



AGENDA STAFF REPORT

ASR Control 22-000797

MEETING DATE: 11/08/22
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): 5
SUBMITTING AGENCY/DEPARTMENT: OC Public Works (Pending)
DEPARTMENT CONTACT PERSON(S): Kevin Flynn (949) 252-6037
 Joe Seybold (714) 667-4921

SUBJECT: Approve Amendment No. 3 for Cogeneration/Central Utility Plant Operation

CEO CONCUR Pending Review	COUNTY COUNSEL REVIEW Pending Review	CLERK OF THE BOARD Discussion 3 Votes Board Majority
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Budgeted: Yes **Current Year Cost:** \$2,152,917 **Annual Cost:** FY 2023-24
 \$4,305,834
 FY 2024-25 \$2,152,917

Staffing Impact: No **# of Positions:** **Sole Source:** No
Current Fiscal Year Revenue: N/A
Funding Source: Fund 280: 100% **County Audit in last 3 years:** No

Prior Board Action: 11/19/2019 #19

RECOMMENDED ACTION(S):

Authorize the County Procurement Officer or Deputized designee to execute Amendment No. 3 to renew the contract and provide for extended, on-site coverage and an increase in hourly rates with Sterling Energy International, Inc. for Cogeneration/Central Utility Plant Operation, Maintenance & Environmental Compliance Services, effective January 1, 2023, through December 31, 2024, in an amount not to exceed \$8,611,668, for a cumulative total amount not to exceed \$20,410,874.

SUMMARY:

Approval of Amendment No. 3 to renew the contract for Cogeneration/Central Utility Plant Operation, Maintenance & Environmental Compliance Services will allow John Wayne Airport to continue to generate power and chilled water from the Central Utility Plant without a disruption in service, extend on-site coverage by Sterling Energy International, Inc. staff to reduce power outages and to provide wage increases consistent with industry inflation to retain qualified subject matter experts to serve the County of Orange.

BACKGROUND INFORMATION:

John Wayne Airport's (JWA) Central Utility Plant (CUP) is composed primarily of four natural gas motor-powered generator sets and their associated emissions control equipment, three centrifugal chillers, two hot water absorption chillers, electronic control and power distribution systems and associated infrastructure and utility equipment. The CUP provides electrical service and chilled water for Terminals A, B and C and electrical service for Parking Structures A1, A2, B2 and C.

The Cogeneration/CUP Operation, Maintenance & Environmental Compliance Services (Services) provided under Contract MA-280-20010615 (Contract) with Sterling Energy International, Inc. (Contractor) include the operation and maintenance of (1) the power generation equipment while ensuring compliance with the air quality emissions limits specified under the South Coast Air Quality Management District permit; (2) the chilled water system, which provides chilled water for terminal air conditioning; and (3) the high voltage distribution system inside the CUP and from the utility point of connection to the step-down transformers in the terminals and parking structures. The Services include, but are not limited to, supply support and procurement; systems monitoring; equipment warranty monitoring; emissions equipment monitoring and service; necessary upgrades; preventive maintenance and periodic servicing; consumable supplies input and management; urea emission control chemicals; calibration gases; and equipment overhaul and/or repair and provision of plant operation related advice.

On July 26, 2019, JWA issued a Request for Proposals for Services. Prior Board of Supervisors (Board) and administrative actions by the County Procurement Officer or Deputy Purchasing Agent (DPA) are summarized in the table below.

Action Date	Action	Contractor	Amount	Effective Date	End Date
11/19/2019	Board approved Contract	Contractor	\$11,799,207	1/1/2020	12/31/2022
9/8/2020	DPA administratively approved Amendment No. 1 to increase hourly rates	Contractor	No increase to not to exceed amount	9/8/2020	12/31/2022
12/8/2021	DPA administratively approved Amendment No. 2 to increase hourly rates	Contractor	No increase to not to exceed amount	12/8/2021	12/31/2022

OC Public Works is proposing to continue procurement of these Services in accordance with the 2021 Contract Policy Manual Section 3.3-102. The Orange County Preference Policy was not applicable when Services were solicited in 2019.

