

**CITY OF FAIRFIELD**

**RESOLUTION NO. 2011 - 195**

**RESOLUTION OF THE CITY COUNCIL APPROVING THE PLANS AND SPECIFICATIONS AND AWARDING A CONTRACT TO PRESTON PIPELINES, FOR THE EAST-WEST 36-INCH WATER TRANSMISSION PIPELINE SEGMENT 2 PROJECT**

**WHEREAS**, the bid opening for the East-West 36-inch Water Transmission Pipeline Segment 2 Project took place on September 6, 2011; and

**WHEREAS**, the apparent low bidder was Preston Pipelines, in the amount of \$2,498,033; and

**WHEREAS**, staff has reviewed the bid from Preston Pipelines and found it to be in order.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF FAIRFIELD HEREBY RESOLVES:**

**Section 1.** The plans and specifications for the East-West 36-inch Water Transmission Pipeline Segment 2 Project are hereby approved.

**Section 2.** The City Manager is authorized to enter into a contract with Preston Pipelines, for the East-West 36-inch Water Transmission Pipeline Segment 2 Project in the amount of \$2,498,033.00.

**Section 3.** The City Manager is authorized to enter into an escrow agreement for security deposits in lieu of retention for said contract, if necessary.

**Section 4.** The City Manager is hereby authorized to implement the above-mentioned contract.

**PASSED AND ADOPTED** this 4th day of October 2011, by the following vote:

AYES: COUNCILMEMBERS: Price/Timm/Moy/Mraz/Vaccaro

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: None

ABSTAIN: COUNCILMEMBERS: None

Harry F. Price  
MAYOR

ATTEST:

Arletta K. Cortright  
CITY CLERK

pw

CITY OF FAIRFIELD  
STATE OF CALIFORNIA

PROPOSAL

**EAST-WEST WATER TRANSMISSION PIPELINE  
SEGMENT 2, 36-INCH**

To the City Clerk of the City of Fairfield:

The undersigned declares that he has examined the locations of the proposed work, that he has examined the plans, specifications, and all the contract documents, and hereby proposes to furnish all materials, labor, equipment, and perform all the work in strict accordance with said plans, specifications, and contract documents in consideration of the attached schedule.

The undersigned further agrees that, upon written acceptance of this bid, he will within 15 working days of receipt of such notice execute a formal contract agreement with the City of Fairfield, with necessary bonds and certificate and city standard form endorsement of insurance. He also agrees that, in the case of default in executing the contract, the proceeds of the check or bond accompanying his bid shall become the property of the City of Fairfield.

The undersigned agrees that, if awarded the contract, he will commence the work upon written notice to proceed and shall diligently prosecute the same to completion before the expiration of **200 calendar days** from the date of said written notice to proceed.

Bids are to be submitted for the entire work.

The amount of the bid for comparison purposes will be total amount of bid.

The bidder shall set forth for each unit basis item of work an item price and a total for the item, and for each lump sum item a total for the item, all in clearly legible figures in the respective spaces provided for this purpose. In the case of unit basis items, the amount set forth under the "Total" column shall be the extension of the item price bid on the basis of the estimated quantity for this item.

In case of discrepancy between the item price and the total set forth for a unit basis item, the item price shall prevail, provided, however, if the amount set forth as an item price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Total" column, then the amount set forth in the "Total" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the item price.

The following quantities are approximate only, being given as a basis for the comparison of bids, and the City of Fairfield does not expressly or by implication agree that the actual amount of work will correspond therewith and reserves the right to increase or decrease the amount of any portion of the work or to omit portions of the work as may be deemed necessary or advisable by

Bidder acknowledges receipt of the following addenda:

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**EAST-WEST 36" WATER TRANSMISSION PIPELINE  
SEGMENT 2, 36-INCH  
BID SCHEDULE**

Item No.	Item of Work	Unit	Quantity	Item Price	Total Price
1	MOBILIZATION	LS	1	123,000-	123,000-
2	TRAFFIC CONTROL	LS	1	20,000-	20,000-
3	TEMPORARY ORANGE PLASTIC FENCING	LF	3500	3-	10,500-
4	EROSION CONTROL AND SWPPP	LS	1	21,000-	21,000-
5	CLEARING AND GRUBBING	LS	1	2,700-	2,700-
6	UTILITY TRENCHING AND BACKFILL	LF	2772	108-	299,376-
7	SHORING	LS	1	47,000-	47,000-
8	DEWATERING	LS	1	188,000-	188,000- <sup>me</sup>
9	54-INCH STEEL CASING (BORE AND JACK)	LF	521	1,100-	573,100-
10	36-INCH WATER TRANSMISSION PIPELINE	LF	3293	168-	553,224-
11	36-INCH BUTTERFLY VALVE	EA	1	16,500-	16,500-
12	8-INCH COMBINATION AIR VALVE	EA	3	8,500-	25,500-
13	8-INCH BLOW-OFF ASSEMBLY AND COVER	EA	3	6,600-	19,800-
14	6-INCH TEMPORARY BLOW-OFF ASSEMBLY AND COVER	EA	1	6,200-	6,200-
15	ACCESS MANHOLE	EA	4	14,000-	56,000-
16	PRESSURE REDUCING VALVE (PRV) VAULT	LS	1	56,000-	56,000-
17	16-INCH DUCTILE IRON WATER PIPELINE	LF	79	220-	17,380-
18	16-INCH BUTTERFLY VALVE	EA	4	3,300-	13,200-
19	12-INCH WATER PIPE BY-PASS	LF	18	200-	3,600-
20	12-INCH GATE VALVE	EA	1	2,300-	2,300-
21	10-INCH PRESSURE REDUCING VALVE (PRV)	EA	1	11,000-	11,000-
22	PAINTING AND COATING	LS	1	9,250-	9,250-
23	CATHODIC PROTECTION	LS	1	55,000-	55,000-
24	TESTING AND SANITIZING OF PIPING SYSTEM	LS	1	118,000-	118,000-
25	COLD PLANE ASPHALT CONCRETE PAVEMENT	LF	724	7-	5,068-
26	BASE FAILURE REPAIR	CY	25	175-	4,375-

