AGREEMENT FOR SNOW AND ICE REMOVAL SERVICES

This Agreement for Snow and Ice Removal Services ("Agreement"), effective the 27th day of February, 2025 ("Effective Date"), is entered into by and between Roxborough Village Metropolitan District, a political subdivision of the State of Colorado ("District"), and Chavez Services, LLC, a Colorado Limited Liability Company ("Contractor"). The District and Contractor are referred to collectively as the "Parties" or individually as a "Party."

ARTICLE I SERVICES AND COMPENSATION

Section 1.1 Services and Compensation:

- (a) <u>Services</u>: The District retains Contractor to perform, and Contractor agrees to perform, the snow and ice removal services, including furnishing the labor, materials, supplies, supervision, and equipment necessary to perform such services, described in the Scope of Services attached as <u>Attachment 1</u>, which is incorporated by reference and made a part of this Agreement (collectively, the "Services"). Contractor will provide only the Services set forth in Attachment 1 and only at the locations ("Sites") referenced therein. Additional services beyond those set out in Attachment 1, if requested, shall be provided only when authorized in writing by the District. To the extent any provision of this Agreement and Attachment 1 conflict, directly or indirectly, the provisions of this Agreement shall prevail.
- (b) Attendance at Board Meetings and Reports to District Manager: Contractor shall attend Board meetings when requested by the Board or District Manager. Contractor shall submit a summary report of all activities for the prior month to the District Manager in a format determined by the Board. The summary report, and any proposed agenda items that Contractor deems appropriate or necessary for inclusion for an upcoming Board meeting, shall be submitted to the District Manager in sufficient time to be included in the Board packet prepared by the District Manager.
- (c) <u>Incomplete Work</u>: If, after Contractor has declared the Services on a given snow/ice event completed, the District claims that work still remains to be performed, the District shall (i) promptly give Contractor notice that work remains to be performed, with sufficient detail for Contractor to understand the remaining work to be performed; and, (ii) provide Contractor 48 hours or, if there are blizzard conditions (12"+ of snow fall) 72 hours, after the storm ends to complete the work before hiring any other entity to complete the Services. These requirements only apply to work included in the Services and does not apply to Additional Services, including but not limited to, snow pile removal and additional areas not shown on the map in Attachment 1. If Contractor satisfactorily completes the work described in the District's notice, Contractor shall be entitled to payment in full for the satisfactory Services performed. Contractor shall pay the difference, if any, between what Contractor would have charged to perform the Service and what it cost to have another entity perform the Service. The District shall have the right to deduct such amount from any payment owed to Contractor.

- (d) <u>Response Times</u>: The District understands and agrees that Contractor's response time may be affected by events beyond Contractor's control (e.g., governmental emergency, unforeseeable equipment failure, unusually severe weather conditions, etc.). The District further understands that response time will be affected by Contractor's ability to travel to the Sites, and that Contractor may be delayed or even prevented from reaching the Sites. The District also acknowledges that the rate of snowfall and wind conditions dramatically affect snow/ice management operations. Accordingly, the District agrees that Contractor shall not be held to any specific level of performance when events beyond its control occur, other than it shall make a reasonable, good faith effort to complete the work specified herein.
- (e) <u>Hazardous Conditions</u>: The District understands and acknowledges that Contractor's crews may not work safely in blizzard or blizzard-like conditions, or if temperatures and/or wind chill factors fall below 20 degrees Fahrenheit. The District understands that Contractor reserves the right to have its crew(s) cease working in such conditions.
- (f) <u>Access to Sites</u>: The District shall provide Contractor with access to the Sites as reasonably required by Contractor to perform the Services.
- (g) <u>Storage of Equipment and Material</u>: Contractor shall be permitted, during the snow season, to store a container for housing equipment and materials. This container shall be permitted to be located at the far northeast corner parking spaces of the Community Park large parking lot. This container and storage of equipment and materials is for the convenience of Contractor and the District shall not be responsible for any damage, vandalism, theft, or loss to the container or any contents thereof.
- (h) <u>Commencement Date</u>: Contractor shall commence performance of the Services on the Effective Date and will thereafter continually and diligently perform the Services until this Agreement is terminated or expires, whichever occurs first.
- (i) <u>Performance Standards and Warranties</u>: Contractor warrants that it is qualified to assume the responsibilities and perform the Services and has all requisite corporate authority and professional licenses required by Applicable Law. All Services shall be performed timely in accordance with generally accepted practices and the level of competency presently maintained by other professionals providing the same general type of work as the Services.
- **Section 1.2 Compensation:** In consideration of Contractor's satisfactory performance and completion of the Services, the District shall pay Contractor the compensation described in *Attachment 2*, which is incorporated by reference and made a part of this Agreement.