Previous Request 1/1/2020 – 12/31/2022			Current Request 1/1/2023 – 12/31/2024		
Contractor	Requested Contract Amount	Usage as of 9/12/2022	Contractor	Requested Contract Increase	Anticipated Usage
1	\$11,799,207	\$9,824,136	1	\$8,611,668	\$8,611,667

OC Public Works is recommending Board approval Amendment No. 3 to renew the Contract with the Contractor for Services, effective January 1, 2023, through December 31, 2024, in an amount not to exceed

\$8,611,668, for a cumulative total amount not to exceed \$20,410,874. The previously approved amount of \$11,799,207 does not roll over to the renewal term.

The Contractor's performance has been confirmed as at least satisfactory. OC Public Works has verified there are no concerns that must be addressed with respect to Contractor's ownership/name, litigation status or conflicts with County interests.

This Contract includes subcontractors. See Attachment B for information regarding subcontractors and Contract Summary Form.

Prior to Contract expiration, OC Public Works plans to issue a solicitation to continue Services.

Compliance with CEQA: The proposed project was previously determined to be Categorical Exempt from CEQA pursuant to CEQA Guidelines Section 15301 (Class 1) of the CEQA Guidelines, on November 11, 2019, when it was originally approved because it consists of the repair and maintenance of existing public facilities, including mechanical equipment, involving negligible or no expansion of the use. The proposed project is still consistent with this determination.

FINANCIAL IMPACT:

Appropriations for this Contract are included in the FY 2022-23 Budget for Airport Operating Fund 280, and will be included in the budgeting process for future years.

The Contract contains language that allows the County to terminate the Contract without penalty for cause or after 30 days' written notice without cause.

STAFFING IMPACT:

N/A

REVIEWING AGENCIES:

John Wayne Airport

ATTACHMENT(S):

Attachment A - Amendment No. 3 to MA-280-20010615 with Sterling Energy International, Inc.

Attachment B - Contract Summary Form

Attachment C - Redline of Contract MA-280-20010615



**AMENDMENT NUMBER THREE
CONTRACT MA-280-20010615
FOR
COGENERATION/CENTRAL UTILITY PLANT OPERATION,
MAINTENANCE & ENVIRONMENTAL COMPLIANCE SERVICES**

This Amendment is made between the County of Orange, a political subdivision of the State of California through its department John Wayne Airport (“County” or “JWA”), and Sterling Energy International, Inc. (the “Contractor”), which are sometimes individually referred to as a “Party” or collectively referred to as the “Parties.”

Recitals

Whereas, Contractor responded to a Request for Proposal for providing goods and services for County; and

Whereas, the Parties entered into Contract MA-280-20010615 for Cogeneration/Central Utility Plant Operation, Maintenance & Environmental Compliance Services, effective January 1, 2020 through December 31, 2022, in the amount not to exceed \$11,799,206.99 (the “Contract”); and

Whereas, pursuant to Amendment Number One, the Parties increased the prevailing wage rates and replaced Attachment B Contractor’s Pricing; and

Whereas, pursuant to Amendment Number Two, the Parties increased the prevailing wage rates and replaced Attachment B Contractor’s Pricing, Section 3; and

Whereas, the Parties now desire to renew the Contract for two years, effective January 1, 2023 through December 31, 2024, with a new Contract amount not to exceed \$8,611,667.13 and replace Attachment B Contractor’s Pricing; and amend various sections of the Additional Terms and Conditions to conform with County standard language; and

Now Therefore, in consideration of the mutual obligations set forth herein, the Parties agree as follows:

Articles

1. Section 2 of the Additional Terms and Conditions shall be amended to read in its entirety as follows:

2. Term of Contract

This Contract shall be effective January 1, 2023, through and including December 31, 2024, upon execution of all necessary signatures unless otherwise terminated by County.

