



## CITY OF SIGNAL HILL

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2175 Cherry Avenue ♦ Signal Hill, CA 90755-3799

August 20, 2013

### **AGENDA ITEM**

**TO: HONORABLE MAYOR  
AND MEMBERS OF THE CITY COUNCIL**

**FROM: KENNETH C. FARFSING  
CITY MANAGER**

**SUBJECT: CONTRACT SERVICES AGREEMENT FOR INDEPENDENT FISCAL  
IMPACT ANALYSIS OF THE RIGHT TO KNOW AND VOTE INITIATIVE**

### **Summary:**

The City Council will consider entering into a Contract Services Agreement with Urban Futures Inc. to perform an independent fiscal impact analysis on the Right to Know and Vote Initiative that will be considered by Signal Hill voters in June 2014. The analysis will examine the impacts of the Initiative on City services, economic development, and other City functions pursuant to California Election Code Section 9212.

### **Recommendation:**

- 1) Authorize the City Manager to enter into a contract with Urban Futures, Inc., to prepare the independent fiscal impact analysis on the Right to Know and Vote Initiative in the amount of \$32,665, in a form approved by the City Attorney.
- 2) Approve a budget adjustment for \$32,665 for completion of the fiscal impact analysis.

### **Fiscal Impact:**

The FY 2013-14 Budget includes \$30,000 for county election costs for conducting the election on the Initiative. The budget also contains \$25,000 for a public information program. A budget adjustment is needed in the amount of \$32,665 to cover the costs of the independent fiscal impact analysis. Funds are available in the General Fund Balance of \$7,719,348.

### **Background:**

The drafters of the “Know and Vote” initiative intend to amend various sections of the Signal Hill City Charter to regulate the ability of the City to offer economic incentives for development, by requiring that such incentives be approved by a 2/3rds majority of Signal Hill’s electorate. The scope of the initiative also seemingly regulates all city fees, taxes and assessments, subjecting them to a 2/3rds vote for any increases from current levels. The initiative also sunsets all city fees, taxes and assessments in 10 years (2024) and would require an election at that time to extend the fees, taxes and assessments. The initiative limits all City bond issues to a twenty-year term. This charter amendment could have wide ranging financial impacts on the City if approved by the electorate.

Performing a comprehensive fiscal impact analysis of the Initiative is a prudent step toward understanding the effect of the Initiative on City services, economic development, and other City functions, and is permitted by the Elections Code. The analysis will also help Signal Hill voters make an informed decision on the Initiative.

### **Analysis:**

Staff is recommending entering into a Contract Services Agreement with Urban Futures Inc. (UFI) to perform the independent fiscal impact analysis. UFI is well qualified to perform the analysis as they provide a wide a variety of services, including finance, investment advisory, management consulting and interim staffing services. They recently served as the interim finance department for the City of San Bernardino, when all the key finance staff members resigned. In this capacity, they prepared the “Pre-Pendency Plan” for the Federal Bankruptcy Court. UFI also completed the city’s budget stabilization plan. UFI has completed reports on the structural budget issues of several cities, including most recently with the City of Rohnert Park. They have also assisted in the formation of the City of Jurupa Valley and in development of their budget and financial controls. The work will be headed by Michael Busch, President, from their office in the City of Orange.

The preparation of the independent fiscal impact analysis will be performed in accordance with Section 9212 of the California Elections Code. The purpose of the report is to examine the impacts on the City’s operations and other requirements, such as the impact on the orderly development of the community or the provision of open space. The report will cover all eight subsections of the State law as follows:

#### **Report’s Requirements - Section 9212 of the Elections Code**

The legislative body may refer the proposed initiative to any city agency or agencies for a report on any or all of the following:

- 1) Its fiscal impact.

- 2) The effect on the internal consistency of the city's general and specific plans, including the housing element.
- 3) Its effect on the use of land, impact on the availability and location of housing and the ability of the city to meet its regional housing goals.
- 4) Impact on the funding of infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
- 5) Its impact on the community's ability to attract and retain business and employment.
- 6) Its impact on the uses of vacant parcels of land.
- 7) Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.
- 8) Any other matters the legislative body requests.

The proposed work plan for the fiscal impact analysis is found on Pages 5-9 of the consultant's proposal (attached). The analysis will provide an overview of the City's operating budget, including revenue sources that will be impacted by the initiative. This will include both General Fund revenues and restricted funds, such as development impact fees, franchise fees, assessments (including the California Crown landscaping and lighting district) and other revenues specified in the initiative. The analysis will also examine the impact of the initiative on the City's water department.

The second section of the analysis will examine the fiscal impact on the City's departments. This will include the Police Department's response times, patrol and detective services, crime prevention, vehicle impounding and towing, and false alarm response. In addition, impacts on the Community Services Department and the City Library; impacts on building, planning, code enforcement, and oil field inspections; impacts on engineering, streets, facilities maintenance, infrastructure, and fleet maintenance will be examined. The analysis will also examine the impacts on capital improvements, infrastructure and vehicle replacement, including replacement of patrol cars and the impacts on water system maintenance and capital improvements.

The third part of the analysis will examine the impacts on the California Crown Assessment District. The fourth section examines the impacts on franchises, oil pipeline fees, refuse tipping fees, and utilities. The fifth section will deal with impacts on transportation, parks and open spaces. Section Six will deal with the impacts on developer fees. Section Seven will estimate the future impact on the City's budget from a loss of programs that would retain existing services and programs that could attract

new businesses. The analysis will also include a section on the impacts of municipal bonds and the impacts on the administration of the City.

A key question is whether the existence of a requirement to obtain 2/3 voter approval makes it less likely that fees, taxes and assessments will be increased over time and keep pace with inflation. While staff is not aware of technical studies on such issues, the UFI has the expertise to explore this topic. Therefore, included in the analysis will be a literature search of cities in California with similar 2/3rds vote requirements for all city fees, taxes, and assessments. The analysis will also conduct surveys of fees, including historical information on fees.

Staff will assist the consultant to the extent possible with collecting survey information in order to be more cost effective. The analysis is expected to be completed by November 15<sup>th</sup>.

Reviewed by:

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Terri Marsh  
Director of Administrative Services/Finance

Attachment: Urban Futures Proposal

# City of Signal Hill

## Proposal to Provide Financial Consulting Services to the City of Signal Hill



August 5, 2013

Prepared by:

**UFI** URBAN FUTURES | Incorporated

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**PROPOSAL TO PROVIDE  
FINANCIAL CONSULTING SERVICES TO  
THE CITY OF SIGNAL HILL**

Submitted By:

**UFI** URBAN FUTURES | Incorporated

Urban Futures, Inc.