Section 1.3 Payment:

- (a) <u>Request for Payment</u>: Contractor shall submit to the District Manager, by the second Tuesday of the month, a standard pay request form attached to a report detailing the following ("*Request for Payment*"):
 - (i) Services performed during the previous month, including but not limited to:

- A. Locations:
- B. Time and rate per hour of each employee (if applicable);
- C. Quantities of materials used in the work performed (if applicable);
- D. Reason for work performance;
- E. Detail of problems encountered and corrective action taken or proposed to be taken;
- F. Work Orders recommended to be performed in the future and the reason the work is recommended; and,
- G. Services performed during the previous month pursuant to an approved Work Order with supporting documentation.
- (ii) Maintenance inspection report discussing (but not limited to) the following:
 - A. Safety conditions;
 - B. Appearance; and,
 - C. Follow up items for the preceding month.
- (iii) A separate section in a Request for Payment, either as an invoice subsection or as a separate invoice, that: (A) describes in detail any Services that were performed within the Chatfield Farms areas shown on Attachment 1; and, (B) the costs associated with such Services.

If Contractor fails to timely provide a Request for Payment and/or fails to provide all of the required information, the District may delay payment up to the next monthly District Board of Directors meeting, or it may reject the Request for Payment and require Contractor to resubmit the Request for Payment with all of the required information. Contractor's failure to timely provide a Request for Payment and/or to provide all of the required information may constitute a breach of this Agreement.

(b) Payment Procedure: The District will make payment to Contractor for work satisfactorily completed within thirty (30) days after a Request for Payment that meets the requirements in Section 1.3(a), above, is submitted by Contractor. Late fees, penalties, and interest will not be charged against any disputed amount the District does not pay by the date owed. Contractor has the right to stop work, and shall notify the District of such action, if the District does not pay any undisputed portion, or all, of a timely submitted Request for Payment that meets the requirements in Section 1.3(a), above, in full within thirty (30) days of the District receiving the Request for Payment. If Contractor stops work, it shall have no obligation to maintain, care for, or provide any Services to the Sites, unless and until all undisputed amounts owed by the District are paid. During the period Contractor has no responsibility for the Sites, it shall not be liable for any injuries to the District or to any invitee, guest, or licensee of the District related to accumulation of snow or ice on one or more of the Sites.

Section 1.4 Set-Off: In addition to any other rights the District has under this Agreement or in law or equity for indemnity or other reimbursement, recoupment, or payment by Contractor, Contractor agrees that the District is entitled to set-off any amounts it may owe Contractor under this Agreement against such claims for indemnity or other reimbursement, recoupment, or payment.

Section 1.5 Non-Appropriation: The District's financial obligations under this Agreement are subject to annual appropriation by the Board. If the Board does not appropriate funds beyond the current calendar year, this Agreement shall automatically terminate with no further obligation whatsoever to Contractor.

ARTICLE II TERM AND TERMINATION

Section 2.1 Term: The term of this Agreement shall begin on the Effective Date and shall continue through May 31, 2025 ("*Term*"). This Agreement may be terminated in accordance with Section 2.2, below, or as elsewhere provided in this Agreement.