2. Section 3 of the Additional Terms and Conditions shall be deleted and amended to read in its entirety as follows:

3. Reserved

3. Section 4 of the Additional Terms and Conditions shall be amended to read in its entirety as follows:

4. Contract Amount Not to Exceed

Contract Amount not to exceed **\$8,611,667.13**.

- 4. Section 13 of the Additional Terms and Conditions shall be deleted and amended to read in its entirety as follows:

13. Reserved

- 5. Section 75 of the Contract's Additional Terms and Conditions shall be amended to read in its entirety as follows:

75. 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 Deputy Purchasing Agent (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 USPS 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.

County: Orange County Public Works/JWA
Maintenance
Attention: Kevin France
3180 Airway Avenue
Costa Mesa, CA 92626
Phone: (949) 252-6070 Mobile (949) 293-6501
Email: Kevin.France@ocpw.ocgov.com

cc: Orange County Public Works/Procurement
Attention: Gene Duenas, DPA
601 N Ross St.
Santa Ana, CA 92701
Phone: 949-252-5125
Email: gene.duenas@ocpw.ocgov.com

Contractor: Sterling Energy International, Inc.
Attn: Michael O'Leary
3001 Red Hill Avenue #6-201
Costa Mesa, CA 92626
Phone 949-248-2917 Mobile 760-727-7711
Email: MOLeary@Sterling-Energy.com

- 6. The attendance schedule described, including table pages 50-51 of the Attachment A-1 Vendor's Proposal Revised 101119, shall be deleted and amended to read in its entirety as follows:

A minimum of one knowledgeable Contractor member with the necessary skill sets and experience to operate the CUP shall be on site during these hours.

Days	1/1/23 - 12/31/24
Monday - Friday	5 AM - 11:30 PM
Weekends and Holidays	5 AM - 11:30 PM

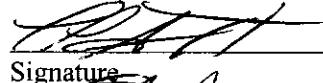

7. Attachment B, Contractor’s Pricing shall be deleted and replaced as attached hereto.

Signature page follows

Signature Page

In Witness Whereof, the Parties have executed this Amendment to the Contract on the dates shown opposite their respective signatures below.

Sterling Energy International, Inc.*

	Lawrence P. Straight	President	17 Sept 2022
Signature	Name	Title	Date
	Phyllis E. Straight	CFO	Sept 17, 2022
Signature	Name	Title	Date


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

- The first signature must be one of the following: a) Chairman of the Board; b) President; or c) any Vice President.*
- The second signature must be one of the following: a) Secretary; b) Chief Financial Officer; c) any Assistant Secretary; or d) any 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.*

County Authorized Signature:

		Deputy Purchasing Agent	
Signature	Name	Title	Date

Approved As To Form
Office of the County Counsel
County of Orange, California

		9/20/22
Deputy		Date

Approved by Board of Supervisors on:

Date

Attachment B Contractor's Pricing

1. Compensation:

This is a time and materials, not-to-exceed Contract between County and Contractor for Cogeneration/Central Utility Plant Operation, Maintenance and Environmental Compliance Services as set forth in Attachment A, "Scope of Work." Labor rates will be paid according to negotiated rates conforming to prevailing wage tables published by the State of California. Subcontracts and materials shall be passed through and paid at Contractor's cost plus any agreed percent mark-up.

Contractor may schedule required maintenance and order parts or services up to \$5,000.00 without written direction from County; however, parts and services totaling over \$5,000.00 must be approved ahead of time in writing by County Project Manager. The cost of the parts and services will be reimbursed to Contractor as part of the monthly invoice. County reserves the right to subcontract and/or buy parts and services directly (without paying a mark-up or pass-through fee to Contractor). Expenses such as major engine overhauls costing over \$50,000.00 may be procured by County in coordination and with the support of the Contractor.

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing, labor, insurance and bonds, vehicles, equipment, tools, materials, overhead, and travel 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 the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **The County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by an amendment in accordance with Articles C. of the County Contract Terms and Conditions.**

2. Withholdings

County shall retain the right to withhold all payments should any provision of this Contract not be completed in a satisfactory manner or in accordance with this Contract. Only the amount associated with disputed performance shall be withheld pending resolution of the dispute. The remaining undisputed amount shall be paid promptly. If payment is withheld, County Project Manager shall notify Contractor in writing of the reasons and what action is required before payment will be made. Otherwise, County shall make payment within thirty (30) days after receipt and approval of the invoice.