Item No.	Item of Work	Unit	Quantity	Item Price	Total Price
27	PAVEMENT REINFORCING FABRIC	SY	4690	2-	9,380-
28	ASPHALT CONCRETE OVERLAY	TNS	890	235-	209,150-
29	SHOULDER BACKING	LF	3010	3-	9,030-
30	TRAFFIC STRIPING AND PAVEMENT MARKERS	LS	1	9,000-	9,000-
31	2-INCH PRIVATE WATER LINE	LF	200	22-	4,400-

Total = \$ 2,498,033.00

**Bidder shall complete this form legibly and in its entirety. An incomplete form shall be grounds for disqualification of the bid.**

**EAST-WEST WATER TRANSMISSION PIPELINE  
SEGMENT 2, 36-INCH**

**DESIGNATION OF SUBCONTRACTORS**

In accordance with Section 5 of the General Provisions for this contract, the following list of subcontractors is submitted with the proposal and made a part thereof. **The bidder shall note that he shall perform with his own organization at least 50% of the work with the remainder of the work performed by subcontractors.**

If the Contractor fails to specify a subcontractor for any portion of the work to be performed under the contract, he shall be deemed to have agreed to perform such portion himself, and he shall not be permitted to subcontract that portion of the work except under the conditions hereinafter set forth.

Subletting or subcontracting of any portion of the work for which no subcontractor was designated in the original bids shall only be permitted in cases of public emergency or necessity, and then only after receiving written approval from the Engineer.

The name and location of the shop or office of each subcontractor who will perform work or labor or render service to the Contractor in or about the construction of the project and that portion of the work to be performed by the subcontractor is as follows:

Subcontractor's Name and Address	Subcontractor's License Number	Portion of Work or Items to be performed	Percent of Total
1) Pacific Boring Carruthers, CA	553794	Jack & Bore	17%
2) Viking Drillers W. Sacramento, CA	476668	Dewatering-Partial	6%
3) Am Stephens Lodi, CA	404723	AC Overlay	5%
4)			
5)			
6)			


Note: Attach additional sheets if required

NONCOLLUSION AFFIDAVIT TO BE EXECUTED BY BIDDER  
AND SUBMITTED WITH BID

Gary Menges, being first duly sworn, deposes and says that he or she is  
Secretary of Preston Pipelines, Inc.  
the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any  
undisclosed person, partnership, company, association, organization, or corporation; that the bid  
is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or  
solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded,  
conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that  
anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly,  
sought by agreement, communication, or conference with anyone to fix the bid price of the  
bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of  
that of any other bidder, or to secure any advantage against the public body awarding the  
contract of anyone interested in the proposed contract; that all statements contained in the bid  
are true; and further, that the bidder has not, directly or indirectly, submitted his or her bid price  
or any breakdown thereof, or the contents thereof, or divulged information or data relative  
thereto, or paid, and will not pay, any fee to any corporation, partnership, company association,  
organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham  
bid.

I certify (or declare) under penalty of perjury under the laws of the State of California that the  
foregoing is true and correct.

8/31/11  
(Date)

  
(Signature)

NOTE: THIS FORM MUST BE NOTARIZED.

PLEASE SEE ATTACHED CERTIFICATE.

State of California  
County of Santa Clara

Subscribed and sworn to (or affirmed) before me on this 31  
day of August, 2011, by Gary Menges

proved to me on the basis of satisfactory evidence to be the  
person(s) who appeared before me.



(Seal)

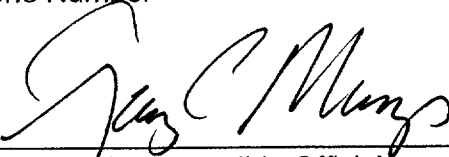
Signature I Kurysh  
Irina Kurysh - Notary Public



Preston Pipelines, Inc.  
Name of Firm

133 Bothelo Avenue  
Milpitas, CA 95035  
Business Address

408-262-1418  
Phone Number

  
Signature of Responsible Official

Contractor's License:

a. Class: A, C16, C34, C42 HAZ

b. Number: 367660

c. Expiration Date: 12/31/2012

FEI Number: 94-2508467

If corporation or partnership, give legal name of corporation, president, secretary, treasurer, or names of all partners.

PRESTON PIPELINES, INC.

Mike Preston - President

Geraldine Malloy - VP/GM

Gary Menges - Secretary

John Soares - CFO

## BID BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Fairfield ("City") has issued an invitation for bids for the work described as follows:

### EAST-WEST WATER TRANSMISSION PIPELINE SEGMENT 2, 36-INCH

WHEREAS PRESTON PIPELINES, INC.

133 Bothelo Avenue, Milpitas, CA 95035

*(Name and address of Bidder)*

("Contractor") desires to submit a bid to City for the work.

WHEREAS, bidders are required under the provisions of the California Public Contract Code to furnish a form of bidder's security with their bid.

NOW, THEREFORE, we, the undersigned Contractor, as Principal, and SAFECO INSURANCE  
COMPANY OF AMERICA

1001 4th Avenue, Suite 1700, Seattle, WA 98154,

*(Name and address of Surety)*

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto City in the penal sum of Ten Percent of Total Amount

Bid

Dollars (~~\$~~ 10%), being not less than ten percent (10%) of the total bid price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Contractor is awarded a contract for the work by City and, within the time and in the manner required by the bidding specifications, enters into the written form of contract included with bidding specifications, furnishes the required bonds, one to guarantee faithful performance and the other to guarantee payment for labor and materials, and furnishes the required insurance coverages, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

In case suit is brought upon this bond, Surety further agrees to pay all court costs incurred by City in the suit and reasonable attorneys' fees in an amount fixed by the court. Surety hereby waives the provisions of California Civil Code § 2845.

IN WITNESS WHEREOF, this instrument has been duly executed by Contractor and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: August 30, 2011

"Contractor"

PRESTON PIPELINES, INC.