Section 2.2 Termination:

- (a) <u>Termination by Contractor</u>: Contractor may terminate this Agreement: (i) if the District fails to pay an undisputed amount owed within fifteen (15) work days of receiving Contractor's written notice that the undisputed amount has not been paid; or, (ii) upon thirty (30) work days prior written notice to the District for any other reason.
- (b) <u>Termination by the District</u>: The District may terminate this Agreement: (i) upon fifteen (15) work days written notice to Contractor that it has breached this Agreement, if Contractor fails to cure, or take substantial steps to cure, such breach within the fifteen (15) day period; or, (ii) upon thirty (30) work days prior written notice to Contractor for any other reason.
- (c) <u>Effect of Termination</u>: In the event of termination, the District will pay Contractor for the prorated portion of the Services satisfactorily performed to the date of termination, subject to the District's right of set-off pursuant to Section 1.4 above and the District's right of non-appropriation pursuant to Section 1.5 above.

ARTICLE III GENERAL SERVICES PROVISIONS

- **Section 3.1 Professional Standards:** Contractor will perform the Services in accordance with the generally accepted standards of care, skill, diligence and professional competence applicable to contractors engaged in providing similar services at the time and place that Contractor's Services are rendered. Except as otherwise expressly stated herein, Contractor shall, at its cost, be solely responsible for repairing any damage caused by its employees, subcontractors or any other individual or entity performing work on behalf of Contractor.
- **Section 3.2 Compliance with Applicable Law:** Contractor will, at its own expense, comply with all federal, state, and local laws, statutes, ordinances, rules, codes, regulation, requirements, guidelines, court rulings and orders of all governmental authorities applicable to the Agreement and the Services performed by Contractor, including but not limited to, employee safety (collectively "Applicable Law").

Section 3.3 Personnel: Contractor represents that all of its personnel, and any subcontractors, who will perform any Services have received the information, instructions, and training required to provide the Services, including training to prevent harm to such personnel, residents, and members of the public who may be in the vicinity.

Section 3.4 Licenses: Contractor and all of its employees and subcontractors performing work that require licensing shall be licensed to the extent required by all Applicable Law and will, at Contractor's cost, maintain such licensing throughout the period this Agreement is in effect. Such licenses include any requirements set forth by the State of Colorado and the Environmental Protection Agency.

Section 3.5 Mechanics' and Materialmen's Liens; Verified Statement of Claim: Contractor shall make timely payments to Contractor's employees, subcontractors, vendors, and/or suppliers. As a political subdivision of the State, the District's property is not subject to liens; however, property the District manages may be subject to certain liens, and Contractor shall be responsible for satisfaction of any liens and encumbrances that are filed or asserted against the District and/or such property that arise from or are the result of the Services Contractor performs. In addition, Contractor shall promptly resolve any verified statement of claim filed with the District by a subcontractor, vendor, or supplier claiming Contractor has failed to pay amounts due for services, labor or materials provided to Contractor in the performance of its Services.

Section 3.6 Damage Due to Repetitive Contact: Contractor shall provide protection to any material, trees, shrubs, fences, or other landscape improvements that may be subjected to repetitive contact with snow removal equipment as necessary to avoid damage thereto.

Section 3.7 Reporting Damage to Landscape Improvements: Contractor shall be alert for damages to any landscape improvements, including but not limited to, plant stock, turf, ground cover, benches, trash receptacles, play equipment, shelters, and irrigation equipment that are not caused by Contractor. When such damage is identified, Contractor shall immediately notify the District Manager.

Section 3.8 Limit on Contractor's Liability for Damages:

- (a) Contractor shall not be responsible or liable to the District for any damages to existing walks, curbs, driveways, speed bumps, expansion joints, rubber-coated decks, cesspools, septic tanks, utility lines, sprinkler systems, arches, shrubs, lawn, trees, or other personal property, appurtenances or improvements, or for any damage to one or more of the Sites, except when such damages arise from or are caused by an intentional or negligent act or omission of Contractor, its subcontractors or any other individual or entity performing Services on behalf of Contractor, including damages occurring under Subsection 3.8(e), below.
- (b) Contractor shall not be liable for any claim, loss, expense, damage or cause of action whatsoever, directly or indirectly, from weather conditions, unless such claim is caused by an

intentional or negligent act or omission of Contractor, its subcontractors or any other individual or entity performing Services on behalf of Contractor.