3. Fees and Charges

The price must include all fees, shipping, freight, transportation, travel, taxes and any other fees. No other compensation shall be allowed.

County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

CONTRACT TERM	ESTIMATED YEARLY COST
January 1, 2023 — December 31, 2023	\$4,258,370.26
January 1, 2024 — December 31, 2024	\$4,353,296.87

Total of the Two Year amount not to exceed:	\$8,611,667.13
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Cogeneration/Central Utility Plant Operation Services

The hourly rates shall be paid for the Contractor’s staff members. Any replacement or addition of staff must be approved in writing by County prior to work being performed. All requirements and expenses related to the performance of work and services set forth in the Scope of Work will be paid on a time-and-materials basis.

Parts, materials, and subcontracted services provided by entities not affiliated with Contractor will be reimbursed by County at the actual cost plus a **4.5%** markup.

Title	Time/Category	Rates		
		1/1/23 - 6/30/23	7/1/23 - 6/30/24	7/1/24 - 12/31/24
Project Manager	Regular Time	\$227.05	\$233.86	\$240.88
Procurement and Billing Administrator	Regular Time	\$92.43	\$95.20	\$98.06
Technicians	Regular Time	\$129.55	\$133.44	\$137.44
Other Sterling Energy Managers and Engineers	Regular Time	\$227.05	\$233.86	\$240.88
Operations Manager	Regular Time	\$161.72	\$166.57	\$171.57
Maintenance Manager	Regular Time	\$161.72	\$166.57	\$171.57
Project Manager	Overtime Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt
Procurement and Billing Administrator	Overtime Hourly Rate	\$109.29	\$112.57	\$115.95
Technicians	Overtime Hourly Rate	\$161.02	\$165.85	\$170.83
Other Sterling Energy Managers and Engineers	Overtime Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt
Operations Manager	Overtime Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt
Maintenance Manager	Overtime Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt
Project Manager	Double Time Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt
Procurement and Billing Administrator	Double Time Hourly Rate	\$126.15	\$129.93	\$133.83
Technicians	Double Time Hourly Rate	\$192.49	\$198.26	\$204.21
Other Sterling Energy Managers and Engineers	Double Time Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt
Operations Manager	Double Time Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt

Title	Time/Category	Rates		
Maintenance Manager	Double Time Hourly Rate	Salaried Exempt	Salaried Exempt	Salaried Exempt

4. Final Payment

Final payment shall be issued based on the completion of the work as described in this Contract and County Project Manager accepts the all work and JWA issued badges are returned to Badging Office.

5. 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. Vendor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the 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 the Contractor.

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

6. Taxpayer ID Number

The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.

7. 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. **Request for Payment:** Contractor shall use the JWA request for Payment procedure as defined by the Airport project management system. The Request for Payment form shall be divided according to the tasks set forth in the Attachment A to the Contract. Responsibility for providing an acceptable invoice to County for payment rests with Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to Contractor for correction. A proper invoice shall include all appropriate documentation and information as may be required elsewhere in this Contract.
- b. **Frequency:** Contractor shall request payment for work performed once per month with required supporting documentation and to the reasonable satisfaction of the County.
- c. **Status Report:** A Scope of Work status report shall be submitted at the same time as submission of each Request for Payment. The status report shall include a written narrative of work performed during the invoicing period.
- d. **Payment:** County shall be responsible for remitting payment within thirty (30) calendar days of the date of receipt of invoice in a format acceptable to County.