Gary Menges-Secretary

By: 

Title

By: N/A

Title

"Surety"

SAFECO INSURANCE COMPANY OF AMERICA

Julia Grimes, Attorney-in-Fact

By: 

Title: Attorney-in-Fact

By: n/a

Title

(Seal)

(Seal)

*Note: This bond must be dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.*

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

**SAFECO INSURANCE COMPANY OF AMERICA  
SEATTLE, WASHINGTON  
POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS: That Safeco Insurance Company of America (the "Company"), a Washington stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint JAMES W. UNTIEDT, MICHAEL E. SHEAHAN, JULIA GRIMES, JEANETTE CONLEY, PATRICK MOUGHAN, RICHARD S. SVEC, ANNA SWEETEN, LINDA K. LAMARR, MICHAEL J. HEFFERNAN, GEOFFREY R. GREEN, ALL OF THE CITY OF SAN JOSE, STATE OF CALIFORNIA.....

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding FOUR HUNDRED FIFTY MILLION AND 00/100\*\*\*\*\* DOLLARS (\$ 450,000,000.00\*\*\*\*\* ) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

**ARTICLE IV - Officers: Section 12. Power of Attorney.**

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitations as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article IV, Section 12 of the By-laws, David M. Carey, Assistant Secretary of Safeco Insurance Company of America, is authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Safeco Insurance Company of America has been affixed thereto in Plymouth Meeting, Pennsylvania this 11th day of July, 2011.



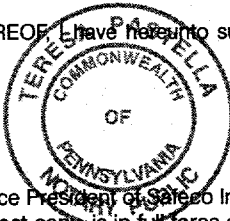
**SAFECO INSURANCE COMPANY OF AMERICA**

By David M. Carey  
David M. Carey, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 11th day of July, 2011, before me, a Notary Public, personally came David M. Carey, to me known, and acknowledged that he is an Assistant Secretary of Safeco Insurance Company of America; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Safeco Insurance Company of America thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Notarial Seal  
Teresa Pastella, Notary Public  
Plymouth Twp., Montgomery County  
My Commission Expires Mar. 28, 2013  
Member, Pennsylvania Association of Notaries

By Teresa Pastella  
Teresa Pastella, Notary Public

**CERTIFICATE**

I, the undersigned, Vice President of Safeco Insurance Company of America, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Officer specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article IV, Section 12 of the By-laws of Safeco Insurance Company of America.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Safeco Insurance Company of America at a meeting duly called and held on the 18th day of September, 2009.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 30th day of August, 2011.



By Gregory W. Davenport  
Gregory W. Davenport, Vice President

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

STATE OF CALIFORNIA

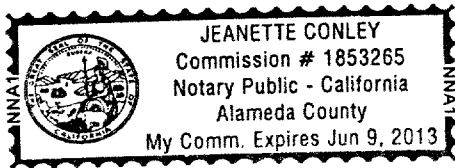
COUNTY OF SANTA CLARA

ss.

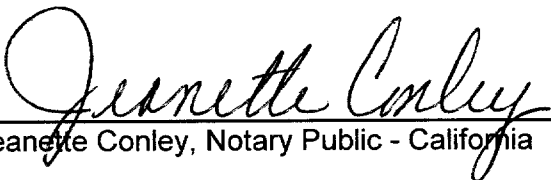
On August 30, 2011, before me, Jeanette Conley, Notary Public, personally appeared Julia Grimes, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

  
Jeanette Conley, Notary Public - California

Description of Attached Document:

## ACKNOWLEDGMENT

State of California  
County of Santa Clara )

On August 31, 2011 before me, Leaundra Kasprzak, Notary Public  
(insert name and title of the officer)

personally appeared Gary A. Menges  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in  
his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

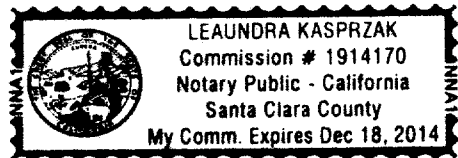
WITNESS my hand and official seal.

Signature



(Seal)


Leaundra Kasprzak, Notary Public



## CORPORATE RESOLUTION

I, the undersigned Secretary of Preston Pipelines, Inc. (the "Corporation"), HEREBY CERTIFY that at a meeting of the Directors of the Corporation, duly called and held on April 30, 2008, at which a quorum was present and voting, or by other duly authorized corporate action in lieu of a meeting, the following resolution was adopted:

BE IT RESOLVED, that any one (1) of the following named officers, employees, or agents of this Corporation, whose actual signatures are shown below:

<u>NAMES</u>	<u>POSITIONS</u>	<u>ACTUAL SIGNATURES</u>
Gary Menges	Vice President-Secretary	X 

acting for and on behalf of the Corporation and as its act and deed be, and they hereby are, authorized and empowered:

**Execute Documents.** To execute and deliver to Clients agreements, bid documents, and other documents which may be required by Clients for the conducting of any and all business of this corporation relative to this corporation, Preston Pipelines, Inc.

BE IT FURTHER RESOLVED, that until such authority is revoked by action of the Board of Directors of this corporation and by written notification to Clients and that this corporation hereby agrees to and accepts the provisions and conditions set forth on this document.

I FURTHER CERTIFY that the officers, employees, and agents named above are duly elected, appointed, or employed by or for the Corporation, as the case may be, and occupy the positions set opposite their respective names; that the foregoing Resolution now stand of record on the books of the Corporation; and that the Resolutions are in full force and effect and have not been modified or revoked in any manner whatsoever.

IN TESTIMONY WHEREOF, I have hereunto set my hand on January 27, 2010 and attest that the signatures set opposite the names listed above are their genuine signatures.

CERTIFIED TO AND ATTESTED BY:

x   
David Heslop-Vice President

NOTE: In case the Secretary is designated by the foregoing resolutions as one of signing officers, it is advisable to have this certificate signed by a second Officer or Director of the Corporation.



State Of California  
CONTRACTORS STATE LICENSE BOARD  
ACTIVE LICENSE



License Number

**367660**

Entity **CORP**

Business Name

**PRESTON PIPELINES INC**

Classification(s) **A C16 C34 C42 HAZ**

Expiration Date **12/31/2012**

[www.cslb.ca.gov](http://www.cslb.ca.gov)



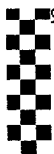
Any change of business address/name must be reported to the Registrar within 90 days.