- (c) Contractor is not responsible for failures or defects that result from work done by individuals or entities that are not performing Services on behalf of Contractor.
- (d) Contractor shall not be liable for personal injury or property damage caused by changing winter weather conditions before, during, or after the snow/ice removal has been completed.
- (e) The Parties have mutually agreed that no staking will be performed. The District shall not be responsible for any damage by Contractor or its subcontractors or any other individual or entity performing Services on behalf of Contractor, that could have been avoided, or could have been lessened, if the District had staked the Sites. Contractor shall be liable for any damages to real or personal property that could have been avoided, or could have been lessened, if either Contractor or the District had staked the Sites. Nothing in this Subsection 3.8(e) prohibits Contractor from staking in its discretion and at its own cost.
- **Section 3.9 Operation of Motorized Vehicles or Equipment:** The operation of motorized vehicles or equipment on or through parks and open space owned or maintained by the District is prohibited, except for those used for snow removal. Service equipment and vehicles may only operate on paved surfaces, unless a special written permit has been obtained from the District.

ARTICLE IV INDEMNIFICATION AND CONFIDENTIALITY

- **Section 4.1 Indemnification:** Contractor shall indemnify and defend the District and its directors, officers, and agents (collectively, the "*District Parties*") against all claims, damages, and liability arising out of any intentional, reckless, grossly negligent, or negligent act or omission by Contractor or its employees, subcontractors, agents, or any other individual or entity that provides services or materials on behalf of Contractor (collectively, the "*Contractor Parties*") that arise from or in any manner relate to Contractor's performance of the Services, or from the violation of, or failure of any of the Contractor Parties to comply with, any Applicable Law. The District shall have the right to select legal counsel to represent it, notwithstanding Contractor's obligation to pay the reasonable attorneys' fees, costs, and expenses of the District's legal counsel.
- Section 4.2 Communications and Confidentiality: Contractor will hold the information supplied by the District in confidence and will not disclose it to any other person or entity, unless (a) the District authorizes Contractor to do so; (b) it is published or released by the District; (c) it becomes publicly known or available other than through disclosure by Contractor; or, (d) disclosure is required by Applicable Law. This confidentiality provision does not prohibit Contractor from disclosing District information to one or more of its subcontractors if necessary to provide the Services. Any such subcontractor shall be subject to the same restrictions on the use and disclosure of District information as apply to Contractor.

ARTICLE V CONTRACTOR'S INSURANCE

Section 5.1 Coverages: Contractor will, at its sole cost and expense, maintain in effect at all times during the Term, the following insurance coverages with limits of not less than those set forth below. Contractor further agrees to maintain and supply documentation of any additional public liability or property damage insurance that may be required by the State of Colorado during the Term.

(a) Employee Insurance:

Coverage Minimum Amounts and Limits

Worker's Compensation \$500,000 (or as required by Colorado law) Employer's Liability \$1,000,000 (or as required by Colorado law)

This policy will include a waiver of subrogation in favor of the District Parties.

(b) <u>Liability Insurance</u>:

Coverage Minimum Amounts and Limits

General Liability \$1,000,000 combined single limits per occurrence with

respect to each location (Occurrence Basis)

This policy will contain an endorsement including the District Parties as "additional insureds". It also will contain cross-liability and severability of interest endorsements, a waiver of subrogation in favor of the District Parties, and an aggregate per location endorsement.

(c) Vehicle Insurance:

Coverage Minimum Amounts and Limits

Business Vehicle Liability \$1,000,000 combined single limits per occurrence

(Occurrence Basis) with respect to each location.

This policy will be a standard form written to cover all owned, hired and non-own vehicles owned or operated by the Contractor Parties. This policy will contain an endorsement including the District Parties as "additional insureds". It also will contain a waiver of subrogation in favor of the District Parties, and an aggregate per location endorsement.