- e. **Services:** Billing shall cover services and/or goods not previously invoiced. Subcontracted services shall be included with supporting documentation such as receipts and invoices from the various subcontractors.
- f. **Hourly Rate:** Required elements to invoice for the hourly rate include the following: Timesheets of the staff showing hours worked and
- g. **Classification/Titles:** Contractor's employee's name and classification/title must agree to the title stipulated in Attachment B and Attachment C of the Contract.
- h. **Reimbursable:** Payment for reimbursable items is subject to supporting documentation requirements identified above in items a – g. County will not pay for reimbursable items without required supporting documentation submitted by Contractor. Parts purchased by Contractor will be reimbursed by County with original receipts and written authority for the purchase from County Project Manager attached.
- i. **Disclaimer:** Payments made by County shall not preclude the right of 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.

Invoices and support documentation are to be forwarded to **(not both)**:

Mailed to John Wayne Airport
Attention: Accounts Payable
3160 Airway Avenue
Costa Mesa, CA 92626

Or

Emailed to AccountsPayable@ocair.com

- 8. All other terms and conditions in this Contract shall remain unchanged and with full force and effect.

Contract Summary Form

Sterling Energy International, Inc.
3001 Red Hill Avenue #6-201, Costa Mesa, CA 92626

SUMMARY OF SIGNIFICANT CHANGES

Beyond the original Operations and Maintenance Services included in this contract scope, support for systems integration and operation of controls for the future photovoltaic and battery energy storage system are also included in this contract.

SUBCONTRACTORS

This contract allows for subcontracting with John Wayne Airport's consent pursuant to Attachment B, Section B, Fees and Charges within the contract amount for the term specified. Should the addition of a subcontractor impact the scope of work and/or contract amount, the department will bring the item back to the Board of Supervisors for approval.

This contract includes the following subcontractors or pass through to other providers.

Subcontractor Name	Service(s)	Amount
Broad USA	Inspection and service of ACH chillers	Varies
Nalco	Monthly audit and testing of water chemistry and chemical supply	Varies
Air Quality Engineers	Perform CGA and CO quarterly emissions testing and RATA and Source testing by schedule	Varies
Tiemy Technical Services	CEMS equipment training and spares support	Varies
Reign Industries	UPS System service and testing support	Varies
Carrier Commercial Service	Quarterly servicing and inspection of CCH chillers	Varies
Sloan Electric	Generator rewind, rebuild and testing of system resistance.	Varies
Cummins	Engine major overhaul and OEM engine spares	Varies

Power Systems Testing	Switchgear, transformer, and relay inspection, testing, and maintenance	Varies
Orange County Welding	Metal fabrication and repairs and specialty machining of components	Varies
The Jankovich Company	Supply of lubricants and coolants	Varies
General Electric	GE Zenith support and spare parts supply.	Varies

CONTRACT OPERATING EXPENSES

The County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

CONTRACT TERM	YEARLY ESTIMATED COST
January 1, 2020 – December 31, 2020	\$3,918,262.37
January 1, 2021 – December 31, 2021	\$3,942,033.23
January 1, 2022 – December 31, 2022	\$3,938,911.40
Total of the Three Years not to exceed amount:	\$11,799,206.99

Classification/Title	Regular Hourly Rate		
	Pay & Benefits	Other	Total Hourly Rate
Project Manager (Salaried Exempt)	\$147.82	\$63.87	\$211.69
Maintenance Manager (Salaried Exempt)	\$93.67	\$56.70	\$150.37
Procurement and Billing Administrator (Hourly Exempt)	\$46.73	\$40.01	\$86.74
Technicians (subject to prevailing wage minimum)	\$75.79	\$45.13	\$120.92
Other Sterling Energy Managers and Engineers	\$147.82	\$63.87	\$211.69
Classification/Title	Over Time Hourly Rate		
	Pay & Benefits	Other	Total Hourly Rate
Project Manager (Salaried Exempt)	Exempt	Exempt	Exempt
Maintenance Manager (Salaried Exempt)	Exempt	Exempt	Exempt
Procurement and Billing Administrator (Hourly Exempt)	\$59.60	\$42.96	\$102.56
Technicians (subject to prevailing wage minimum)	\$99.82	\$50.64	\$150.46
Other Sterling Energy Managers and Engineers	Exempt	Exempt	Exempt

Appropriations for this contract are included in the FY 2019-20 Budget for Airport Operating Fund 280 and will be included in the budgeting process for future years.