Corporate Office  
3111 North Tustin, Suite 230  
Orange, CA 92865  
Phone: (714) 283-9334  
Fax: (714) 283-8963

Northern California Office  
1470 Maria Lane, Suite 315  
Walnut Creek, CA 94596  
Phone: (925) 478-7450  
Fax: (925) 478-7967

[www.urbanfuturesinc.com](http://www.urbanfuturesinc.com)

3111 N. Tustin, Suite 230, Orange, CA 92865-1753 | (714) 283-9334 Business | (714) 283-5465 FAX



August 5, 2013

Mr. Kenneth Farfsing  
City Manager  
City of Signal Hill  
2175 Cherry Avenue  
Signal Hill, CA 90755

Dear Mr. Farfsing:

**Re: Proposal for Financial Consulting Services**

Urban Futures Inc. (UFI) is pleased to submit this proposal to provide financial consulting services to the City of Signal Hill. As a full service municipal consulting firm, we possess the knowledge, staff, and successful track record for providing the specific services required by the City of Signal Hill. Few firms are able to provide the variety of services offered by UFI while simultaneously ensuring the highest quality product while ensuring excellent customer service and responsiveness.

We look forward to the opportunity to work with the City of Signal Hill. If you have any questions or need any further information, please do not hesitate to call me at 714-283-9334 or [MichaelB@UrbanFuturesinc.com](mailto:MichaelB@UrbanFuturesinc.com).

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael Busch".

Michael Busch  
President

## Company Background

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*Urban Futures Incorporated (UFI)* is a full service consulting firm serving public agencies solely in the State of California. Founded in 1972, UFI is a closely held California corporation with offices in the cities of Orange and Walnut Creek, California.

Since our founding, UFI has served over 250 governmental entities in various capacities including, financial & management advisor, redevelopment consultant and interim staffing. We have helped many California public agencies serve local businesses and residents by working to create sound fiscal policies and management practices.

Here is what we believe UFI “brings to the table:”

- Extensive knowledge of the municipal operations and in depth knowledge of current trends;
- A team of professionals with a combined 150+ years of municipal management experience;
- Analytic sophistication that fosters a multi-disciplinary approach to problem solving regardless of project size or type; and
- Continuity of service; UFI is small enough so that there is never a break in the client/professional network, yet large enough to offer a full range of services.

Our greatest strength lies in the fact that our firm can provide a well-diversified approach to service delivery through a comprehensive community, organization and sound management strategy. This combination enables UFI to develop and implement an innovative and community oriented strategy to providing financial management services.

## Core Services

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UFI offers public clients a wide range of specialized services including finance, investment advisory services, management consulting and interim staffing services. Our core lines of business include the following:

**Capital Financing Advisory Services**

**Public Finance Advisory Services**

**Project Feasibility Studies**

**Interim Staffing**

**Management Advisory & Administration**

**Organizational Studies**

Urban Futures Inc. employs 25 individuals including 18 professionals and 7 paraprofessional and support staff. The firm has two offices, with the main office in the City of Orange and a Northern California Location in the City of Walnut Creek. The proposed work for this proposal will be conducted out of the Orange office. Our staff has served public agencies in many different capacities. We understand that each agency faces different circumstances and we acknowledge each as an independent organization with unique goals and objectives. Our

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services have included providing financial advisory, conducting budget/fiscal impact analysis, recommending revenue diversification strategies, and creating fiscal policies for agencies to adopt.

Our public finance group and public management group divisions are able to draw on the expertise of our staff to produce excellent results. Because of our diversity, our staff has been called upon to advise public agencies in many different capacities. We believe our proposed staff, which includes a former municipal chief financial officer, has the best qualifications to serve the City of Signal Hill (City).

As this proposal will demonstrate, Urban Futures has been a recognized leader in providing high quality finance and administrative consulting services to public agencies throughout California. Although we're best known over the years for our creative financial advisory practice, our multi-disciplinary approach makes Urban Futures a valuable member of any team on any level.

We are committed to initiating, facilitating, and maintaining open, collaborative communication with all parties. Urban Future's approach is characterized by the following:

- CURIOSITY - Asking the right questions and engaging the right people
- CLARITY - Being proactive in identifying issues, opportunities, and solutions
- CREATIVITY - Being an advocate for comprehensive solutions and being flexible with alternatives and choices
- CONFIDENCE - Ensuring thorough, frequent, and regular communication

Our team will work hard to meet the needs of the City and to help you achieve all of your community goals.

## **Proposed UFI Staff**

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### ***MICHAEL P. BUSCH, President of Urban Futures, Inc.***

Michael joined Urban Futures in 2007 following a successful career in municipal government. Mr. Busch's municipal career consisted primarily of assistant/deputy city manager, finance director, and project manager positions. As such, he has extensive experience in strategic planning, public finance and municipal operations. Mr. Busch has served as the President of the Municipal Management Association of Southern California (MMASC) and as Chair of Cal-ICMA. Mr. Busch also serves as Adjunct Professor at the University of Southern California where he teaches a graduate level public finance course.

*Education:* Mr. Busch earned a Bachelor of Arts Degree from California State Polytechnic University Pomona in Urban and Regional Planning. In addition, Mr. Busch has earned a Master of Arts Degree in Public Administration from California State University Long Beach with an emphasis in public finance and public works.

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### ***BILL COVINGTON, MBA, CPA, Principal***

Mr. Covington has a Bachelor's Degree in Accounting, a Master's Degree in Business Administration (MBA), and is a Certified Public Accountant (CPA). He is an expert in non-profit and governmental finance and accounting, and has been a leader in the audit / finance profession for over 20 years. In his auditing career with several regional firms, Bill has audited over 50 governmental and non-profit entities including cities, counties, special districts and various non-profit organizations, where he has performed financial audits, single audits, and special compliance audits.

Mr. Covington received his Bachelor of Science Degree in Accounting from San Diego State University and Master of Business Administration Degree from Washington State University.

## **Scope of Services Required**

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### ***Project Understanding***

The authors of the "Know and Vote" initiative amends the Signal Hill City Charter to regulate the City's ability to enter in development incentives, by requiring that development incentives be approved by a 2/3rds majority of Signal Hill's electorate. The scope of the initiative also regulates all city fees, taxes and assessment, subjecting them to a 2/3rds vote for any increases from current levels. The initiative also sunsets all city fees, taxes and assessments in 10 years (2024) and would require an election at that time to extend the fee, taxes and assessments. The initiative limits all City bond issues to a twenty-year term.