(d) <u>Umbrella Liability Insurance</u>:

Coverage Minimum Amounts and Limits

Bodily Injury/Property Damage \$5,000,000 per occurrence (Occurrence Basis)

\$5,000,000 aggregate

This policy will be written on an umbrella basis above the liability and vehicle insurance coverages described above. This policy will contain an endorsement including the District Parties as "additional insureds". It also will contain subrogation in favor of the District Parties.

Section 5.2 Policies: All policies will be issued by carriers having ratings of Best's Insurance Guide A/VIII and/or Standard & Poor Insurance Solvency Review A-, or better, and admitted to engage in the business of insurance in the State of Colorado. All policies must be endorsed to be primary, with the policies of all District Parties being excess, secondary, and non-contributing. All policies shall contain a provision that states that they cannot be canceled, non-renewed or materially modified without 30 days prior written notice by insurance carrier(s) to the District Manager.

Section 5.3 Evidence of Coverage: Evidence of the insurance coverage required to be maintained by Contractor under this Article V, represented by certificates of insurance issued by the insurance carrier(s), must specify the additional insured status as well as the waivers of subrogation. Such certificates of insurance shall state the amounts of all deductibles and self-insured retentions and that the District Manager will be notified in writing thirty (30) days prior to cancellation, material change, or non-renewal of insurance. Upon request, Contractor will provide to the District Manager a certified copy of any or all insurance policies or endorsements required by this Agreement. Contractor shall provide the District Manager with copies of the certificates evidencing that the District has been added as an additional insured under the various insurance policies which Contractor is required to carry.

ARTICLE VI MISCELLANEOUS

Section 6.1 Independent Contractor: Contractor's status shall at all times be that of an independent contractor. Under no circumstances shall Contractor or its personnel be considered a District employee. Contractor will provide and have complete control over all materials, equipment, and labor Contractor deems necessary to perform the Services. Except as necessary to ensure the Services are performed in accordance with the District's requirements and expectations, the District will have no control or supervision over the hours Contractor's personnel work or the manner in which Contractor performs the Services. The District's only concern is with the results of Contractor's Services. The District has the right to reject any work that does not meet the District's standards. Contractor will not be paid for any costs Contractor incurs, or time Contractor spends, correcting substandard work.

Contractor UNDERSTANDS AND AGREES: (A) Contractor AND ITS EMPLOYEES ARE NOT ENTITLED TO WORKERS' COMPENSATION OR UNEMPLOYMENT COMPENSATION INSURANCE BENEFITS, UNLESS WORKERS' COMPENSATION OR UNEMPLOYMENT COMPENSATION COVERAGE IS PROVIDED BY Contractor OR SOME ENTITY OTHER THAN THE DISTRICT; AND (B) Contractor IS OBLIGATED TO PAY FEDERAL, STATE, AND LOCAL INCOME TAX ON ANY MONEYS PAID PURSUANT TO THIS AGREEMENT. THE DISTRICT WILL NOT MAKE FEDERAL, STATE, AND LOCAL

WITHHOLDINGS AND WILL <u>NOT</u> PROVIDE WORKERS' COMPENSATION OR UNEMPLOYMENT COMPENSATION INSURANCE.

Contractor certifies that ______ is Contractor's correct Federal Taxpayer Identification Number. By signing this Agreement, Contractor certifies that it assumes full responsibility for the payment of all contributions, payroll taxes, income taxes, withholdings, and backup withholdings or assessments under federal, state, and local law. The District will only provide Contractor with, and will file, an IRS Form 1099 in compliance with federal, state, and local law.

Section 6.2 Notice: Any notice required or permitted under this Agreement shall be in writing and hand-delivered or sent by certified/registered mail, return receipt requested, to the address below, or at another address previously furnished in writing to the other Party pursuant to this Section. A notice sent by certified/registered mail is deemed given when received, or 3 business days after the date sent, if not accepted by the Party to whom it was sent, whichever is earlier.

