

**MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF BEAUMONT
AND
CITY OF BANNING
VEHICLE FUEL PURCHASE**

THIS MEMORANDUM OF UNDERSTANDING ("Memorandum") is made and entered into this ___ day of April 2025, by and between the City of Beaumont, a municipal corporation, 550 East 6th Street, Beaumont, California 92223 (hereinafter referred to as "Beaumont"), and the City of Banning, a municipal corporation, 99 E Ramsey Street, Banning, California 92220 (hereinafter referred to as "Banning").

RECITALS

WHEREAS, Banning owns and operates a compressed natural gas fueling station located at the Banning City Yard located at 176 E Lincoln Street, Banning, California 92220 where it maintains CNG fueling pumps to dispense fuel ("Fueling Station"); and

WHEREAS, Beaumont has requested permission to use the Fueling Station to take advantage of local fuel prices and reduced deadheads; and

WHEREAS, Banning is amenable to allowing Beaumont to purchase fuel by utilizing the Fueling Station.

NOW, THEREFORE, the parties hereby agree as follows:

1. Banning grants permission for approved and registered official Beaumont vehicles to be filled at the Fueling Station during the agreed upon hours, subject to the terms of this Memorandum.
2. The term of this Memorandum shall be from execution of this Memorandum until June 30, 2027, unless otherwise terminated or extended.
3. Banning shall invoice Beaumont monthly for fuel costs incurred during the previous month, or as otherwise agreed to by the Parties, plus an administrative monthly fee of \$208 per month. Beaumont agrees to pay all invoices within thirty (30) days of receipt of the invoice. The fuel cost per unit billed to Beaumont will be based on the average pump price of Compressed Natural Gas (CNG) charged by local agencies, including Perris, Redlands, Riverside, Corona, and RTA Hemet, as determined by Banning. This average price will be calculated and updated every three (3) months. Banning shall provide Beaumont with written notice of any updated fuel price no less than five (5) business days prior to the new rate taking effect. The current average rate as of April 2025 is \$2.39 per unit. Future rate updates will follow the same methodology and will be documented in writing.
4. Beaumont agrees that only those employees who have signed a Vehicle Fueling Policy and agreed to be bound by the terms therein will be allowed access to the Fueling Station. Banning reserves the right to deny access to or remove authorization from any driver who does not have a current valid signed Vehicle Fueling Policy on file with Banning or who has violated any

of the terms of that policy. A copy of the fueling policy is attached hereto for reference as Exhibit A and the terms of which shall be a part of this Memorandum.

5. Only those vehicles which have been registered and approved by Banning shall be eligible to use the Fueling Station. Beaumont shall keep the list of vehicles up to date. Banning reserves the right to deny access to any vehicle which does not appear on the approved vehicle list.

6. Beaumont acknowledges that this Memorandum is not a guarantee of the availability of fuel. Banning reserves the right to suspend this Memorandum and/or restrict access to Banning vehicles only to maintain uninterrupted Banning service, as determined at the sole and exclusive discretion of Banning. Banning shall provide Beaumont 24-hour notice of any such suspension.

7. Beaumont agrees that all employees and vehicles subject to this Memorandum shall be properly licensed and insured as required by California law, including, but not limited to, a valid driver's license issued by the California Dept. of Motor Vehicles of the appropriate class for the vehicle being driven/fueled.

8. Beaumont and its agents must comply with all statutes, ordinances, regulations, rules, guidelines and other laws which apply to its activities under this Memorandum. All activities must be conducted in accordance with good and safe business practices so as to minimize interference with the use, enjoyment and conduct of any other activity at the Fueling Station.

9. Beaumont shall defend, indemnify and hold harmless Banning, its officers and employees, from and against all demands, claims, actions, liabilities, losses, damages and costs, including payment of reasonable attorneys' fees, whether incurred by Banning's staff attorneys or outside attorneys, arising out of or resulting from the performance of this Memorandum, caused in whole or in part by the negligent or intentional acts or omissions of Beaumont's, its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

10. Banning shall defend, indemnify and hold harmless Beaumont, its officers and employees from and against all demands, claims, actions, liabilities, losses, damages, and costs, including payment of reasonable attorneys' fees, whether incurred by Beaumont's staff attorneys or outside attorneys, arising out of or resulting from the performance of this Memorandum, caused in whole or in part by the negligent or intentional acts or omissions of Banning, its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

It is the intention of Beaumont and Banning that the provisions of this paragraph be interpreted to impose on each party responsibility to the other for the acts and omissions of their respective officers, directors, agents, employees, volunteers, invitees, subconsultants or subcontractors. It is also the intention of Beaumont and Banning that, where comparative fault is determined to have been contributory, principles of comparative fault will be followed and each party shall bear the proportionate cost of any damage attributable to the fault of that party, its officers, directors, agents, employees, volunteers, invitees, subconsultants, or subcontractors.

11. Banning acknowledges that Beaumont is a self-insured public entity. Within thirty (30) days of execution of this Memorandum, Beaumont shall provide Banning with a letter of self-

insurance stating that Beaumont's self-insurance program adequately protects against liabilities and claims arising out of the performance of this agreement.

Nothing in this Memorandum is intended to make the public or any member thereof a third-party beneficiary hereunder, nor is any term or condition or other provision of this Memorandum intended to establish a standard of care owed to the public or any member thereof.

12. Either party may terminate this Memorandum for convenience with thirty (30) days' advance written notice unless otherwise provided herein.

13. All notices and other communications under this Memorandum will be in writing and will be deemed to have been duly given (i) on the date of delivery, if delivered personally to the party to whom notice is given, or if made by email directed to the party to whom notice is to be given at the email address listed below, or (ii) at the earlier of actual receipt or the second business day following deposit in the United States mail, postage prepaid. Notices and other communications will be directed to the parties at the addresses shown below. A party may change its person designated to receive notice, its telecopy number, or its address from time to time by giving notice to the other party in accordance with the procedures set forth in this Article.

BEAUMONT:

City of Beaumont
Attn: City Manager
550 East 6th Street
Beaumont, CA 92223
Phone: (951) 769-8520
Email: egibbs@beaumontca.gov

BANNING:

City of Banning
Attn: _____
99 E. Ramsey Street
Banning, CA 92220
Phone: _____
Email: _____

14. This Memorandum is not assignable without Banning's prior written permission.

15. This Memorandum is binding upon, inures to the benefit of, and is enforceable by, the parties hereto and their respective beneficiaries, devisees, legatees, heirs, executors, estates, administrators, employees, officers, directors, shareholders, agents, attorneys, insurers, representatives, successors-in-interest and assigns.

16. All warranties, indemnities and waivers of rights contained in this Memorandum will survive the expiration, termination or cancellation of this Memorandum.

17. This Memorandum constitutes the entire agreement between the parties with respect to the matters described herein. This Memorandum may be modified only in writing, signed by both parties.

18. This Memorandum will be governed by and construed in accordance with the laws of the State of California.

19. The parties have each carefully reviewed this Memorandum and have agreed to each term of this Memorandum. No ambiguity will be presumed to be construed against any party.

20. Each of the signatories to this Memorandum represents that they are authorized to sign the Memorandum on behalf of such party and that all approvals, resolutions and consents which must be obtained to bind such party have been obtained that no further approvals, acts or consents are required to bind such party to this Memorandum.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum as of the day and year first hereinabove appearing.

BEAUMONT:

BANNING:

CITY OF BEAUMONT, a municipal
Corporation

CITY OF BANNING, a municipal
Corporation

By: _____

By: _____