The City Council has requested a report be prepared under Section 9212 of the California Elections Code on fiscal impacts. The purpose of the report is examine the fiscal impacts on the City's operations should the measure be approved by the voters. An independent study of the impacts will be conducted by outside consulting firm.

### ***Consultant's Report Objectives***

1. Potential fiscal impact of the initiative.
2. Impact on the funding of infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report will address whether the measure would be likely to result in increased costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
3. Its impact on the community's ability to attract and retain business and employment.
4. Its impact on the uses of vacant parcels of land.
5. Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.
6. Any other matters the legislative body request is in the report.

### ***Scope of Work & Estimated Work Plan Hours***

#### **Overview of the Operating Budget (24 Hours)**

The report will contain a general description of the City's historic operating budget, including services and revenues. The report will provide historic use (3 fiscal years) of the taxes, fees and assessments that are impacted by the Know and Vote Initiative. In general, the report will address which city services are supported by the various revenue sources.

#### **Overview of City Revenue Sources Impacted by the Initiative**

##### **General Fund**

Permits  
Franchise Fees  
Charges for Current Services  
Fines & Forfeitures  
Oil Barrel Tax/UUT  
Business License Taxes

##### **Restricted Funds**

Park Development  
Traffic Impact  
Water Development  
Pipeline Removal  
Landscape and Lighting Maintenance District #1

Water Fund  
Fiscal Impacts of the Initiative on the City's Departments (48 Hours)

The report will contain the initiative's impact on the budget and the ability to provide services should the measure pass. The report will work from the FY2013-2014 Budget, indicating each department's expenditures, their percentage of the budget and reductions in their revenues. The report should explore budget and position reductions.

Police Department

Response time, patrol and detective services, crime prevention, vehicle impounding and towing, false alarm responses

Community Services

Facilities Rentals, Programming, Library Services

Community Development Department

Building, Planning, Code Enforcement, Oil Field Inspections

Public Works

Engineering, Street and City Facilities Maintenance, Infrastructure, Fleet Maintenance

Municipal Water System

City Clerk

Capital Improvements and Equipment Replacement

Police patrol vehicles

Street maintenance vehicles

Sidewalk and street tree replacement

Municipal Water System - The City currently owns and operates a municipal water system, with approximately 3,000 customers. The report will explore the fiscal impact of the initiative on the water system, including impacts on water system maintenance and capital improvements.

Fiscal Impact on the California Crown Assessment District (8 Hours)

The City operates one lighting and landscape assessment district, known as California Crown. The California Crown subdivision involves approximately 92 single-family homes, with several lots owned by Signal Hill Petroleum for oil production. The annual assessment increases are currently regulated under Proposition 218, where the City Council provides notice of any proposed rate increase and conducts a protest hearing. The report will explore the fiscal impact on the assessment district should the initiative pass, subjecting it to city-wide vote, with 2/3ds vote required.

Fiscal Impact on Franchise Fees (8 Hours)

Oil Pipeline (Active and Inactive)

Refuse Tipping Fee

Utilities

#### Fiscal Impact on Infrastructure Funding (6 Hours)

Impacts on funding transportation, parks and open space improvements

#### Fiscal Impact on Development Impact Fees (8 Hours)

Water  
Parks  
Traffic

#### Estimate of Future Impact on the City's Budget Developer Incentives; Impacts on Business Retention and Employment (24 Hours)

It is estimated that over \$6.7 million in local sales tax revenues (of \$10. 1 in total sales tax revenues) was attributed to developer incentives, including Office Depot's Regional Distribution Center, the Signal Hill Auto Center. Price Club, Home Depot, Food 4 Less Center, A&A Concrete, Everson Spice and dozens of other successful businesses in FY2012-2013.

Signal Hill businesses are invested in the community. The initiative has the potential to impact basic services important to businesses, including street repairs, including potholes, sidewalk repair and road resurfacing projects. City events, the library and park maintenance may also be adversely impacted. Also, graffiti removal, shopping cart retrieval and landscape median maintenance may be impacted. As such, the report will discuss the future impact on business retention and attraction, including impacts on the City's future sales tax revenues should the initiative pass.

#### Fiscal Impacts on Future Municipal Bonds/ Refinancing of Bonds (5 Hours)

Future bonds are limited to 20 year term from current 40 year term in the initiative. The City has used bonds sparingly and only has one outstanding bond for water system improvements which dates to the late 1990's. The report will explore the fiscal impact of short term bonds and the loss of financial flexibility.

#### Fiscal Impacts of the Administration of the Initiative (6 Hours)

There could be considerable costs to the City in administering the initiative. These include scheduling special or regular elections on proposed fee increases. The report will discuss the costs of the administration of the initiative.

#### Literature Search (4 Hours)

The report will seek to include a literature search on the cities in California with a similar 2/3ds vote required for approval of city fees, taxes and assessments (if available).

### Survey of City Fees (20 Hours)

The report will include a “Snap Shot” of City Fees over the last 10 years, as compared with survey cities.

## **Qualifications**

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### **Urban Futures Inc.**

#### **City of San Bernardino**

##### **Client Contact**

Allen Parker, City Manager  
City of San Bernardino  
300 North “D” Street  
San Bernardino, CA 92418-0001  
(909) 384-5138

In early June 2012, UFI was engaged by the City of San Bernardino to provide financial advisory services to the City in all areas of the City’s operations including finance, redevelopment wind- down activities, and contract financial management staffing. As part of those services, UFI performed a fiscal review of the City which includes an analysis of revenue and expenditure forecasts, local economic forecasts, financial policies and practices, and debt service analysis. To achieve our objectives, we employed a strengths, weaknesses, opportunities and threats (SWOT) analysis. Based on the findings of the SWOT analysis, our recommendations were structured to implement the two phases of proposed financial restructuring; Phase 1) Immediate Budget Balancing and Cash Flow Management Plan including new and revised accounting processes; and Phase 2) Development of Budget Stabilization Plan. Specific tasks necessary for the implementation of our assignment included:

- Drafting of the City’s Budget Sustainability Plan, Pre-Pendency Plan and Pendency Plan.
- Preparation of the City’s Comprehensive Annual Financial Reports (CAFR) for FY 10-11 and 11-12.