Roxborough Village Metropolitan District Attn: Peggy Ripko, District Manager Special District Management Services, Inc. 141 Union Boulevard, Suite 150 Lakewood, CO 80228-1898 Contractor Environmental Contractor Attn: Ermilo Chavez 990 S Garrison Street Lakewood, CO 80226

Section 7.3 Governmental Immunity: This Agreement is not intended, and shall not be construed, as a waiver of the limitations on damages or any of the privileges, immunities, or defenses provided to, or enjoyed by, the District and its current or past directors, officers and agents under federal or state law, including but not limited to, the Colorado Governmental Immunity Act, C.R.S. § 24-10-101, *et seq*.

Section 7.4 Governing Law; Jurisdiction and Venue; Attorneys' Fees: This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of Colorado. Jurisdiction and venue for any civil action shall lie exclusively in the District Court for Douglas County. Prior to either Party commencing a civil action, the Parties shall participate in non-binding mediation through the American Arbitration Association in Denver, Colorado. If the Parties are unable to resolve their dispute within forty-five (45) days of a Party notifying the other Party in writing of its request for mediation, either Party may commence a civil action. In any civil action arising from or relating to this Agreement and/or the Services, the prevailing Party shall be awarded its reasonable attorneys' fees, costs, and expenses, including its reasonable attorneys' fees, costs, and expenses incurred in any appellate action or in collecting or executing upon any judgment, order, or award.

Section 7.5 Additional Provisions: This Agreement is the entire agreement between the Parties as to the subject matter herein and there are no oral or collateral agreements or understandings. This Agreement may only be amended by a document signed by the Parties. Course of dealing, no matter how long it may continue, shall not constitute an amendment to this Agreement. If any provision is held invalid or unenforceable, all other provisions shall continue in full force and effect. Waiver of a breach of this Agreement shall not operate or be construed as a

waiver of any subsequent breach of this Agreement. This Agreement is not assignable. This Agreement is not intended to, and shall not, confer rights on any person or entity not named as a Party to this Agreement.

IN WITNESS WHEREOF, the Parties have signed this Agreement.

ROXBOROUGH VILLAGE METROPOLITAN DISTRICT,

a political subdivision of the State of Colorado

By: Ephram Slass
Ephram Glass, Board President 03 / 01 / 2025

Date

CHAVEZ SERVICES, LLC,

a Colorado Limited Liability Company

03 / 03 / 2025 By: Ermilo ChaveZ
Ermilo Chavez, Manager Date

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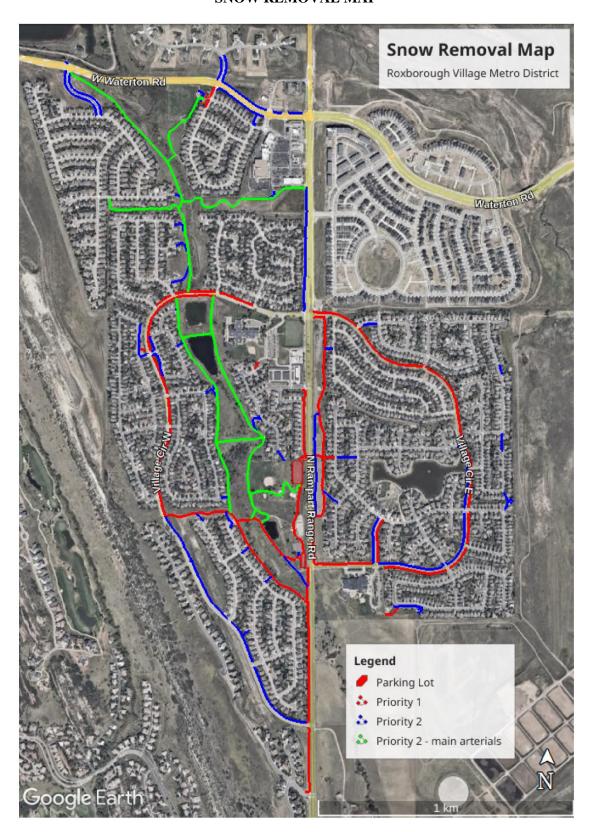
ATTACHMENT 1 SCOPE OF SERVICES

