

**AMENDMENT NO. 2
TO SERVICES AGREEMENT
BETWEEN PARAGON MECHANICAL, INC. AND
NATIVIDAD MEDICAL CENTER
FOR
MAINTENANCE AND REPAIR SERVICES TO VARIOUS MECHANICAL SYSTEMS**

This Amendment No. 2 to the Services Agreement (“Agreement”) which was effective on July 1, 2015 is entered into by and between the County of Monterey, on behalf of Natividad Medical Center (hereinafter “NMC”), and Paragon Mechanical Inc. (hereinafter “CONTRACTOR”); (collectively, the County, NMC and CONTRACTOR are referred to as the “Parties”), with respect to the following:

RECITALS

WHEREAS, the Agreement was executed for maintenance and repair services to various mechanical systems with a term July 1, 2015 through September 30, 2017 and a total Agreement amount not to exceed \$100,000; and

WHEREAS, NMC and CONTRACTOR amended the Agreement on April 2, 2017 via Amendment No. 1 to extend the term for an additional twenty-one (21) month period through June 30, 2019 to allow for services to continue and to add an additional \$160,000 thereby increasing the total Agreement amount to \$260,000; and

WHEREAS, NMC and CONTRACTOR currently wish to amend the Agreement to extend it for an additional two (2) year period through June 30, 2021 to allow for services to continue with revisions to the original scope of work attached hereto as “Exhibit A-2 per Amendment No. 2” with a \$150,000 increase for a total Agreement amount of \$410,000.

AGREEMENT

NOW, THEREFORE, the Parties agree to amend the Agreement as follows:

The Agreement is hereby renewed on the terms and conditions as set forth in the Original Agreement and in Amendment No. 2 incorporated herein by this reference, except as specifically set forth below.

1. Paragraph titled, “PAYMENTS BY NMC” shall be amended to the following:
“NMC shall pay the CONTRACTOR in accordance with the payment provisions set forth in EXHIBIT A plus EXHIBIT A-2 as per Amendment No. 2 attached hereto this Amendment No. 2. The total amount payable by NMC to CONTRACTOR under this Agreement shall not exceed the sum of \$410,000.”
2. The first sentence of Paragraph titled, “TERM OF AGREEMENT” shall be amended to the following:
“The term of this Agreement is from July 1, 2015 through June 30, 2021 unless sooner terminated pursuant to the terms of this Agreement.”
3. Paragraph titled, “SCOPE OF SERVICES AND ADDITIONAL PROVISIONS/EXHIBITS” shall be amended to the following:
*“The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:
Exhibit A: Scope of Services/Payment Provisions
Exhibit A-2: revised Scope of Services/Payment Provisions as per Amendment No. 2.”*
4. Except as provided herein, all remaining terms, conditions and provisions of the Original Agreement are unchanged and unaffected by this Amendment No. 2 and shall continue in full force and effect as set forth in the Agreement and in Amendment No. 1.

5. A copy of this Amendment No. 2 shall be attached to the Original Agreement.
6. This Amendment No. 2 shall be effective when signed by both parties.

The remainder of this page was intentionally left blank.

~ Signature page to follow ~

IN WITNESS WHEREOF, the Parties hereto are in agreement with this Amendment No. 2 on the basis set forth in this document and have executed this Amendment No. 2 on the day and year set forth herein.

NATIVIDAD MEDICAL CENTER

By: _____
Gary R. Gray, DO, CEO

Date: _____

APPROVED AS TO LEGAL PROVISIONS

By: ARB
Monterey County Deputy County Counsel

Date: 4.25.19

APPROVED AS TO FISCAL PROVISIONS

By: [Signature]
Monterey County Deputy Auditor/Controller

Date: 4/29/19

CONTRACTOR

Paragon Mechanical, Inc.

CONTRACTOR's Business Name
See instructions below

By: [Signature]
(Signature of: Chair, President, or Vice-President)

STEVE BENAKOVICH PRESIDENT
Name and Title

Date: 4/11/19

By: [Signature]
(Signature of: Secretary, Asst. Secretary, CFO, Treasurer, or Asst. Treasurer)

MICHAEL OZU CHIEF FINANCIAL OFFICER
Name and Title

Date: 4/11/19

*****Instructions*****

If **CONTRACTOR** is a corporation; including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers (two signatures required).

If **CONTRACTOR** is a partnership; the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership (two signatures required).

If **CONTRACTOR** is contracting in an individual capacity, the individual shall set forth the name of the business, if any and shall personally sign the Agreement (one signature required).

**To Agreement by and between
NATIVIDAD MEDICAL CENTER, hereinafter referred to as “NMC”
AND
Paragon Mechanical, Inc., hereinafter referred to as “CONTRACTOR”**

Scope of Work / Payment Provisions

A. Description of All Services to be Rendered by CONTRACTOR:

Paragon Mechanical specializes in maintenance and repair service on Heating, Ventilation, and Air Conditioning (HVAC) systems. Preventive maintenance is provided on an as-needed basis for NMC’s medical vacuum pumps, medical air compressors, medical air dryers and all associated components. In addition Paragon assists NMC to make more timely repairs with all larger equipment like air handler units, large water pumps, chillers, pressure tanks and large H.V.A.C. units.

Paragon Mechanical, Inc. offers 24/7 on-site services. Factory Trained Technicians certified in VFD Installation and Service; Chiller installations and service; Boiler installations and service; General HVAC, Refrigeration, Plumbing, Sheet Metal Services, Repairs, Installs & Modifications.