**AMENDMENT NUMBER
CONTRACT MA-280-20010615
FOR
COGENERATION/CENTRAL UTILITY PLANT OPERATION,
MAINTENANCE & ENVIRONMENTAL COMPLIANCE SERVICES**

This Amendment is made between the County of Orange, a political subdivision of the State of California through its department John Wayne Airport (“County” or “JWA”), and Sterling Energy International, Inc. (the “Contractor”), which are sometimes individually referred to as a “Party” or collectively referred to as the “Parties.”

Recitals

Whereas, Contractor responded to a Request for Proposal for providing goods and services for County; and

Whereas, the Parties entered into Contract MA-280-20010615 for Cogeneration/Central Utility Plant Operation, Maintenance & Environmental Compliance Services, effective January 1, 2020 through December 31, 2022, in the amount not to exceed \$11,799,206.99 (the “Contract”); and

Whereas, pursuant to Amendment Number One, the Parties increased the ~~prevailing wage~~ rates and replaced Attachment B Contractor’s Pricing; and

Whereas, pursuant to Amendment Number Two, the Parties increased the ~~prevailing wage~~ rates and replaced Attachment B Contractor’s Pricing, Section 3; and

Whereas, the Parties now desire to renew the Contract for two years, effective January 1, 2023 through December 31, 2024, ~~increasing the total contract amount by with a new Contract amount not to exceed \$8,611,667.13567,438,37~~ for a total Not To Exceed amount of \$20,410,874.12 and replace Attachment B Contractor’s Pricing; and amend various sections of the Additional Terms and Conditions to conform with County standard language; and

Now Therefore, in consideration of the mutual obligations set forth herein, the Parties agree as follows:

Articles

1. Section 2 of the Additional Terms and Conditions shall be amended to read in its entirety as follows:

2. Term of Contract

This Contract shall be effective January 1, 2023, through and including December 31, 2024, upon execution of all necessary signatures unless otherwise terminated by County.

2. Section 3 of the Additional Terms and Conditions shall be deleted and amended to read in its entirety as follows:

3. Reserved

3. Section 4 of the Additional Terms and Conditions shall be amended to read in its entirety as follows:

4. Contract Amount Not to Exceed

Contract Amount not to exceed ~~\$8,611,667.13567,438,37~~.

4. Section 13 of the Additional Terms and Conditions shall be deleted and amended to read in its entirety as follows:

13. Reserved

5. Section 75 of the Contract's Additional Terms and Conditions shall be amended to read in its entirety as follows:

75. 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 Deputy Purchasing Agent (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 USPS 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.

County: Orange County Public Works/JWA
Maintenance
Attention: Kevin France
3180 Airway Avenue
Costa Mesa, CA 92626
Phone: (949) 252-6070 Mobile (949) 293-6501
Email: Kevin.France@ocpw.ocgov.com

cc: Orange County Public Works/Procurement
Attention: Gene Duenas, DPA
601 N Ross St.
Santa Ana, CA 92701
Phone: 949-252-5125
Email: gene.duenas@ocpw.ocgov.com

Contractor: Sterling Energy International, Inc.
Attn: Michael O'Leary
3001 Red Hill Avenue #6-201
Costa Mesa, CA 92626
Phone 949-248-2917 Mobile 760-727-7711
Email: MOLeary@Sterling-Energy.com

6. The attendance schedule described, including table pages 50-51 of the Attachment A-1 Vendor's Proposal Revised 101119, shall be deleted and amended to read in its entirety as follows:

A minimum of one knowledgeable Contractor member with the necessary skill sets and experience to operate the CUP shall be on site during these hours.

Days	1/1/23 - 12/31/24
Monday - Friday	5AM - 11:30PM
Weekends and Holidays	5AM - 11:30PM

7. Attachment B, Contractor's Pricing shall be deleted and replaced as attached hereto.

Signature page follows

Signature Page

In Witness Whereof, the Parties have executed this Amendment to the Contract on the dates shown opposite their respective signatures below.