	<ul style="list-style-type: none"> <li>• Assistance in the development of the FY 2012-13 and FY 2013-14 budgets.</li> <li>• Completion of bank reconciliations</li> <li>• Review and implementation of cost allocation plans and internal service charges.</li> <li>• Drafting and implementation of new financial policies and procedures.</li> <li>• RDA wind-down activities.</li> <li>• Ongoing disclosure for all City and Agency outstanding bonds.</li> </ul> <p>Currently, Urban Futures is providing financial advisory services in support of the City's bankruptcy filing.</p>
<b>City of Rohnert Park</b>  <u><b>Client Contact</b></u> Gina Belforte, Mayor Pro-Tem City of Rohnert Park 130 Avram Avenue Rohnert Park, CA 94928 (707) 588-2225	<p>In March 2009, UFI conducted an in depth departmental budget analysis to address cash flow problems that the City of Rohnert Park was experiencing. UFI presented several options necessary to create a balanced budget. The budget analysis conducted by UFI reviewed items such as the amount of overtime allocated per department, deferred compensation packages, long-term debt service, and investment vehicles. By completing a budget analysis, short and long-term cash flow issues were identified and addressed.</p>
<b>City of Jurupa Valley</b>  <u><b>Client Contact</b></u> Steve Harding, City Manager City of Jurupa Valley 8304 Limonite Avenue, Suite M Jurupa Valley, CA 92509 (951) 332-6464	<p>On July 1, 2011, the City of Jurupa Valley was officially incorporated. UFI was then hired to establish the City's initial Administrative Services Department. Mr. Busch served as the City's first Finance Director. UFI and its staff of professionals continue to staff the entire department including the following positions: Finance Director, Accountant, Accounting Tech, and City Clerk. UFI's professional staff manages the day-to-day accounting duties, budget, year-end financials, and treasury functions.</p>
<b>City of Hawaiian Gardens, California</b>	<p>UFI facilitated a strategic planning process for the City Council and City Administrator to establish goals and prioritize projects. The process</p>

<p><b><u>Client Contact</u></b>  Ernesto Marquez, City Administrator  City of Hawaiian Gardens  21815 Pioneer Boulevard  Hawaiian Gardens, CA 90716  (562) 420-2641</p>	<p>included a SWOT exercise and the development of processes through which the City prioritized projects based on physical, organizational, and fiscal needs.</p>
<p><b>City of Desert Hot Springs, California</b></p> <p><b><u>Client Contact</u></b>  Rick Daniels, City Manager  City of Desert Hot Springs  65-950 Pierson Blvd  Desert Hot Springs, CA 92240  (760) 329-6411</p>	<p>Mr. Busch was responsible for coordinating and facilitating a comprehensive organizational review of the City that resulted in the creation of a new operating structure. As part of the engagement, he also led the City through a strategic planning process that resulted in the definition of City's organizational mission and values. In addition, he assisted the City with the development of comprehensive budget strategy for each of the City's business units, which combined long range planning, current year goals, and the development of detailed work plans.</p>
<p><b>City of Indio, California</b></p> <p><b><u>Client Contact</u></b>  Glenn Southard, Retired City Manager  City of Indio  (760) 399-7660</p>	<p>UFI was retained to conduct a review resulting in the organization completely reinventing its operations. Faced with a \$15.4 million structural budget deficit, our firm led the City Council through a process to identify key services and community priorities. This data was then used to help redesign the organization's structure, define needed levels of staffing, and reorganize financial priorities. Our work resulted in a right-sized organization, a detailed financial plan to close the budget deficit, and the continued delivery of high-quality services.</p>

## Benefits of Our Proposal

When comparing our capabilities and proposed solutions to that of competitors, the benefits of choosing Urban Futures, Inc, are:

- We are very experienced at providing special project services and with our extensive background we are able to hit the ground running with little guidance or direction.



- We have vast expertise in governmental agencies - we know the business model and best practices for governmental agencies which give us an edge over competitors that try to specialize in a wide range of industries.
- We are a relatively small company that provides very personalized and responsive services. Unlike larger staffing or CPA firms, we are available at your convenience and on your timetable.
- We limit the amount of clients we have at any one time to ensure that we have more than enough time to serve each client successfully.
- All team members personally have extensive governmental accounting and finance experience, and a wide range of administrative experience.

## **Fees for our Services**

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Our hourly rates for work are as listed below.

Michael Busch, President	\$225 per hour
Bill Covington, Principal	\$185 per hour

Based on the Scope of Work and 161 hours associated with the 11 tasks, we estimate the cost of the project to be as follows:

<b>Consultant</b>	<b>Hourly Rate</b>	<b>Estimated Hours</b>	<b>Estimated Cost</b>
Michael Busch	\$225	72	\$16,200
Bill Covington	\$185	89	\$16,465
<b>Totals:</b>		<b>161 Hours</b>	<b>\$32,665</b>

## References

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***Allen Parker***

City Manager  
City of San Bernardino  
300 North “D” Street  
San Bernardino, CA 92418-0001  
Work: (909) 384-5122

***Steve Harding***

City Manager  
City of Jurupa Valley  
8304 Limonite Avenue, Suite M  
Jurupa Valley, CA 92509  
Work: (951) 332-6464  
[sharding@jurupavalley.org](mailto:sharding@jurupavalley.org)

***Rick Daniels***

City Manager  
City of Desert Hot Springs  
65-950 Pierson Blvd  
Desert Hot Springs, CA 92240  
(760) 329-6411  
[rdaniels@cityofdhs.org](mailto:rdaniels@cityofdhs.org)

## Insurance

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### **INSURANCE**

*UFI provides and maintains at all times during the performance of this Agreement the following insurance: (1) Commercial General Liability (“CGL”) insurance; (2) Automobile Liability insurance; (3) Workers’ Compensation and Employer’s Liability insurance; and (4) Errors and Omissions (“E&O”) liability insurance.*

#### **Commercial General Liability**

*Our policy identifies Covered Parties as additional insured, or are endorsed to identify Covered Parties as additional insured. Coverage for additional insured is not limited to vicarious liability. Each policy has liability coverage limits of at least \$1,000,000 per occurrence for bodily injury, personal injury and property damage, and either at least (a) \$2,000,000 aggregate total bodily injury, personal injury and property damage applied separately to the Project/Client; or at least (b) \$5,000,000 general aggregate limit for all operations. UFI insurance and endorsements are kept in force at all times during the performance of this Agreement and all coverage required herein is maintained after the term of this Agreement so long as such coverage is reasonably available.*