This license is not transferrable, and shall be returned to the Registrar upon demand when suspended, revoked, or invalidated for any reason.  
This pocket card is valid through the expiration date only.

If found, drop in any mailbox.  
Postage guaranteed by:  
Contractors State License Board  
P.O. Box 26000, Sacramento CA 95826

Licensee Signature





CITY OF FAIRFIELD  
STATE OF CALIFORNIA

EAST-WEST WATER TRANSMISSION PIPELINE SEGMENT 2

Addendum No. 1

September 1, 2011

This constitutes Addendum No. 1 to the Contract Documents for the EAST-WEST 36" WATER TRANSMISSION PIPELINE SEGMENT 2. The Bidder shall acknowledge receipt of this Addendum on Page P-2 of the Bidder's Proposal (Blue Section) and attach this signed Addendum to the Bidder's Proposal when submitted.

**ADDITIONAL ITEM**

- 1) East West 36" Water Transmission Pipeline Segment 1 plans are available on the City website, which can be accessed by following the following link:

[http://www.fairfield.ca.gov/gov/depts/pw/ccp/current\\_capital\\_projects.asp](http://www.fairfield.ca.gov/gov/depts/pw/ccp/current_capital_projects.asp).

**PROJECT SPECIFICATIONS**

**Proposal (blue section) and Agreement (white section)**

- 1) BID SCHEDULES, Pages P-3 and A-4, Item No. 18, 16-inch Butterfly Valve, the Quantity should read "4" instead of "2". Revised pages attached.

**Special Provisions & Technical Specifications (goldenrod section):**

- 2) Section 02400 "Steel Water Pipe"; Part 2.3 "Pipe Design Criteria"; Item C and Part 2.4, "Design Specials", Item B, replace the items as follows:

"C. *Unless otherwise indicated, Pw shall be assumed to equal the indicated pipe pressure class and Pt shall be assumed to equal 1.33 Pw. In no case shall the design stress (Y/Sw) exceed 16,500 psi at design working pressure, Pw, nor shall the design stress (Y/St) exceed 22,000 psi at design transient pressure, Pt, nor shall the steel shell thickness be less than No. 10 gauge (0.135 in.) or the nominal pipe diameter divided by 240, whichever is greater, as shown in the following table:*

Nominal Pipe Diameter (in.)	Minimum Cylinder Thickness (in.)
6 - 30	0.135
36	0.150
42	0.175
48	0.200
54	0.225"

- "B. In no case shall the design stress at design working pressure (Y/Sw) for Steel Water Pipe exceed 16,500 psi or 22,000 psi at design transient pressure (Y/St), nor shall plate thickness be less than the thickness of adjacent mainline pipe or the following:

*Pipe Manifolds Elbows*

Nominal Pipe Diameter (in.)	Piping above Ground Piping in Structures	Bends Reducers
24 and under	3/16 - inch	10 - ga.
25 to 48	1/4 - inch	1/4 - inch
over 48	5/16 - inch	5/16 - inch"

- 3) Page 02200-1, Item 1.1 "The Requirement", Section C. Add to the end of the last sentence:

"... and on the city website at:  
[http://www.fairfield.ca.gov/gov/depts/pw/ccp/current\\_capital\\_projects.asp](http://www.fairfield.ca.gov/gov/depts/pw/ccp/current_capital_projects.asp)."

- 4) Page 01576-1 Item 1.5 Notification Part A, add to the end of the paragraph:

"Contractor shall coordinate with City of Fairfield Transit Manager, Mona Babauta, (listed in Exhibit A) for any work impacting Pennsylvania Avenue transit routes, including road closures."

## **PROJECT PLANS**

- 1) Sheet C1, replace the DESIGN CRITERIA notes with the following:

**"DESIGN CRITERIA**

1. DESIGN PIPE PRESSURE: CLASS 200
2. NORMAL OPERATING / WORKING PRESSURE: 130 PSI
3. TEST PRESSURE: 180
4. MINIMUM DESIGN DEPTH OF COVER FOR PIPE THICKNESS DESIGN: 10 FEET"

- 2) Sheet C4, on Section A for Sheet 5, change the directions for connecting to the existing 16-inch water line using a "Hot Tap Connection" listed at STA 156+83.50 51.90 RT to read:

*"CUT IN TO EX 16" W WITH TEE CONNECTION, 16" INV 2.30±"*

- 3) Sheet C11, Detail 1, PRESSURE REDUCING VALVE VAULT, VALVE SCHEDULE TABLE, change Valve No. PV-4 to read:

*"PV-4 BUTTERFLY 16" 150B MANUAL W/ NUT"*

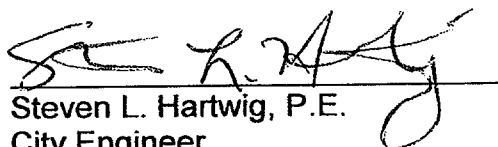
- 4) Sheet C11, Detail 1, PRESSURE REDUCING VALVE VAULT, PLAN VIEW, replace the note associated with Valve PV-4 referring to a "Hot Tap Connection" to read:

*"CUT IN TO EX 16" W WITH TEE CONNECTION"*

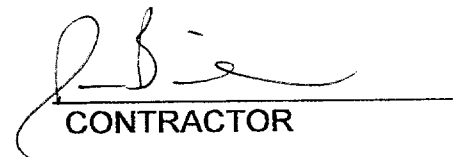
- 5) Sheet C1, Pipe Joint Note, add after the last sentence:

*"A double welded lap joint can be a substitute for a Carnegie rubber gasket joint."*

APPROVED:

  
Steven L. Hartwig, P.E.  
City Engineer

ACKNOWLEDGEMENT:

  
CONTRACTOR

## ARTICLES OF AGREEMENT

THIS AGREEMENT, made on the 4th day of October 2011, by and between CITY OF FAIRFIELD, party of the first part, hereinafter called the CITY, and Preston Pipelines, Inc. party of the second part, hereinafter called the CONTRACTOR.

It is understood Engineer representing the CITY shall be the City Engineer of Fairfield, acting directly or through properly authorized agents.

