

**AGREEMENT FOR CONTRACTOR SERVICES BETWEEN
CITY OF TEMECULA AND CRAFTSMEN PLUMBING HEATING & COOLING, INC.**

PLUMBING, HVAC & CARPENTRY SERVICES

THIS AGREEMENT is made and effective as of **July 14, 2026**, between the **City of Temecula**, a municipal corporation (hereinafter referred to as "City"), and **Craftsmen Plumbing Heating & Cooling, Inc.**, a Corporation (hereinafter referred to as "Contractor"). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

1. TERM

This Agreement shall commence on **July 1, 2026**, and shall remain and continue in effect until tasks described herein are completed, but in no event later than **June 30, 2029**, unless sooner terminated pursuant to the provisions of this Agreement.

The City may, upon mutual agreement, extend the contract for **two (2) additional one (1) year terms**. In no event shall the contract be extended beyond **June 30, 2031**.

If Agreement is extended beyond the original term, the Agreement price shall be adjusted at the beginning of each fiscal year in accordance with the changes in the Consumer Price Index (CPI) for all Urban Consumers for the Riverside-San Bernardino-Ontario Core Based Statistical Area using the most recently published month annual percentage change.

2. SERVICES

Contractor shall perform the services and tasks described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. Contractor shall complete the tasks according to the schedule of performance which is also set forth in Exhibit A. No services requested by the City under this Agreement shall exceed seventy-five thousand dollars (\$75,000). For any services requested by the City that exceeds twenty-five thousand dollars (\$25,000), the contractor shall post a payment bond as required by Civil Code Section 9550.

3. PERFORMANCE

Contractor shall faithfully and competently exercise the ordinary skill and competence of members of their profession. Contractor shall employ all generally accepted standards and practices utilized by persons engaged in providing similar services as are required of Contractor hereunder in meeting its obligations under this Agreement.

4. PREVAILING WAGES

Pursuant to the provisions of Section 1773 of the Labor Code of the State of California, the City Council has obtained the general prevailing rate of per diem wages and the general rate for holiday and overtime work in this locality for each craft, classification, or type of workman needed to execute this Agreement from the Director of the Department of Industrial Relations. Copies may be obtained from the California Department of Industrial Relations Internet website at <http://www.dir.ca.gov>. Contractor shall provide a copy of prevailing wage rates to any staff or sub-contractor hired, and shall pay the adopted prevailing wage rates as a minimum. Contractor

shall comply with the provisions of Sections 1720, 1725.5, 1771.1(a), 1773.8, 1775, 1776, 1777.5, 1777.6, and 1813 of the Labor Code. Pursuant to the provisions of 1775 of the Labor Code, Contractor shall forfeit to the City, as a penalty, the sum of \$200.00 for each calendar day, or portion thereof, for each laborer, worker, or mechanic employed, paid less than the stipulated prevailing rates for any work done under this Agreement, by him or by any subcontractor under him, in violation of the provisions of the Agreement. This project, work, or service will be subject to compliance monitoring and enforcement by the Department of Industrial Relations (DIR) pursuant to Labor Code Section 1771.4.

5. REGISTRATION WITH THE DEPARTMENT OF INDUSTRIAL RELATIONS

Registration with the Department of Industrial Relations (DIR) is mandatory as a condition for bidding, providing certain services, and working on a public works project as specified in Labor Code Section 1771.1(a). Contractor and any subcontractors must be registered with the Department of Industrial Relations to be qualified to bid, or provide a proposal and/or time and material quote or be listed in a bid, proposal or quote, subject to the requirements of Public Contract Code Section 4104; or engage in the performance of any contract that is subject to Labor Code Section 1720 et seq., unless currently registered and qualified to perform public work pursuant to Labor Code Section 1725.5. Contractor and subcontractors will be required to provide proof of registration with the DIR. For more information regarding registration with the Department of Industrial Relations, refer to <http://www.dir.ca.gov/Public-Works/PublicWorks.html>

6. PAYMENT

a. The City agrees to pay Contractor monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B, other than the payment rates and schedule of payment, are null and void. This amount shall not exceed **Two Million Dollars and No Cents (\$2,000,000.00)** for the total term of this agreement unless additional payment is approved as provided in this Agreement.

b. Contractor shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager . Contractor shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Contractor at the time City's written authorization is given to Contractor for the performance of said services.

c. Contractor will submit invoices monthly for actual services performed. Invoices shall be submitted between the first and fifteenth business day of each month, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees.