#### **Automobile Liability**

*UFI maintains Automobile Liability coverage for “any auto” and with limits of at least \$500,000 for bodily injury and property damage, each accident, including owned, non-owned and hired autos, or the exact equivalent. Automobile Liability insurance and endorsements are kept in force at all times during the performance of this Agreement and all coverage is maintained after the term of this Agreement so long as such coverage is reasonably available.*

#### **Workers’ Compensation/Employer’s Liability**

*UFI covers or insures the existence of coverage under the applicable laws relating to Workers’ Compensation insurance, all employees employed directly by us or through sub consultants at all times in carrying out the Work contemplated under this Agreement, in accordance with the “Workers’ Compensation and Insurance Act” of the California Labor Code and any amendatory Acts. UFI provides Employer’s Liability insurance with limits of at least \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.*

#### **Errors and Omissions**

*UFI’s E&O policy has limits of at least \$1,000,000 per claim and \$2,000,000 aggregate. E&O insurance and endorsements shall be kept in force at all times during the performance of this Agreement and all coverage required herein shall be maintained after the term of this Agreement so long as such coverage is reasonably available.*

# **CONTRACT SERVICES AGREEMENT**

**By and Between**

**THE CITY OF SIGNAL HILL,  
A MUNICIPAL CORPORATION**

**and**

**Urban Futures Incorporation**

**AGREEMENT FOR CONTRACT SERVICES  
BETWEEN  
THE CITY OF SIGNAL HILL, CALIFORNIA  
AND  
URBAN FUTURES INCORPORATED**

THIS AGREEMENT FOR CONTRACT SERVICES (herein“ Agreement”) is made and entered into this \_\_\_\_day of \_\_\_\_\_, 2013 by and between The City of Signal Hill, a municipal corporation (“City”) and Urban Futures Incorporated, (“Consultant” or “Contractor”). City and Contractor are sometimes hereinafter individually referred to as “Party” and hereinafter collectively referred to as the “Parties.” ”). (The term Contractor includes professionals performing in a consulting capacity.)

**RECITALS**

A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Section 1 of this Agreement.

B. Contractor, following submission of a proposal or bid for the performance of the services defined and described particularly in Section 1 of this Agreement, was selected by the City to perform those services.

C. Pursuant to the City of Signal Hill’s Municipal Code, City has authority to enter into this Agreement Services Agreement and the City Manager has authority to execute this Agreement.

D. The Parties desire to formalize the selection of Contractor for performance of those services defined and described particularly in Section 1 of this Agreement and desire that the terms of that performance be as particularly defined and described herein.

**OPERATIVE PROVISIONS**

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the parties agree as follows:

**ARTICLE 1. SERVICES OF CONTRACTOR**

1.1 Scope of Services.

In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the “Scope of Services” attached hereto as Exhibit “A” and incorporated herein by this reference, which services may be referred to herein as the “services” or “work” hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that it has the qualifications, experience, and facilities necessary to properly perform the services required under this Agreement in a thorough, competent, and professional manner, and is experienced in performing the work and services contemplated herein. Contractor shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. Contractor covenants that it shall follow the highest professional standards in performing the work and services required

hereunder and that all materials will be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase “highest professional standards” shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

#### 1.2 Contractor’s Proposal.

The Scope of Service shall include the Contractor’s scope of work or bid which shall be incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

#### 1.3 Compliance with Law.

Contractor shall keep itself informed concerning, and shall render all services hereunder in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental entity having jurisdiction in effect at the time service is rendered.

#### 1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor’s performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City, its officers, employees or agents of City, against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.

#### 1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the scope of services to be performed, (ii) has carefully considered how the services should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at City’s risk until written instructions are received from the Contract Officer.

#### 1.6 Care of Work.

The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City’s own negligence.

### 1.7 Warranty.

Contractor warrants all Work under the Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed and any non-conforming materials incorporated into the Work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in the Agreement or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the Work, whichever is later) after the date of final acceptance, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the Work or non-conformance of the Work to the Agreement, commence and prosecute with due diligence all Work necessary to fulfill the terms of the warranty at his sole cost and expense. Contractor shall act sooner as requested by the City in response to an emergency. In addition, Contractor shall, at its sole cost and expense, repair and replace any portions of the Work (or work of other contractors) damaged by its defective Work or which becomes damaged in the course of repairing or replacing defective Work. For any Work so corrected, Contractor's obligation hereunder to correct defective Work shall be reinstated for an additional one year period, commencing with the date of acceptance of such corrected Work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of the Agreement. All costs associated with such corrective actions and testing, including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers and manufacturers with respect to any portion of the Work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming Work and any work damaged by such work or the replacement or correction thereof at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand. This provision may be waived in Exhibit "B" if the services hereunder do not include construction of any improvements or the supplying of equipment or materials.

### 1.8 Prevailing Wages.

Contractor is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 1600, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "Public Works" and "Maintenance" projects. If the Services are being performed as part of an applicable "Public Works" or "Maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws. City shall provide Contractor with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Contractor shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Contractor's principal place of business and at the project site. Contractor shall defend, indemnify and hold the City, its elected officials,

officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

#### 1.9 Further Responsibilities of Parties.

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

#### 1.10 Additional Services.

City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Agreement Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to five percent (5%) of the Agreement Sum or \$25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor.

#### 1.11 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.

### **ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.**

#### 2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed \$32,665 (the "Contract"), unless additional compensation is approved pursuant to Section 1.10.

#### 2.2 Method of Compensation.

The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with specified tasks or the percentage of completion of the services, (iii)



payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, provided that time estimates are provided for the performance of sub tasks, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation.

### 2.3 Reimbursable Expenses.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Contract Officer in advance, or actual subcontractor expenses if an approved subcontractor pursuant to Section 4.5, and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

### 2.4 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Director of Finance. The invoice shall detail charges for all necessary and actual expenses by the following categories: labor (by sub-category), travel, materials, equipment, supplies, and sub-contractor contracts. Sub-contractor charges shall also be detailed by such categories.

City shall independently review each invoice submitted by the Contractor to determine whether the work performed and expenses incurred are in compliance with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, or as provided in Section 7.3. City will use its best efforts to cause Contractor to be paid within forty-five (45) days of receipt of Contractor's correct and undisputed invoice. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor for correction and resubmission.

### 2.5 Waiver.

Payment to Contractor for work performed pursuant to this Agreement shall not be deemed to waive any defects in work performed by Contractor.

## **ARTICLE 3. PERFORMANCE SCHEDULE**

### 3.1 Time of Essence.

Time is of the essence in the performance of this Agreement.