WITNESSETH, that the CONTRACTOR and the CITY, for the consideration hereinafter named, agree as follows:

### I. SCOPE OF WORK

The CONTRACTOR hereby agrees to furnish all of the materials and all of the equipment and labor necessary and to perform all of the work shown on the plans and described in the specifications for the project entitled:

#### **EAST-WEST WATER TRANSMISSION PIPELINE SEGMENT 2, 36-INCH**

all in accordance with the requirements and provisions of the following Documents which are hereby made a part of this Agreement:

- a. Plans prepared for same by C+D Infrastructure Engineers  
numbered C1 through C13 and CP-1 through CP-6 (19 pages total)  
and dated August 1, 2011
- b. Advertisement for Bids.
- c. The Accepted Bid, dated August 31, 2011
- d. Instructions to Bidders.
- e. Specifications consisting of:
  - 1) Specific Provisions.
  - 2) Special Provisions.
  - 3) General Provisions.
  - 4) City of Fairfield Standard Details and Specifications, 1998 edition.
  - 5) Standard Specifications issued by State of California, Department of Transportation, Division of Highways, dated May 2005.

- f. Performance Bond, dated \_\_\_\_\_, 20\_\_.
- g. Labor and Material Bond, dated \_\_\_\_\_, 20\_\_.

All of said documents are intended to cooperate so that any work called for in one and not mentioned in another, or vice versa, is to be executed and performed the same as if mentioned in all of said documents. Said documents, comprising the complete Contract, are sometimes hereinafter referred to as the Contract Documents. Should there be any conflict between the terms of this instrument and the bid or proposal of CONTRACTOR or any of the other Contract Documents, this instrument shall control.

## II. TIME OF COMPLETION

- a. The work to be completed under this Contract shall be commenced upon written notice to proceed.
- b. The work shall be completed within **200** calendar days after the date of written notice to proceed.
- c. Failure to complete the work within the number of days stated in this Article, including extension granted thereto as determined by the Engineer, shall entitle the City to deduct from the monies due to the CONTRACTOR as "Liquidated Damages" (LDs) an amount equal to **One Thousand Dollars (\$1000)** for each calendar day or fraction thereof that expires after the time specified herein of the Contractor to complete the work and the facility or improvements are useable for its intended use. LDs shall apply cumulatively and shall be presume to be damages suffered by the City resulting from delay in the completion of work.
- d. Liquidated Damages for delay in completion of work shall only cover administrative, overhead, general loss of public use damages, interest on bonds and lost revenues when applicable, suffered by the City as a result of delay. LDs shall not cover the cost to complete the work, damages resulting for defective work, costs of substitute facilities, or damages suffered by others who seek to recover their damages for the City (for example, delay claims from other contractors, sub-contractors, tenants, or third-parties, and defense costs thereof.

III. CONTRACT SUM

- a. The CITY shall pay to the CONTRACTOR for the performance of the Contract the amounts determined for the total number of each of the following units of work completed at the unit price stated thereafter. The number of units contained in the attached schedule is approximate only, and the final payment shall be made for the actual number of units that are incorporated in or made necessary by the work covered by the Contract.
- b. Extra work not included in Article I, but authorized after the date of the Contract that cannot be classified as coming under any of the Contract units, may be done at mutually agreed-upon unit prices, or on a lump sum basis, or under the provisions of Section 6 of the General Provisions.

**EAST-WEST 36" WATER TRANSMISSION PIPELINE  
SEGMENT 2, 36-INCH  
BID SCHEDULE**

Item No.	Item of Work	Unit	Quantity	Item Price	Total Price
1	MOBILIZATION	LS	1	123,000	123,000
2	TRAFFIC CONTROL	LS	1	20,000	20,000
3	TEMPORARY ORANGE PLASTIC FENCING	LF	3500	3	10,500
4	EROSION CONTROL AND SWPPP	LS	1	21,000	21,000
5	CLEARING AND GRUBBING	LS	1	2,700	2,700
6	UTILITY TRENCHING AND BACKFILL	LF	2772	108	299,376
7	SHORING	LS	1	47,000	47,000
8	DEWATERING	LS	1	188,000	188,000
9	54-INCH STEEL CASING (BORE AND JACK)	LF	521	1,100	573,100
10	36-INCH WATER TRANSMISSION PIPELINE	LF	3293	168	553,224
11	36-INCH BUTTERFLY VALVE	EA	1	16,500	16,500
12	8-INCH COMBINATION AIR VALVE	EA	3	8,500	25,500
13	8-INCH BLOW-OFF ASSEMBLY AND COVER	EA	3	6,600	19,800
14	6-INCH TEMPORARY BLOW-OFF ASSEMBLY AND COVER	EA	1	6,200	6,200
15	ACCESS MANHOLE	EA	4	14,000	56,000
16	PRESSURE REDUCING VALVE (PRV) VAULT	LS	1	56,000	56,000
17	16-INCH DUCTILE IRON WATER PIPELINE	LF	79	220	17,380
18	16-INCH BUTTERFLY VALVE	EA	4	3,300	13,200
19	12-INCH WATER PIPE BY-PASS	LF	18	200	3,600
20	12-INCH GATE VALVE	EA	1	2,300	2,300
21	10-INCH PRESSURE REDUCING VALVE (PRV)	EA	1	11,000	11,000
22	PAINTING AND COATING	LS	1	9,250	9,250
23	CATHODIC PROTECTION	LS	1	55,000	55,000
24	TESTING AND SANITIZING OF PIPING SYSTEM	LS	1	118,000	118,000
25	COLD PLANE ASPHALT CONCRETE PAVEMENT	LF	724	7	5,068
26	BASE FAILURE REPAIR	CY	25	175	4,375

27	PAVEMENT REINFORCING FABRIC	SY	4690	2	9,380
28	ASPHALT CONCRETE OVERLAY	TNS	890	235	209,150
29	SHOULDER BACKING	LF	3010	3	9,030
30	TRAFFIC STRIPING AND PAVEMENT MARKERS	LS	1	9,000	9,000
31	2-INCH PRIVATE WATER LINE	LF	200	22	4,400

Total = \$2,498,033



IV. PROHIBITED INTERESTS

No employee of the City of Fairfield shall have any direct financial interest in this contract. This contract shall be voidable at the option of the City if this provision is violated.