If the City disputes any of Contractor's fees, it shall give written notice to Contractor within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. For all reimbursements authorized by this Agreement, Contractor shall provide receipts on all reimbursable expenses in excess of fifty dollars (\$50) in such form as approved by the Director of Finance.

7. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a. The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Contractor at least ten (10) days prior written notice. Upon receipt of said notice, the Contractor shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

b. In the event this Agreement is terminated pursuant to this Section, the City shall pay to Contractor the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Contractor will submit an invoice to the City, pursuant to Section entitled "**PAYMENT**" herein.

8. DEFAULT OF CONTRACTOR

a. The Contractor's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Contractor is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Contractor for any work performed after the date of default and can terminate this Agreement immediately by written notice to the Contractor. If such failure by the Contractor to make progress in the performance of work hereunder arises out of causes beyond the Contractor's control, and without fault or negligence of the Contractor, it shall not be considered a default.

b. If the City Manager or his delegate determines that the Contractor is in default in the performance of any of the terms or conditions of this Agreement, it shall serve the Contractor with written notice of the default. The Contractor shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the Contractor fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

9. OWNERSHIP OF DOCUMENTS

a. Contractor shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by City that relate to the performance of services under this Agreement. Contractor shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to the representatives of City or its designees at reasonable times to such books and records, shall give City the right to examine and audit said books and records, shall permit City to make transcripts there from as necessary, and shall allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

b. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files containing data generated for the work, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused or otherwise disposed of by the City without the permission

of the Contractor. With respect to computer files containing data generated for the work, Contractor shall make available to the City, upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring and printing computer files.

10. INDEMNIFICATION

The Contractor agrees to defend, indemnify, protect and hold harmless the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees and volunteers from and against any and all claims, demands, losses, defense costs or expenses, including attorney fees and expert witness fees, or liability of any kind or nature which the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Contractor's negligent or wrongful acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement, excepting only liability arising out of the negligence of the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency.

11. INSURANCE REQUIREMENTS

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons and/or damages to property, which may arise from or in connection with the performance of the work hereunder and the results of work by the Contractor, its agents, representatives, employees, or subcontractors.

1) Minimum Scope of Insurance. Coverage shall be at least as broad as: Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operation, property damage, bodily injury, and personal & advertising with limits no less than One Million (\$1,000,000) per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 05 09 or 25 04 05 09) or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired, (Code8) and non-owned autos (Code 9), with limits no less than One Million (\$1,000,000) per accident for bodily injury, including death, of one or more persons, property damage and personal injury.

3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One million (\$1,000,000) per accident for bodily injury or disease. In accordance with the provisions of Labor Code Section 3700, every contractor will be required to secure the payment of compensation to it's employees. Pursuant to Labor Code Section 1861, Vendor must submit to City the following certification before beginning any work on the Improvements:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

By executing this Agreement, Contractor is submitting the certification required above.

The policy must contain a waiver of subrogation in favor of the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers.

a. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared and approved by the Risk Manager.

b. Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

1) The City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor's products and completed operations of the Contractor; premises owned, occupied or used by the Contractor. General liability coverage can be provided in the form of an endorsement to the Contractor Insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used). The coverage shall contain no special limitations on the scope of protection afforded to the City of Temecula, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers.

2) For any claims related to this project, the Contractor insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the City, the Temecula Community Services District, the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Temecula, Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it. This also applies to any Excess or Umbrella liability policies.

3) The Contractor may use Umbrella or Excess Policies to provide the limits as required in this agreement. The Umbrella or Excess policies shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability Insurance.

4) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect the indemnification provided to the City of Temecula, the Temecula Community Services District, and/or the Successor Agency to the Temecula Redevelopment Agency, their officers, officials, employees, or volunteers.

5) The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6) If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

7) If insurance coverage is canceled or, reduced in coverage or in limits the Contractor shall within two (2) business days of notice from insurer phone, fax, and/or notify the City via certified mail, return receipt requested of the changes to or cancellation of the policy.

8) Unless otherwise approved by City, if any part of the Services and Tasks is subcontracted, the Minimum Insurance Requirements must be provided by, or on behalf of, all subcontractors even if city has approved lesser insurance requirements for Contractor, and all subcontractors must agree in writing to be bound by the provisions of this section.

c. Acceptability of Insurers. Insurance required above, except for workers' compensation insurance, must be placed with insurers with a current A.M. Best rating of A-: VII or better, unless otherwise acceptable to the City. Self-insurance shall not be considered to comply with these insurance requirements.

d. Verification of Coverage. Contractor shall furnish the City with original certificates and amendatory endorsements, or copies of the applicable policy language affecting coverage required by this clause. All certificates and endorsements and copies of the Declarations & Endorsements pages are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

e. Special Risks or Circumstances. The City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

12. INDEPENDENT CONTRACTOR

a. Contractor is and shall at all times remain as to the City a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Contractor shall at all times be under Contractor's exclusive direction and control. Neither City nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Contractor or any of Contractor's officers, employees, or agents except as set forth in this Agreement. Contractor shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the City. Contractor shall not incur or have the power to incur any debt, obligation or liability whatever against City, or bind City in any manner.

b. No employee benefits shall be available to Contractor in connection with the performance of this Agreement. Except for the fees paid to Contractor as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Contractor for performing services hereunder for City. City shall not be liable for compensation or indemnification to Contractor for injury or sickness arising out of performing services hereunder.

13. LEGAL RESPONSIBILITIES

The Contractor shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Contractor shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Contractor to comply with this section.

14. RELEASE OF INFORMATION

a. All information gained by Contractor in performance of this Agreement shall be considered confidential and shall not be released by Contractor without City's prior written authorization. Contractor, its officers, employees, agents or subcontractors, shall not without written authorization from the City Manager or unless requested by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project

or property located within the City. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

b. Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under or with respect to any project or property located within the City. City retains the right, but has no obligation, to represent Contractor and/or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

15. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, that provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by Notice. Notice shall be effective upon delivery to the addresses specified below or on the third business day following deposit with the document delivery service or United States Mail as provided above.

Mailing Address: City of Temecula
Attn: City Manager
41000 Main Street
Temecula, CA 92590

To Contractor: **Craftsmen Plumbing Heating & Cooling, Inc.**
Attn: Denny McKee
27636 Ynez Road
Temecula, CA 92591

16. ASSIGNMENT; CONTRACTOR WORK WITH ITS EMPLOYEES; SUBCONTRACTS

The Contractor shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City. Contractor shall perform all work under this agreement with its own employees unless [City Manager](#) approves in writing a subcontractor prior to start of subcontractor's work. Contractor shall not retain independent contractors to perform work for it under this Agreement. Upon termination of this Agreement, Contractor's sole compensation shall be payment for actual services performed up to, and including, the date of termination or as may be otherwise agreed to in writing between the City Council and the Contractor.

17. LICENSES

At all times during the term of this Agreement, Contractor shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

18. GOVERNING LAW

The City and Contractor understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Temecula. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

19. PROHIBITED INTEREST

No officer, or employee of the City of Temecula that has participated in the development of this agreement or its approval shall have any financial interest, direct or indirect, in this Agreement, the proceeds thereof, the Contractor, or Contractor's sub-contractors for this project, during his/her tenure or for one year thereafter. The Contractor hereby warrants and represents to the City that no officer or employee of the City of Temecula that has participated in the development of this agreement or its approval has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, the proceeds thereof, or in the business of the Contractor or Contractor's sub-contractors on this project. Contractor further agrees to notify the City in the event any such interest is discovered whether or not such interest is prohibited by law or this Agreement.

20. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

21. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Contractor warrants and represents that he or she has the authority to execute this Agreement on behalf of the Contractor and has the authority to bind Contractor to the performance of its obligations hereunder. The City Manager is authorized to enter into an amendment on behalf of the City to make the following non-substantive modifications to the agreement: (a) name changes; (b) extension of time; (c) non-monetary changes in scope of work; (d) agreement termination.

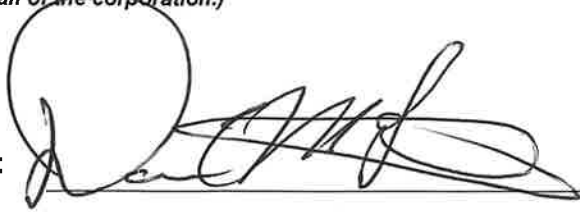
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF TEMECULA

CRAFTSMEN PLUMBING HEATING & COOLING, INC.

(Two Signatures of corporate officers required unless corporate documents authorize only one person to sign the agreement on behalf of the corporation.)

By: _____
Jessica Alexendar, Mayor

By: 
Danny McKee, President

ATTEST:

By: _____
Randi Johl, City Clerk

By: 
Laura McKee, Treasurer

APPROVED AS TO FORM:

Signed by:

By: _____
Peter M. Thorson, City Attorney

CONTRACTOR

Craftsmen Plumbing Heating & Cooling, Inc.
Attn: Danny McKee
27636 Ynez Road
Phone Number: (951) 676-6838
Craftsmeninc@hotmail.com

Risk Mgmt. 

EXHIBIT A

Tasks to be Performed

Contractor recognizes and agrees that this Agreement is for the purpose of establishing a contractual relationship between the **City of Temecula** and the Contractor, for the future repairs, and maintenance of **Plumbing, HVAC and Carpentry Services** at the various locations upon real and personal property of the City. Work will include maintenance services, and emergency call-out. The procedure for assigning work is set forth as follows:

1. The City Manager or his designee shall submit to Contractor a written "Request for Work".

The Request for Work shall include a description of the work to be completed, the time for completion of the work, and the plans and specifications, if any, work.

2. Within five (5) business days of the date of the Request for Work, Contractor shall respond in writing to the Request for Work and advise the City Manager whether it can perform the work and specify the cost of material which will be required and the estimated cost of labor and equipment necessary to complete the work in accordance with the labor and equipment rates set forth in Exhibit "B" to this Agreement.

3. In the event emergency work is required, the City Manager may transmit the Request for Work orally to the Contractor. As soon as practical following the emergency, the Contractor and Director shall in good faith confirm in writing the scope of the emergency work undertaken.

4. Upon acceptance of the contractor's response by the city manager, the contractor shall proceed with the work. The performance of the work shall be pursuant to the terms of this agreement.

EXHIBIT B

Payment Rates and Schedule

Pricing Fee Sheet for General Maintenance Service

<u>Cost for Plumbing/HVAC Maintenance</u>	<u>Regular Business Hours</u>	<u>After Hours</u>
Hourly Rate for Master Technician	\$130/Hr	\$195/Hr
Hourly Rate for Journeyman	\$130/Hr	\$195/Hr
Hourly Rate for Hydro Jetting Sewer Lines	\$415/Hr	N/A
Hourly Rate for Video Inspections	\$250/Hr	N/A
Hour Rate for Backhoe with Operator	\$130/Hr	N/A
Cost for Electrical Service:		
Hourly Rate for Electrician	\$130/Hr	\$195/Hr
Hourly Rate for Journeyman:	\$130/Hr	\$195/Hr
Cost for Carpentry:		
Hourly Rate for Carpenter	\$130/Hr	\$195/Hr
Materials Cost:		
Mark-up	15%	
Discount	0%	