### 3.2 Schedule of Performance.

Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D" and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the

Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

### 3.3 Force Majeure.

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the Agency, if the Contractor shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

### 3.4 Inspection and Final Acceptance.

City may inspect and accept or reject any of Contractor's work under this Agreement, either during performance or when completed. City shall reject or finally accept Contractor's work within forth five (45) days after submitted to City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Section X, pertaining to indemnification and insurance, respectively.

### 3.5 Term.

Unless earlier terminated in accordance with Article 8 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) years from the date hereof, except as otherwise provided in the Schedule of Performance (Exhibit "D").

## **ARTICLE 4. COORDINATION OF WORK**

### 4.1 Representatives and Personnel of Contractor.

The following principals of Contractor (Principals) are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

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Michael P. Busch

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President

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Bill Covington

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Principal

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the foregoing Principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

#### 4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees or agents of City. Neither Contractor, nor any of Contractor's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

#### 4.3 Contract Officer.

The Contract Officer shall be such person as may be designated by the City Manager of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer.

The Contract Officer shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

#### 4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly

independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

#### 4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the Agency to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the Agency. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of Agency. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of Agency.

### **ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS**

#### 5.1 Insurance Coverages.

The Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance which shall cover all elected and appointed officers, employees and agents of City:

(a) Comprehensive General Liability Insurance (Occurrence Form CG0001 or equivalent). A policy of comprehensive general liability insurance written on a per occurrence basis for bodily injury, personal injury and property damage. The policy of insurance shall be in an amount not less than \$1,000,000.00 per occurrence or if a general aggregate limit is used, either the general aggregate limit shall apply separately to this contract/location, or the general aggregate limit shall be twice the occurrence limit.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Professional Liability. Professional liability insurance appropriate to the Contractor's profession. This coverage may be written on a "claims made" basis, and must include coverage for contractual liability. The professional liability insurance required by this Agreement must be endorsed to be applicable to claims based upon, arising out of or related to services performed under this Agreement. The insurance must be maintained for at least 5 consecutive years following the completion of Contractor's services or the termination of this Agreement. During this additional 5-year period, Contractor shall annually and upon request of the City submit written evidence of this continuous coverage.

(e) Additional Insurance. Policies of such other insurance, as may be required in the Special Requirements.

## 5.2 General Insurance Requirements.

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City. In the event any of said policies of insurance are cancelled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement) and shall conform to the following "cancellation" notice:

### CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATED THEREOF, THE ISSUING COMPANY SHALL MAIL THIRTY (30)-DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE HOLDER NAMED HEREIN.

[to be initialed]

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Agent Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers.

Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3. .

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

### 5.3 Indemnification.

To the full extent permitted by law, Contractor agrees to indemnify, defend and hold harmless the City, its officers, employees and agents ("Indemnified Parties") against, and will hold and save them and each of them harmless from, any and all actions, either judicial, administrative, arbitration or regulatory claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities whether actual or threatened (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities provided herein of Contractor, its officers, employees, agents, subcontractors, or invitees, or any individual or entity for which Contractor is legally liable ("indemnors"), or arising from Contractor's reckless or willful misconduct, or arising from Contractor's indemnors' negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, and in connection therewith:

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers,

agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

Contractor shall incorporate similar, indemnity agreements with its subcontractors and if it fails to do so Contractor shall be fully responsible to indemnify City hereunder therefore, and failure of City to monitor compliance with these provisions shall not be a waiver hereof. This indemnification includes claims or liabilities arising from any negligent or wrongful act, error or omission, or reckless or willful misconduct of Contractor in the performance of professional services hereunder. The provisions of this Section do not apply to claims or liabilities occurring as a result of City's sole negligence or willful acts or omissions, but, to the fullest extent permitted by law, shall apply to claims and liabilities resulting in part from City's negligence, except that design professionals' indemnity hereunder shall be limited to claims and liabilities arising out of the negligence, recklessness or willful misconduct of the design professional. The indemnity obligation shall be binding on successors and assigns of Contractor and shall survive termination of this Agreement.

#### 5.4 Performance Bond.

Concurrently with execution of this Agreement, and if required in Exhibit "B", Contractor shall deliver to City performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

#### 5.5 Sufficiency of Insurer or Surety.

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the Risk Manager of City ("Risk Manager") determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond required by Section 5.4 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of City within 10 days of receipt of notice from the Risk Manager.

### **ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION**

#### 6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers books of accounts, invoices, vouchers, canceled checks, reports, studies or other documents relating to the disbursements charged to City and services performed hereunder (the "books and records"), as

shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of 3 years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor's business, custody of the books and records may be given to City, and access shall be provided by Contractor's successor in interest.

## 6.2 Reports.

Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

## 6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the "documents and materials") prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents and materials hereunder. Any use, reuse or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and Contractor's guarantee and warranties shall not extend to such use, revise or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

## 6.4 Confidentiality and Release of Information.

(a) All information gained or work product produced by Contractor in performance of this Agreement shall be considered confidential, unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Contract Officer.

(b) Contractor, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the Contract Officer or unless requested by the



City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys fees, caused by or incurred as a result of Contractor's conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed there under. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

## **ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION**

### **7.1 California Law.**

This Agreement shall be interpreted, construed and governed both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in Riverside.

### **7.2 Disputes; Default.**

In the event that Contractor is in default under the terms of this Agreement, the City shall not have any obligation or duty to continue compensating Contractor for any work performed after the date of default. Instead, the City may give notice to Contractor of the default and the reasons for the default. The notice shall include the timeframe in which Contractor may cure the default. This timeframe is presumptively thirty (30) days, but may be extended, though not reduced, if circumstances warrant. During the period of time that Contractor is in default, the City shall hold all invoices and shall, when the default is cured, proceed with payment on the invoices. In the alternative, the City may, in its sole discretion, elect to pay some or all of the outstanding invoices during the period of default. If Contractor does not cure the default, the City may take necessary steps to terminate this Agreement under this Article. Any failure on the part of the City to give notice of the Contractor's default shall not be deemed to result in a waiver of the City's legal rights or any rights arising out of any provision of this Agreement.

### 7.3 Retention of Funds.

Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

### 7.4 Waiver.

Waiver by any party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

### 7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

### 7.6 Legal Action.

In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

### 7.7 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City the sum of \_\_\_\_\_ (\$\_\_\_\_\_) as liquidated damages for each working day of delay in the performance of any service required hereunder, as specified in

the Schedule of Performance (Exhibit "D"). The City may withhold from any monies payable on account of services performed by the Contractor any accrued liquidated damages.