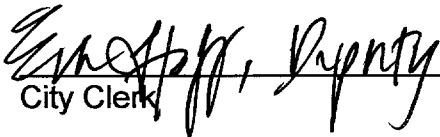
V. WORKERS' COMPENSATION

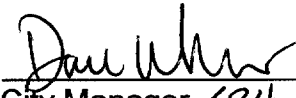
Contractor hereby certifies that Contractor is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and that Contractor will comply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

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

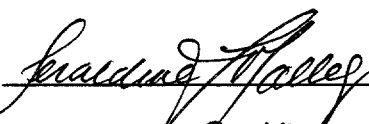
WITNESS:

CITY OF FAIRFIELD

  
City Clerk

By:   
for City Manager *GDH*

Preston Pipelines, Inc.  
CONTRACTOR

By:   
Geraldine Malloy  
Executive VP/Chief Operations Officer  
Title

Licensed in accordance with an act providing for the registration of contractors.

Contractor's License:

a. Class: A, C16, C34, C42, HAZ  
b. Number: 367660  
c. Expiration Date: 12/31/2012  
FEI Number: 94-2508467

### EDD REPORTING REQUIREMENTS CHECKLIST

Effective January 1, 2001 the State Employment Development Department (EDD) requires the following.

Please complete the following: (To be complete by the department)

Department: \_\_\_\_\_ Date of Contract: \_\_\_\_\_  
Authorized by Res. No.: \_\_\_\_\_ Contract Expiration Date: \_\_\_\_\_  
Person Reviewing EDD Requirements: \_\_\_\_\_ Phone: \_\_\_\_\_

**EDD REPORTING REQUIREMENTS.** When CITY executes an agreement for or makes payment to CONSULTANT in the amount of \$600 (six hundred dollars) or more in any one calendar year, CONSULTANT shall provide the following information to CITY to comply with EDD reporting requirements:

- A. Whether CONSULTANT is doing business as a sole proprietorship, partnership, limited liability partnership, corporation, limited liability corporation, non-profit corporation or other form of organization.
- B. If CONSULTANT is doing business as a sole proprietorship, CONSULTANT shall provide the full name, address and social security number or federal tax identification number of the sole proprietor.
- C. If CONSULTANT is doing business as other than a sole proprietorship, CONSULTANT shall provide CONSULTANT's federal tax identification number.

\*\*\*\*\*  
\*\*\*\*\*

Dear Contracting Company:

Pursuant to your contract with the above-mentioned City of Fairfield Department, you are required to complete box 1 AND box 2 below.

Please indicate the type of business and provide the information requested:

#### BOX 1

NAME AND ADDRESS	
FULL NAME	Preston Pipelines, Inc.
ADDRESS	133 Bothelo Ave
CITY, STATE, ZIP	Milpitas, CA 95035

AND

#### BOX 2

X Box	TYPE OF BUSINESS	SOCIAL SECURITY NUMBER AND/OR FEDERAL ID NUMBER
	SOLE PROPRIETORSHIP	
	PARTNERSHIP	
	LIMITED LIABILITY PARTNERSHIP	
X	CORPORATION	Fed ID 94-2508467
	LIMITED LIABILITY CORPORATION	
	NON-PROFIT CORPORATION	
	OTHER FORM OF ORGANIZATION	

PLEASE RETURN THIS FORM WITH THE SIGNED CONTRACT TO THE CITY OF FAIRFIELD

Bond No. 070011015  
Premium Amount: \$23,908.00

## PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Fairfield ("City") has awarded to PRESTON PIPELINES, INC.

133 Bothelo Avenue

Milpitas, CA 95035

*(Name and address of Contractor)*

("Contractor") a contract (the "Contract") for the work described as follows:

### EAST-WEST WATER TRANSMISSION PIPELINE SEGMENT 2, 36-INCH

WHEREAS, Contractor is required under the terms of the Contract to furnish a bond for the faithful performance of the Contract.

NOW, THEREFORE, we, the undersigned Contractor, as Principal, and SAFECO INSURANCE

COMPANY OF AMERICA

1001 4th Avenue, Suite 1700, Seattle, WA 98154

*(Name and address of Surety)*

("Surety") a duly admitted surety insurer under the laws of the State of California, as

Surety, are held and firmly bound unto City in the penal sum of Two Million Four Hundred

Ninety Eight Thousand Thirty Three and 00/100

Dollars (\$2,498,033.00), this amount being not less than one hundred percent (100%) of the total contract price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Contractor, his, her or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform all the undertakings, terms, covenants, conditions and agreements in the Contract and any alteration thereof made as therein provided, on the Contractor's part to be kept and performed, all within the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and hold harmless City, its officers, agents, and others as therein provided, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

In case suit is brought upon this bond, Surety further agrees to pay all court costs and reasonable attorneys' fees in an amount fixed by the court.

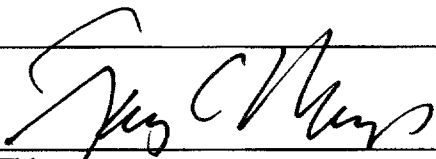
FURTHER, the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, addition or modification to the terms of the Contract, or of the work to be performed thereunder, or the specifications for the same, shall in any way affect its obligations under this bond, and it does hereby waive notice of any such change, extension of time, alteration, addition, or modification to the terms of the Contract or to the work or to the specifications thereunder. Surety hereby waives the provisions of California Civil Code §§ 2845 and 2849. City is the principal beneficiary of this bond and has all rights of a party hereto.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Contractor and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: October 19, 2011

"Contractor"

PRESTON PIPELINES, INC.