Sterling Energy International, Inc.*

Signature	Name	Title	Date
-----------	------	-------	------

Signature	Name	Title	Date
-----------	------	-------	------

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

- *The first signature must be one of the following: a) Chairman of the Board; b) President; or c) any Vice President.*
- *The second signature must be one of the following: a) Secretary; b) Chief Financial Officer; c) any Assistant Secretary; or d) any 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.*

County Authorized Signature:

		Deputy Purchasing Agent	
Signature	Name	Title	Date

Approved As To Form
Office of the County Counsel
County of Orange, California

Deputy	Date
--------	------

Approved by Board of Supervisors on:

Date

Attachment B
Contractor's Pricing

1. Compensation:

This is a time and materials, not-to-exceed Contract between County and Contractor for Cogeneration/Central Utility Plant Operation, Maintenance and Environmental Compliance Services as set forth in Attachment A, "Scope of Work." Labor rates will be paid according to negotiated rates conforming to prevailing wage tables published by the State of California. Subcontracts and materials shall be passed through and paid at Contractor's cost plus any agreed percent mark-up.

Contractor may schedule required maintenance and order parts or services up to \$5,000.00 without written direction from County; however, parts and services totaling over \$5,000.00 must be approved ahead of time in writing by County Project Manager. The cost of the parts and services will be reimbursed to Contractor as part of the monthly invoice. County reserves the right to subcontract and/or buy parts and services directly (without paying a mark-up or pass-through fee to Contractor). Expenses such as major engine overhauls costing over \$50,000.00 may be procured by County in coordination and with the support of the Contractor.

The Contractor agrees to accept the specified compensation as set forth in this Contract as full payment for performing all services and furnishing all staffing, labor, insurance and bonds, vehicles, equipment, tools, materials, overhead, and travel 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 the Contractor of all its duties and obligations hereunder. The Contractor shall only be compensated as set forth herein for work performed in accordance with the Scope of Work. **The County shall have no obligation to pay any sum in excess of the fixed rates specified herein unless authorized by an amendment in accordance with Articles C. of the County Contract Terms and Conditions.**

2. Withholdings

County shall retain the right to withhold all payments should any provision of this Contract not be completed in a satisfactory manner or in accordance with this Contract. Only the amount associated with disputed performance shall be withheld pending resolution of the dispute. The remaining undisputed amount shall be paid promptly. If payment is withheld, County Project Manager shall notify Contractor in writing of the reasons and what action is required before payment will be made. Otherwise, County shall make payment within thirty (30) days after receipt and approval of the invoice.

3. Fees and Charges

The price must include all fees, shipping, freight, transportation, travel, taxes and any other fees. No other compensation shall be allowed.

County will pay the following fees in accordance with the provisions of this Contract. Payment shall be as follows:

CONTRACT TERM	ESTIMATED YEARLY COST
January 1, 2023 — December 31, 2024 3	\$8,611,667.13 134,258,593.13
January 1, 2024 — December 31, 2024	\$4,308,845.24

Total of the Two Year amount not to exceed:	\$8,567,438.37
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Cogeneration/Central Utility Plant Operation Services

The hourly rates shall be paid for the Contractor’s staff members. Any replacement or addition of staff must be approved in writing by County prior to work being performed. All requirements and expenses related to the performance of work and services set forth in the Scope of Work will be paid on a time-and-materials basis.

Parts, materials, and subcontracted services provided by entities not affiliated with Contractor will be reimbursed by County at the actual cost plus a **4.5%** mark-up.