#### 7.8 Termination Prior to Expiration of Term.

This Section shall govern any termination of this Contract except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Contract at any time, with or without cause, upon thirty (30) days' written notice to Contractor, except that where termination is due to the fault of the Contractor, the period of notice may be such shorter time as may be determined by the Contract Officer. In addition, the Contractor reserves the right to terminate this Contract at any time, with or without cause, upon sixty (60) days' written notice to Agency, except that where termination is due to the fault of the Agency, the period of notice may be such shorter time as the Contractor may determine. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated termination, the Contractor shall be entitled to compensation only for the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

#### 7.9 Termination for Default of Contractor.

If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may, after compliance with the provisions of Section 7.2, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

#### 7.10 Attorneys' Fees.

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

## **ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION**

### **8.1     Non-liability of Agency Officers and Employees.**

No officer or employee of the Agency shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

### **8.2     Conflict of Interest.**

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Contract Officer. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the Agency shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

### **8.3     Covenant Against Discrimination.**

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

### **8.4     Unauthorized Aliens.**

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should the any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

## **ARTICLE 9. MISCELLANEOUS PROVISIONS**

### **9.1     Notices.**

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, CITY OF SIGNAL HILL, 2175 Cherry Avenue, Signal Hill, CA 90755 and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

### **9.2     Interpretation.**

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

### **9.3     Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

### **9.4     Integration; Amendment.**

This Agreement including the attachments hereto is the entire, complete and exclusive expression of the understanding of the parties. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

### **9.5     Severability.**

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

### **9.6     Corporate Authority.**

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this

Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

**[SIGNATURES ON FOLLOWING PAGE]**

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement on the date and year first-above written.

**CITY:**

CITY OF SIGNAL HILL, a municipal corporation

\_\_\_\_\_  
Kenneth C. Farfsing, City Manager

ATTEST:

\_\_\_\_\_  
Rebecca Burleson, Deputy City Clerk

**APPROVED AS TO FORM:**

ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
David J. Aleshire, City Attorney

**CONTRACTOR:**

URBAN FUTURES INCORPORATED

By:\_\_\_\_\_  
Name: Michael P. Busch  
Title: President

By:\_\_\_\_\_  
Name: Marshall Linn  
Title: CEO

Address: 3111 N. Tustin, Suite 230,  
Orange, CA 92865-1753

Two signatures are required if a corporation.

**EXHIBIT "A"**  
**SCOPE OF SERVICES**

**I. Contractor will perform the following Services:**

The firm, Urban Futures Incorporated (“UFI”) will assist the city in analyzing the fiscal impacts on the City of Signal Hill’s operation should the “Know and Vote” initiative pass. The “Know and Vote Initiative” would regulate the City’s ability to enter into agreements for development incentives. It would also regulate all city fees, taxes and assessment, subjecting them to a 2/3 vote for any increases from current levels.

- A. Task 1 – Overview of the Operating Budget – Description of the City’s historic operating budget, including services and revenues. The report will provide historic use (3 years) of the taxes, fees, and assessments that are impacted by the Know and Vote Initiative. In general, the report will address which city services are supported by the various revenue sources.
- B. Task 2 – Fiscal Impacts of the Initiative on the City’s Departments – Discussion of the initiative’s impact on the budget and the ability to provide services should the measure pass. The report will work from the FY 13-14 budget, indicating each department’s expenditures, their percentage of the budget and reduction in their revenues. The report should explore budget and position reductions.
- C. Task 3 – Fiscal Impact on the California Crown Assessment District –The report will explore the fiscal impact on the assessment district should the initiative pass, subjecting it to a citywide vote, with a 2/3rds vote requirement.
- D. Task 4- Fiscal Impact on Franchise Fees – Review impact on oil pipeline franchises, refuse tipping fee, and utilities.
- E. Task 5 – Fiscal Impact on Infrastructure Funding – Review impact on funding for transportation, parks, and open space improvements.
- F. Task 6– Fiscal Impact on Development Impact Fees – Review impacts on water, parks, and traffic fees.
- G. Task 7– Estimate of Future Impact on the City’s Budget Developer Incentives; Impacts on Business Retention and Employment – Discussion of future impact on business retention and attraction, including impacts on the City’s future sales tax revenues should the initiative pass.
- H. Task 8 – Fiscal Impacts on Future Municipal Bonds/Refinancing of Bonds – Review impacts of short term bonds and the loss of financial flexibility.



- I. Task 9 – Fiscal Impacts of the Administration of the Initiative – Review the cost of the administration of the initiative.
  - J. Task 10 – Literature Search – The report will seek to include a literature search on the cities in California with a similar 2/3 vote required for approval of city fees, taxes, and assessments (if available).
  - K. Task 11 – Survey of City Fees – The report will include a snap shot of City fees over the last 10 years as compared with survey cities.
- II. As part of the Services, Contractor will prepare and deliver the following tangible work products to the City:**
- A. Draft report of Fiscal Analysis of “Know and Vote” initiative
  - D. Presentation to City Council, with PowerPoint presentation
  - E. Final report of Fiscal Analysis of “Know and Vote initiative based upon City Council comments.
- III. In addition to the requirements of Section 6.2, during performance of the Services, Contractor will keep the City apprised of the status of performance by delivering the following status reports:**
- A. Upon Completion of Tasks 1 and 2.
  - B. Upon Completion of Tasks 3-6.
  - C. Upon Completion of Tasks 7 and 8.
  - D. Upon Completion of Tasks 9-11.
- IV. All work product is subject to review and acceptance by the City, and must be revised by the Contractor without additional charge to the City until found satisfactory and accepted by City.**
- V. Contractor will utilize the following personnel to accomplish the Services:**
- A. Michael Busch, President
  - B. Bill Covington, Principal

**EXHIBIT "B"**  
**SPECIAL REQUIREMENTS**  
**(Superseding Contract Boilerplate)**

**Section 5.1 "Insurance Coverage" is amended to read as follows**

(c)Automotive Insurance (Form CA 0001 (Ed 1/87) including "any auto" and endorsement CA 0025 or equivalent). A policy of comprehensive automobile liability insurance written on a per occurrence for bodily injury and property damage in an amount not less than \$1,000,000 **\$500,000**. Said policy shall include coverage for owned, non-owned, leased and hired cars.