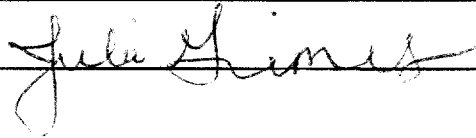
By: 

Title Gary Menges-Secretary

By: n/a  
Title \_\_\_\_\_

"Surety"

SAFECO INSURANCE COMPANY OF AMERICA



By: Julia Grimes  
Title: Attorney-in-Fact

By: n/a  
Title \_\_\_\_\_

(Seal)

(Seal)

*Note: This bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.*

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

SAFECO INSURANCE COMPANY OF AMERICA  
SEATTLE, WASHINGTON  
POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That Safeco Insurance Company of America (the "Company"), a Washington stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint JAMES W. UNTIEDT, MICHAEL E. SHEAHAN, JULIA GRIMES, JEANETTE CONLEY, PATRICK MOUGHAN, RICHARD S. SVEC, ANNA SWEETEN, LINDA K. LAMARR, MICHAEL J. HEFFERNAN, GEOFFREY R. GREEN, ALL OF THE CITY OF SAN JOSE, STATE OF CALIFORNIA.....

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding FOUR HUNDRED FIFTY MILLION AND 00/100\*\*\*\*\* DOLLARS (\$ 450,000,000.00\*\*\*\*\* ) each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

ARTICLE IV - Officers: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitations as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article IV, Section 12 of the By-laws, David M. Carey, Assistant Secretary of Safeco Insurance Company of America, is authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Safeco Insurance Company of America has been affixed thereto in Plymouth Meeting, Pennsylvania this 11th day of July, 2011.



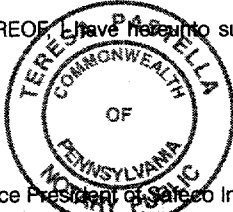
SAFECO INSURANCE COMPANY OF AMERICA

By David M. Carey  
David M. Carey, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 11th day of July, 2011, before me, a Notary Public, personally came David M. Carey, to me known, and acknowledged that he is an Assistant Secretary of Safeco Insurance Company of America; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Safeco Insurance Company of America thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Notarial Seal  
Teresa Pastella, Notary Public  
Plymouth Twp., Montgomery County  
My Commission Expires Mar. 28, 2013  
Member, Pennsylvania Association of Notaries

By Teresa Pastella  
Teresa Pastella, Notary Public

CERTIFICATE

I, the undersigned, Vice President of Safeco Insurance Company of America, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Officer specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article IV, Section 12 of the By-laws of Safeco Insurance Company of America.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Safeco Insurance Company of America at a meeting duly called and held on the 18th day of September, 2009.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 19th day of October, 2011.



By Gregory W. Davenport  
Gregory W. Davenport, Vice President

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-810-832-8240 between 9:00 am and 4:30 pm EST on any business day.

STATE OF CALIFORNIA

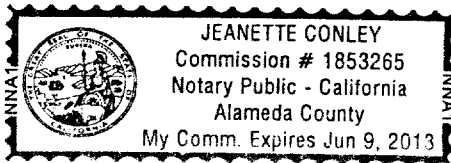
COUNTY OF SANTA CLARA

ss.

On October 19, 2011, before me, Jeanette Conley, Notary Public, personally appeared Julia Grimes, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

  
Jeanette Conley, Notary Public - California

Description of Attached Document:

## ACKNOWLEDGMENT

State of California  
County of Santa Clara )

On October 20, 2011 before me, Irina Kurysh-Notary Public  
(insert name and title of the officer)

personally appeared Gary Menges,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.



Signature I. Kurysh (Seal)  
Irina Kurysh - Notary Public

Bond No. 070011015

**PAYMENT BOND  
(LABOR AND MATERIALS)**

KNOW ALL PERSONS BY THESE PRESENTS that:

WHEREAS the City of Fairfield ("City") has awarded to PRESTON PIPELINES, INC.

133 Bothelo Avenue

Milpitas, CA 95035

*(Name and address of Contractor)*

("Contractor"), a contract (the "Contract") for the work described as follows:

**EAST-WEST WATER TRANSMISSION PIPELINE  
SEGMENT 2, 36-INCH**

WHEREAS, Contractor is required under the terms of the Contract and the California Civil Code to secure the payment of claims of laborers, mechanics, materialmen, and other persons as provided by law.

NOW, THEREFORE, we, the undersigned Contractor, as Principal, and SAFECO INSURANCE

COMPANY OF AMERICA

1001 4th Avenue, Suite 1700, Seattle, WA 98154

*(Name and address of Surety)*

("Surety") a duly admitted surety insurer under the laws of the State of California, as Surety, are held and firmly bound unto City in the penal sum of Two Million Four Hundred Ninety Eight Thousand Thirty Three and 00/100

Dollars (\$ 2,498,033.00 ), this amount being not less than one hundred percent (100%) of the total contract price, in lawful money of the United States of America, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bounded Contractor, his, her or its heirs, executors, administrators, successors or assigns, or subcontractors shall fail to pay any of the persons named in Section 3181 of the California Civil Code, or any amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor and subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to work or labor performed under the Contract, the Surety will pay for the same in an amount not exceeding the penal sum specified in this bond; otherwise, this obligation shall become null and void.

This bond shall inure to the benefit of any of the persons named in Section 3181 of the California Civil Code so as to give a right of action to such persons or their assigns in any



suit brought upon the bond. In case suit is brought upon this bond, Surety further agrees to pay all court costs and reasonable attorneys' fees in an amount fixed by the court.

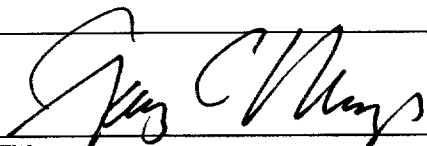
FURTHER, the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, addition or modification to the terms of the Contract, or of the work to be performed thereunder, or the specifications for the same, shall in any way affect its obligations under this bond, and it does hereby waive notice of any such change, extension of time, alteration, addition, or modification to the terms of the Contract or to the work or to the specifications thereunder. Surety hereby waives the provisions of California Civil Code §§ 2845 and 2849.

IN WITNESS WHEREOF, two (2) identical counterparts of this instrument, each of which shall for all purposes be deemed an original hereof, have been duly executed by Contractor and Surety, on the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body.

Dated: October 19, 2011

"Contractor"

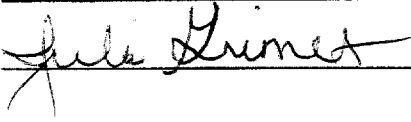
PRESTON PIPELINES, INC.