Title	Time Category	Rates		
		1/1/23 - 6/30/23	7/1/23 - 6/30/24	7/1/24 - 12/31/24
Project Manager	Regular Time	\$227.05 \$227.05	\$233.86 \$233.86	\$240.88 \$240.88
Procurement and Billing Administrator	Regular Time	\$92.43 \$92.43	\$95.20 \$95.20	\$98.06 \$98.06
Technicians	Regular Time	\$129.55 \$126.87	\$133.44 \$130.68	\$137.44 \$134.60
Other Sterling Energy Managers and Engineers	Regular Time	\$227.05 \$227.05	\$233.86 \$233.86	\$240.88 \$240.88
Site Operations Manager	Regular Time	\$161.72 \$161.72	\$166.57 \$166.57	\$171.57 \$171.57
Site Maintenance Manager	Regular Time	\$161.72 \$161.72	\$166.57 \$166.57	\$171.57 \$171.57
Project Manager	Overtime Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt
Procurement and Billing Administrator	Overtime Hourly Rate	\$109.29 \$109.29	\$112.57 \$112.57	\$115.95 \$115.95
Technicians	Overtime Hourly Rate	\$161.02 \$161.02	\$165.85 \$165.85	\$170.83 \$170.83
Other Sterling Energy Managers and Engineers	Overtime Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt
Site Operations Manager	Overtime Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt
Site Maintenance Manager	Overtime Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt

Project Manager	Double Time Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt
Procurement and Billing Administrator	Double Time Hourly Rate	\$126.15 \$126.15	\$129.93 \$129.93	\$133.83 \$133.83
Technicians	Double Time Hourly Rate	\$192.49 \$192.49	\$198.26 \$198.26	\$204.21 \$204.21
Other Sterling Energy Managers and Engineers	Double Time Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt
Site Operations Manager	Double Time Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt
Site Maintenance Manager	Double Time Hourly Rate	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt	Salaried Exempt Salaried Exempt

4. Final Payment

Final payment shall be issued based on the completion of the work as described in this Contract and County Project Manager accepts the all work and JWA issued badges are returned to Badging Office.

5. 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. Vendor shall reference Contract number on invoice. Payment will be net 30 days after receipt of an invoice in a format acceptable to the 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 the Contractor.

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

6. Taxpayer ID Number

The Contractor shall include its taxpayer ID number on all invoices submitted to the County for payment to ensure compliance with IRS requirements and to expedite payment processing.

7. 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. **Request for Payment:** Contractor shall use the JWA request for Payment procedure as defined by the Airport project management system. The Request for Payment form shall be divided according to the tasks set forth in the Attachment A to the Contract. Responsibility for providing an acceptable invoice to County for payment rests with Contractor. Incomplete or incorrect invoices are not acceptable and will be returned to Contractor for correction. A proper invoice shall include all appropriate documentation and information as may be required elsewhere in this Contract.
- b. **Frequency:** Contractor shall request payment for work performed once per month with required supporting documentation and to the reasonable satisfaction of the County.
- c. **Status Report:** A Scope of Work status report shall be submitted at the same time as submission of each Request for Payment. The status report shall include a written narrative of work performed during the invoicing period.
- d. **Payment:** County shall be responsible for remitting payment within thirty (30) calendar days of the date of receipt of invoice in a format acceptable to County.
- e. **Services:** Billing shall cover services and/or goods not previously invoiced. Subcontracted services shall be included with supporting documentation such as receipts and invoices from the various subcontractors.
- f. **Hourly Rate:** Required elements to invoice for the hourly rate include the following: Timesheets of the staff showing hours worked and
- g. **Classification/Titles:** Contractor's employee's name and classification/title must agree to the title stipulated in Attachment B and Attachment C of the Contract.
- h. **Reimbursable:** Payment for reimbursable items is subject to supporting documentation requirements identified above in items a – g. County will not pay for reimbursable items without required supporting documentation submitted by Contractor. Parts purchased by Contractor will be reimbursed by County with original receipts and written authority for the purchase from County Project Manager attached.
- i. **Disclaimer:** Payments made by County shall not preclude the right of 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.

Invoices and support documentation are to be forwarded to **(not both)**:

Mailed to John Wayne Airport
Attention: Accounts Payable
3160 Airway Avenue
Costa Mesa, CA 92626

Or

Emailed to AccountsPayable@ocair.com

8. All other terms and conditions in this Contract shall remain unchanged and with full force and effect.