- 1. <u>Snow Removal Services</u>: Contractor shall provide the Services on parking lots, mailbox kiosks, sidewalks and pedestrian entryways and exits within the District in accordance with Paragraphs 2 through 4 below; provided that Contractor shall not perform the Services in the Priority 1 areas during the term of this Agreement unless directed to do so by the Board (collectively the "*Services*"). Contractor shall not in any manner interfere with the contractor performing snow and ice removal services in the Priority 1 areas.
- 2. <u>Timing and Extent of Services</u>: The District's intention is to facilitate the use of sidewalks to access schools, as reflected in the designation of Priority 1 and Priority 2 walkways as shown on the attached <u>Exhibit A Snow Removal Map</u>. Contractor's Services shall be limited to snow removal on Priority 2 walkways as shown on the attached map. Contractor shall exercise its best efforts to remove snow from school access sidewalks prior to 8:00 a.m. on school days in the Priority 2 areas. Snow shall be cleared in the following sequence:
 - Priority 2 main arterials
 - Remaining Priority 2 walkways

Snow cleared from paths shall not be piled in such a way as to block entrances, exits, lines of sight, handicapped parking spaces, sidewalks, or sidewalk access points.

- 3. <u>Ice Melting Chemicals</u>: Calcium chloride (CaCl₂) shall be the only ice melting chemical used within the District. Contractor may use ice slicer on parking lots with prior approval from the District. The District acknowledges that ice melting chemicals may cause damage to plants, turf, and paved surfaces and that Contractor assumes no liability for any damage which results from the proper application of such ice melting chemicals.
- 4. <u>Damage to Snow Removal Areas</u>: Except as set forth in Paragraph 3, above, any repair or replacement of damaged vegetation or landscape improvements resulting from Contractor's Services shall be at Contractor's expense.

EXHIBIT A SNOW REMOVAL MAP



ATTACHMENT 2 COMPENSATION

Contractor shall provide all labor and materials necessary to complete snow and ice management in accordance with the following details, specifications, and estimates.



| Service | Unit of Measure | Unit Price |
|-------------------------------|-----------------|--------------|
| 4 x 4 Pickup with Plow | HR | \$ 110.00 |
| Sand Truck with Plow | HR | \$ 115.00 |
| ATV with Plow | HR | \$ 95.00 |
| Skidsteer with Plow | HR | \$ 140.00 |
| Loader with Plow or Bucket | HR | \$ 250.00 |
| Tractor with Plow | HR | \$ 210.00 |
| Dump Truck | HR | \$ 140.00 |
| Snow Blower | HR | \$ 75.00 |
| Labor | HR | \$ 63.00 |
| Snow Captain Site Supervision | HR | \$ 83.00 |
| Ice Slicer (Ganular) | TON | \$ 250.00 |
| Ice Melt | BAG | \$ 35.00 |

The above stated rates are based on time and material. All Services are charged portal to portal. There is a minimum charge of 1 hour per push for each piece of equipment used, and such minimum charge also shall include 1 hour of snow supervision and 1 bag (50 lb.) ice melt (Calcium chloride (CaCl₂) only). The District agrees to pay Contractor for time and materials utilized by Contractor in satisfactory performance of the Services, including the minimum charge stated herein. Items listed above include the operator fee in the hourly rate.

<u>Fuel and Materials Surcharges</u>: If fuel prices exceed \$4.00 per gallon for gasoline or \$4.50 per gallon for diesel, a surcharge of 8% may be charged on top of the above rates. Additionally, if material costs exceed more than 20% of quoted vendor price and/or cost at the beginning of the season, material prices may be adjusted to reflect such increases. Contractor shall conspicuously itemize any fuel and/or materials surcharges on each applicable Request for Payment.

If Contractor mobilizes on a Holiday, all rates are increased by 50%. A "*Holiday*" shall consist of the following days/times:

Thanksgiving Day: 12:01 am - 11:59 pm

Christmas Day: 12:01 am – 11:59 pm

New Years' Day: 12:01 am – 11:59 pm