By:   
Title Gary Menges-Secretary

By: N/A  
Title \_\_\_\_\_

"Surety"

SAFECO INSURANCE COMPANY OF AMERICA

  
By: Julia Grimes  
Title: Attorney-in-Fact

By: n/a  
Title \_\_\_\_\_

(Seal)

(Seal)

Note: This bond must be executed in duplicate and dated, all signatures must be notarized, and evidence of the authority of any person signing as attorney-in-fact must be attached.

\*\*\*SEE ATTACHED ACKNOWLEDGMENT\*\*\*

CERTIFICATE OF ACKNOWLEDGMENT - Attorney-in-Fact

STATE OF CALIFORNIA )  
COUNTY OF \_\_\_\_\_ ) ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, in the year \_\_\_\_\_, before me, the undersigned Notary Public in and for said state, personally appeared \_\_\_\_\_ or proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, as the Attorney-in-Fact of

\_\_\_\_\_ acknowledged to me that he/she subscribed the name of \_\_\_\_\_ thereto as principal and his/her own name as Attorney-in-Fact.

\_\_\_\_\_  
Notary Public in and for the

County of \_\_\_\_\_  
State of California

My Commission Expires \_\_\_\_\_

(SEAL)

This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

**SAFECO INSURANCE COMPANY OF AMERICA  
SEATTLE, WASHINGTON  
POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS: That Safeco Insurance Company of America (the "Company"), a Washington stock insurance company, pursuant to and by authority of the By-law and Authorization hereinafter set forth, does hereby name, constitute and appoint JAMES W. UNTIEDT, MICHAEL E. SHEAHAN, JULIA GRIMES, JEANETTE CONLEY, PATRICK MOUGHAN, RICHARD S. SVEC, ANNA SWEETEN, LINDA K. LAMARR, MICHAEL J. HEFFERNAN, GEOFFREY R. GREEN, ALL OF THE CITY OF SAN JOSE, STATE OF CALIFORNIA.....

, each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations in the penal sum not exceeding **FOUR HUNDRED FIFTY MILLION AND 00/100\*\*\*\*\* DOLLARS (\$ 450,000,000.00\*\*\*\*\* )** each, and the execution of such undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents, shall be as binding upon the Company as if they had been duly signed by the president and attested by the secretary of the Company in their own proper persons.

That this power is made and executed pursuant to and by authority of the following By-law and Authorization:

**ARTICLE IV - Officers: Section 12. Power of Attorney.**

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitations as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and executed, such instruments shall be as binding as if signed by the president and attested by the secretary.

By the following instrument the chairman or the president has authorized the officer or other official named therein to appoint attorneys-in-fact:

Pursuant to Article IV, Section 12 of the By-laws, David M. Carey, Assistant Secretary of Safeco Insurance Company of America, is authorized to appoint such attorneys-in-fact as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

That the By-law and the Authorization set forth above are true copies thereof and are now in full force and effect.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Company and the corporate seal of Safeco Insurance Company of America has been affixed thereto in Plymouth Meeting, Pennsylvania this 11th day of July, 2011.



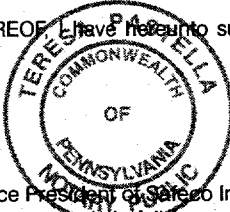
**SAFECO INSURANCE COMPANY OF AMERICA**

By David M. Carey  
David M. Carey, Assistant Secretary

COMMONWEALTH OF PENNSYLVANIA ss  
COUNTY OF MONTGOMERY

On this 11th day of July, 2011, before me, a Notary Public, personally came David M. Carey, to me known, and acknowledged that he is an Assistant Secretary of Safeco Insurance Company of America; that he knows the seal of said corporation; and that he executed the above Power of Attorney and affixed the corporate seal of Safeco Insurance Company of America thereto with the authority and at the direction of said corporation.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at Plymouth Meeting, Pennsylvania, on the day and year first above written.



Notarial Seal  
Teresa Pastella, Notary Public  
Plymouth Twp., Montgomery County  
My Commission Expires Mar. 28, 2013  
Member, Pennsylvania Association of Notaries

By Teresa Pastella  
Teresa Pastella, Notary Public

**CERTIFICATE**

I, the undersigned, Vice President of Safeco Insurance Company of America, do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this certificate; and I do further certify that the officer or official who executed the said power of attorney is an Officer specially authorized by the chairman or the president to appoint attorneys-in-fact as provided in Article IV, Section 12 of the By-laws of Safeco Insurance Company of America.

This certificate and the above power of attorney may be signed by facsimile or mechanically reproduced signatures under and by authority of the following vote of the board of directors of Safeco Insurance Company of America at a meeting duly called and held on the 18th day of September, 2009.

VOTED that the facsimile or mechanically reproduced signature of any assistant secretary of the company, wherever appearing upon a certified copy of any power of attorney issued by the company in connection with surety bonds, shall be valid and binding upon the company with the same force and effect as though manually affixed.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of the said company, this 19th day of October, 2011.



By Gregory W. Davenport  
Gregory W. Davenport, Vice President

Not valid for mortgage, note, loan, letter of credit, bank deposit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-810-832-8240 between 9-00 am and 4-30 pm EST on any business day.

STATE OF CALIFORNIA

COUNTY OF SANTA CLARA

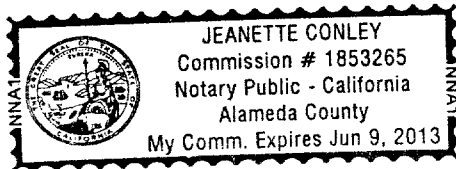
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}  
}  
SS.  
}  
}

On October 19, 2011, before me, Jeanette Conley, Notary Public, personally appeared Julia Grimes, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

  
\_\_\_\_\_  
Jeanette Conley, Notary Public - California

Description of Attached Document:

## ACKNOWLEDGMENT

State of California  
County of Santa Clara )

On October 20, 2011 before me, Irina Kurysh-Notary Public  
(insert name and title of the officer)

personally appeared Gary Menges,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the  
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing  
paragraph is true and correct.

WITNESS my hand and official seal.



Signature I. Kurysh (Seal)  
Irina Kurysh - Notary Public