Paragon Mechanical, Inc is affiliated with several Union Locals: Plumbers and Steamfitters 393; Plumbers and Steamfitters 342; Plumbers and Steamfitters 467; Sheet Metal Local 104.

B. CONTRACTOR Obligations:

- 1) CONTRACTOR shall provide service 24/7 on an as-requested basis.
- 2) CONTRACTOR shall provide typical on-site response within four hours or less from time of call for emergency services.
- 3) CONTRACTOR shall provide factory trained technicians certified in VFD Installation and Service; Chiller installations and service; Boiler installations and service; General HVAC, Refrigeration, Plumbing, Sheet Metal Services, Repairs, Installs & Modifications.
- 4) Ensure technicians are properly trained and credentialed to work in a hospital environment.
- 5) Provide written documentation of the services upon completion of the service.
- 6) CONTRACTOR shall be onsite NMC for full day of service (8 Hours) for each service call,
 - a. Subject to standard working hours and nature of call / work and union agreements.
- 7) CONTRACTOR shall maintain appropriate communications with NMC of findings and recommendations
- 8) CONTRACTOR shall perform all work utilizing safe and secure practices

C. NMC Obligations:

Exhibit A-2: Scope of Services/Payment Provisions

- 1) NMC shall ensure sufficient information (technical and administrative); instructions and documents are given in due time to enable the required services to be performed.
- 2) Procure all necessary access for the CONTRACTORS representatives to the premises where the services are to be performed and take all necessary steps to eliminate or remedy any obstacles to or interruptions in, the performance of the services.
- 3) Supply, if required, any special equipment and personnel necessary for the performance of the services.
- 4) Ensure that all necessary measures are taken for safety and security of working conditions, sites and installations during the performance of services and will not rely, in this respect, on the CONTRACTORS advice whether required or not.
- 5) Inform CONTRACTOR in advance of any known hazards or dangers, actual or potential, associated with any order or samples or testing including, for example, presence or risk of radiation, toxic or noxious or explosive elements or materials, environmental pollution or poisons.
- 6) In order to allow CONTRACTOR to comply with the applicable health and safety legislations the NMC shall provide CONTRACTOR with all available information regarding known or potential hazards likely to be encountered by CONTRACTOR personnel during their visits. CONTRACTOR shall take all reasonable steps ensure that whilst on the NMC premises, its personnel comply with all health and safety regulations of the NMC, provided that the NMC makes CONTRACTOR aware of the same.

D. Pricing/Fees:

- 1) In determining project charges, individual billing rates will vary depending on the staff member assigned to the project. No one repair project shall exceed \$4,000 otherwise it is subject to the public bid process.
- 2) Materials billed as needed and authorized.
- 3) There shall be no travel reimbursement allowed during this Agreement
- 4) CONTRACTOR to submit invoices upon completion of deliverables.
- 5) NMC may, in its sole discretion, terminate the contract or withhold payments claimed by the CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.
- 6) CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.
- 7) No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by NMC.
- 8) NMC shall not pay any claims for payment of services submitted more than twelve (12) months after the calendar month in which the services were completed.
- 9) Double time rates apply on select union holidays
- 10) Services used during holidays will be charged at applicable overtime rate.
Holidays are defined as:
 - a. Memorial Day
 - b. Independence Day (July 4)

Exhibit A-2: Scope of Services/Payment Provisions

- c. Labor Day
- d. Thanksgiving
- e. Christmas Day
- f. New Year's Day

12). **CONTRACTOR RATES:**

Basic Service	
Straight time labor Basic Service	
Monday - Friday 7:30 AM - 4:30 PM	\$174 per hour
Overtime labor Basic Service	
Monday - Friday 4:30 PM - 8:00 AM, Saturday & Sunday, select holidays	\$253 per hour
VFD/Chiller/EMS Service	
Straight time labor	
Monday - Friday 7:30 AM - 4:30 PM	\$174 per hour
Overtime labor	
Monday - Friday 4:30 PM - 8:00 AM, Saturday & Sunday, select holidays	\$253 per hour

***Rates effective July 1, 2015 – June 30, 2021 subject to yearly union negotiations**

Materials: Materials to be incorporated into individual work assignments as needed and billed accordingly; prior to replacement, once diagnosed as-needed pricing can be provided if desired for prior authorization prior by NMC.

E. PREVAILING WAGE REQUIREMENTS

- 1) **Prevailing Wages:** If applicable, CONTRACTOR shall comply with provisions of the Labor Code (sections 1720, et seq.) governing public works, including payment of prevailing wages, payroll records and employment of apprentices. Copies of the determination of the general prevailing rate of per diem wages are available to interested parties at:
<http://www.dir.ca.gov/dlsr/DPreWageDetermination.htm>
- 2) **DIR Registration:** During the entire term of this Agreement CONTRACTOR shall be registered with the California Department of Industrial Relations as a Public Works Contractor pursuant to Division 2, Part 7, Chapter 1, commencing with section 1720 of the California Labor Code.
- 3) **Posting of Prevailing Wages at Job Site:** CONTRACTOR and NMC agree that CONTRACTOR shall be responsible for posting a copy of the determination of the prevailing wage rate of per diem wages at each job site for which CONTRACTOR provides services under this agreement to remain compliant with California Labor Code 1773.2.