Work".

Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing and materials required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by amendment in accordance with Articles "Changes" and "Amendments" of County Contract Terms and Conditions, which may require approval by the County Board of Supervisors.**

The price for unleaded fuel under this Contract shall be based on the **daily OPIS (Oil Price Information Services) Los Angeles Unbranded Rack Average Price**, as published under PAD District 5, **plus or minus the Contractor's quoted Adjustment/Differential** for each fuel grade and delivery size.

The Contractor agrees to accept the specified compensation as full remuneration for providing all labor, materials, transportation, equipment, delivery, overhead, and incidentals necessary to perform the services described in the Scope of Work, including any reasonably unforeseen difficulties.

2. Fees and Charges:

The Contractor's quoted **Adjustment +/- Differential** for each grade and delivery size shall remain firm for the entire Contract term. **Fuel Prices and Other Fees:** The prices under "adjustment +/- differential" shall be inclusive of all freight/unloading/handling and delivery charges to all County locations or participating government entity locations, excluding all applicable Federal, State, Local and/or other applicable taxes. The adjustment +/- differential (difference between the price and the daily OPIS price Los Angeles Rack Price without CAR cost reported by OPIS for Unbranded Fuel) shall remain firm for the entire term of the Contract.

Item 1 – Delivery Size: Up to 1,999 Gallons					
Line Item	Fuel Type	Quantity Per Gallon	Minimum Octane	Adjustment +/- Differential	Total
1	Unleaded Regular	1	87	\$.0315	\$.0315
2	Unleaded Plus	1	89	(\$.3268)	(\$.3268)
3	Unleaded Premium	1	91	(\$.4889)	(\$.4889)
Item 2 – Delivery Size: 2,000 – 3,999 Gallons					

Line Item	Fuel Type	Quantity Per Gallon	Minimum Octane	Adjustment +/- Differential	Total
4	Unleaded Regular	1	87	(\$.4191)	(\$.4191)
5	Unleaded Plus	1	89	(\$.4594)	(\$.3268)
6	Unleaded Premium	1	91	(\$.4998)	(\$.4998)
Item 3 – Delivery Size: 4,000 – 8,500 Gallons					
Line Item	Fuel Type	Quantity Per Gallon	Minimum Octane	Adjustment +/- Differential	Total
7	Unleaded Regular	1	87	(\$.4189)	(\$.4189)
8	Unleaded Plus	1	89	(\$.4594)	(\$.4594)
9	Unleaded Premium	1	91	(\$.7541)	(\$.7541)
Item 4 – Delivery Size: 8,501+ Gallons					
Line Item	Fuel Type	Quantity Per Gallon	Minimum Octane	Adjustment +/- Differential	Total
10	Unleaded Regular	1	87	(\$.4189)	(\$.4189)
11	Unleaded Plus	1	89	(\$0.4694)	(\$0.4694)
12	Unleaded Premium	1	91	(\$0.7541)	(\$0.7541)

ADDITIONAL FEES / CHARGES			
Line Item	Description	Fixed Fee	Unit Cost
13	Urgent Delivery Fee (non-scheduled delivery within standard hours, as authorized by County)	Fixed Fee	\$175.00
14	Emergency Delivery Fee (delivery after hours, weekends, holidays, or within 1 business day, with written County approval)	Fixed Fee	\$200.00

ADDITIONAL FEES / CHARGES				
Line Item	Description	Quantity	Unit Cost	Total
15	Hourly Repair Rate Per Technician – Regular Hours (8:00 AM – 5:00 PM PT)	1	\$175.00	\$175.00
16	Hourly Repair Rate Per Technician – After Hours (5:01 PM – 7:59 AM PT)	1	\$275.00	\$275.00
17	Hourly Repair Rate Per Technician – Holidays/Weekends	1	\$325.00	\$325.00

MATERIALS / PARTS / PRODUCTS			
Line Item	Description	Mark-Up Percentage	Percentage
18	Materials, Parts, Products (e.g., valves, gauges, fittings)	Mark-Up Percentage	25.%

3. Price Increase/Decreases:

No price increases will be considered during the first year of the Contract. County requires documented proof of cost increases on Contracts prior to any price adjustment. A minimum of 160-days advance notice in writing is required for consideration of such adjustment. No retroactive price adjustments will be considered. All price decreases will automatically be extended to County of Orange. County may enforce, negotiate, or cancel escalating price Contracts or take any other action it deems appropriate, as it sees fit. The net dollar amount of profit will remain firm during the period of Contract. Adjustments increasing Contractor's profit will not be allowed.

4. Firm Discount and Pricing Structure:

Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to County during the term of this Contract not otherwise specified and provided for within this Contract.

5. Contractor's Expense:

Contractor will be responsible for all costs related to photo copying, telephone communications and fax communications while on County sites during the performance of work and services under this Contract.

6. Payment Terms – Payment in Arrears:

Invoices are to be submitted in **arrears** to the user agency/department to the ship-to address, unless otherwise directed in this Contract. Contractor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to County of Orange and verified and approved by the agency/department and subject to routine processing requirements. The responsibility for providing an acceptable invoice rests with Contractor.

Billing shall cover services and/or goods not previously invoiced. Contractor shall reimburse County of Orange for any monies paid to Contractor for goods or services not provided or when goods or services do not meet Contract requirements.

Payments made by the County shall not preclude the right of the County from thereafter disputing any items or services involved or billed under this Contract and shall not be construed as acceptance of any part of the goods or services.

7. Payment – Invoicing Instructions:

Payment – Invoicing Instructions: The Contractor will provide an invoice on the Contractor’s letterhead for goods delivered and/or services rendered. In the case of goods, the Contractor will leave an invoice with each delivery. Each invoice will have a number and will include the following information:

- a. Contractor’s name and address
- b. Contractor’s remittance address, if different from “A” above
- c. Name of County Agency/Department
- d. Delivery/Service address
- e. Agency/Department’s Account Number
- f. Date of order
- g. Product/Service description, quantity, and prices
- h. Sales tax, if applicable
- i. Freight/Delivery Charges, if applicable
- j. Total

Invoices and support documentation are to be forwarded to:

Contractor shall issue and send invoices according to each Department Subordinate Agreement instructions/requirements of the Contract. Adjustments increasing the Contractor’s profit will not be allowed.

8. Payment (Electronic Funds Transfer (EFT)):

County of Orange offers contractors the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive an Electronic Remittance Advice with the payment details via e-mail. An e-mail address will need to be provided to The County of Orange via an EFT Authorization Form. To request a form, please contact the agency/department Procurement Buyer listed in Contract. Upon completion of the form, please mail, fax or email to the address or phone listed on the form.

EXHIBIT B

CITY COUNCIL POLICY 100-5

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
 - A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;
 - B. Establishing a Drug-Free Awareness Program to inform employees about:

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1. The dangers of drug abuse in the workplace;
2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
3. Any available drug counseling, rehabilitation and employee assistance programs;
and
4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

C. Making it a requirement that each employee to be engaged in the performance of the contract
be given a copy of the statement required by subparagraph A;

D. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:

1. Abide by the terms of the statement; and
2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

E. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph
1 D 2 from an employee or otherwise receiving the actual notice of such conviction;

F. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:

1. Taking appropriate personnel action against such an employee, up to and including termination; or
2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

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G. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.

2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:

- a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
- b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
- c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.

3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.