**Section 5.2 "General Insurance Requirements" is amended to read as follows:**

All of the above policies of insurance shall be primary insurance and shall name the City, its elected and appointed officers, employees and agents as additional insureds and any insurance maintained by City or its officers, employees or agents shall apply in excess of, and not contribute with Contractor's insurance. The insurer is deemed hereof to waive all rights of subrogation and contribution it may have against the City, its officers, employees and agents and their respective insurers. ~~All of said policies of insurance shall provide that said insurance may not be amended or cancelled by the insurer or any party hereto without providing thirty (30) days prior written notice by certified mail return receipt requested to the City.~~ In the event any of said policies of insurance are **amended or** cancelled, the Contractor shall **provide thirty (30) days prior written notice by certified mail return receipt requested to the City, and if cancelled, prior to the cancellation date,** submit new evidence of insurance in conformance with Section 5.1 to the Contract Officer **prior to the cancellation date**. No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the City. City reserves the right to inspect complete, certified copies of all required insurance policies at any time. Any failure to comply with the reporting or other provisions of the policies including breaches or warranties shall not affect coverage provided to City.

All certificates shall name the City as additional insured (providing the appropriate endorsement), ~~and shall conform to the following "cancellation" notice:~~

**CANCELLATION:**

~~SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY SHALL~~

~~MAIL THIRTY (30) DAY ADVANCE WRITTEN NOTICE TO CERTIFICATE  
HOLDER NAMED HEREIN.~~

~~[to be initialed]~~ \_\_\_\_\_  
\_\_\_\_\_ Agent Initials

City, its respective elected and appointed officers, directors, officials, employees, agents and volunteers are to be covered as additional insureds as respects: liability arising out of activities Contractor performs; products and completed operations of Contractor; premises owned, occupied or used by Contractor; or automobiles owned, leased, hired or borrowed by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, and their respective elected and appointed officers, officials, employees or volunteers. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City or its respective elected or appointed officers, officials, employees and volunteers or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims. The Contractor agrees that the requirement to provide insurance shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible nor shall it limit the Contractor's indemnification liabilities as provided in Section 5.3. .

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.5 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to Section 5.1, and such certificates and endorsements shall be provided to City.

**Section 7.7 Liquidated Damages is omitted from the document.**

**EXHIBIT “C”**  
**COMPENSATION**

**I. Contractor shall perform the following tasks:**

		<b>FEE</b>	<b>TIME</b>
A.	<u>Task 1 - Overview of the Operating Budget</u>		24 Hours
B.	<u>Task 2 - Fiscal Impacts of the Initiative on the City’s Departments</u>		48 Hours
C.	<u>Task 3 - Fiscal Impact on the California Crown Assessment District</u>		8 Hours
D.	<u>Task 4 -Fiscal Impact on Franchise Fees</u>		8 Hours
E.	<u>Task 5 - Fiscal Impact on Infrastructure Funding</u>		6 Hours
F.	<u>Task 6 - Fiscal Impact on Development Impact Fees</u>		8 Hours
G.	<u>Task 7 - Estimate of Future Impact on the City’s Budget Developer Incentives; Impacts on Business Retention and Employment</u>		24 Hours
H.	<u>Task 8 - Fiscal Impacts on Future Municipal Bonds/Refinancing of Bonds</u>		5 Hours
I.	<u>Task 9 - Fiscal Impacts of the Administration of the Initiative</u>		6 Hours
J.	<u>Task 10 – Literature Search</u>		4 Hours
K.	<u>Task 11 – Survey of City Fees</u>		20 Hours
	<b>Project Total</b>	<b>\$32,665</b>	

**II. Professional Fees will be paid as follows:**

- A. Execution of Contract – 25%
- B. Draft Report (Anticipated September 30, 2013) – 25%
- C. Final Report (Anticipated October 31, 2013) – 40%
- D. After Council Presentation (Anticipated November) -10%

**III. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task subbudget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.10.**

**VI. The City will compensate Contractor for the Services performed upon submission of a valid invoice. Each invoice is to include:**

- A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
- B. Line items for all materials and equipment properly charged to the Services.
- C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
- D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

**V. The total compensation for the Services shall not exceed \$32,665, as provided in Section 2.1 of this Agreement.**

**VII. The compensation will be paid as follows:**

- A. \$8,166.25 upon Execution of Contract.
- B. \$8,166.25 upon Completion of Draft Report
- C. \$13,066 upon Completion of Final Report
- D. \$3,266.50 upon Completion of Council Presentation

**VII. The Contractor's billing rates for all personnel are attached as Exhibit C-1.**

Exhibit “C-1”

**Billing Rates**

Michael P. Busch	\$225 per hour
Bill Covington	\$185 per hour

**EXHIBIT "D"**  
**SCHEDULE OF PERFORMANCE**

- I. Contractor shall perform all services timely in accordance with the following schedule:

		<b><u>Days to Perform</u></b>	<b><u>Deadline Date</u></b>
A.	<u>Task 1 - Overview of the Operating Budget</u>	3	Within 2 week after Contract Execution
B.	<u>Task 2 - Fiscal Impacts of the Initiative on the City's Departments</u>	6	Within 2 week after Contract Execution
C.	<u>Task 3 - Fiscal Impact on the California Crown Assessment District</u>	1	Within 2 week after Contract Execution
D.	<u>Task 4 -Fiscal Impact on Franchise Fees</u>	1	Within 3 week after Contract Execution
E.	<u>Task 5 - Fiscal Impact on Infrastructure Funding</u>	6	Within 3 week after Contract Execution
F.	<u>Task 6 - Fiscal Impact on Development Impact Fees</u>	1	Within 3 week after Contract Execution
G.	<u>Task 7 - Estimate of Future Impact on the City's Budget Developer Incentives; Impacts on Business Retention and Employment</u>	3	Within 4 week after Contract Execution
H.	<u>Task 8 - Fiscal Impacts on Future Municipal</u>	.625	Within 4

	<u>Bonds/Refinancing of Bonds</u>		week after Contract Execution
I.	<u>Task 9 - Fiscal Impacts of the Administration of the Initiative</u>	.75	Within 5 week after Contract Execution
J.	<u>Task 10 – Literature Search</u>	.5	Within 5 week after Contract Execution
K.	<u>Task 11 – Survey of City Fees</u>	2.5	Within 5 week after Contract Execution

**II. Contractor shall deliver the following tangible work products to the City by the following dates.**

- A. Draft Report – September 30, 2013
- B. Final Report – October 31, 2013
- C. City Council Presentation – November 5 or 19, 2013

**III. The Contract Officer may approve extensions for performance of the services in accordance with Section 3.2.**