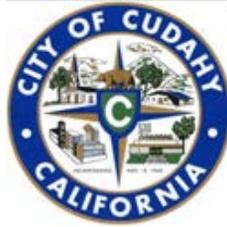


Cristian Markovich, Mayor
Christian Hernandez, Vice Mayor
Baru Sanchez, Council Member
Jack Guerrero, Council Member
Chris Garcia, Council Member



CLARA STREET PARK
TURNER HALL
4835 Clara Street
Cudahy, CA 90201
Phone: (323) 773-5143
Fax: (323) 771-2072

**REMOTE TELECONFERENCE
LOCATION:**

CLARA STREET PARK
Chamber of Commerce Room
4835 Clara Street
Cudahy, CA 90201

AGENDA

A REGULAR MEETING
OF THE CUDAHY CITY COUNCIL
and JOINT MEETING of the
CITY OF CUDAHY AS SUCCESSOR AGENCY and HOUSING SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION
Monday, February 22, 2016 – 6:30 P.M.

"Members of the Public are advised that all PAGERS, CELLULAR TELEPHONES and any OTHER COMMUNICATION DEVICES are to be turned off upon entering the City Council Chambers." If you need to have a discussion with someone in the audience, kindly step out into the lobby.

Written materials distributed to the City Council within 72 hours of the City Council meeting are available for public inspection immediately upon distribution in the City Clerk's Office at City Hall located at 5220 Santa Ana Street, Cudahy, CA 90201.

In compliance with the Americans with Disabilities Act (ADA) if you need special assistance to participate in this meeting, you should contact the City Clerk's Office at (323) 773-5143 at least 72 hours in advance of the meeting.

1. CALL TO ORDER

2. ROLL CALL

Council / Agency Member Garcia
Council / Agency Member Guerrero
Council / Agency Member Sanchez
Vice Mayor / Vice Chair Hernandez
Mayor / Chair Markovich

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS

- A. Certificates of Appreciation to LF Tigers for Volunteering at Breakfast with Santa
- B. Archdiocesan Youth Employment Service
- C. Student Nest
- D. Senior and Aging Commission Presentation

5. PUBLIC COMMENTS

(Mayor: This is the time set aside for citizens to address the City Council / Agency on matters relating **only to items on the agenda**. Anyone wishing to speak, please fill out the **yellow comment card** located at the Council Chambers entrance and submit it to the City Clerk. Speakers that submitted comment cards within the first 20 minutes of the meeting will be permitted to speak. **Pursuant to Government Code section 54954.3(b), time limits are placed on the public comment period. The Mayor will announce when public comment cards may no longer be submitted to the City Clerk and no public comment cards will be accepted after the Mayor's announcement.** Each person who submits a public comment card will be allowed to speak only once and will be limited to three (3) minutes. When addressing the Council / Agency please speak into the microphone and voluntarily state your name and address.)

(Every person who, without authority of law, willfully disturbs or breaks up a City Council meeting, is guilty of a misdemeanor. [See, Cal. Penal Code § 403.])

6. CITY COUNCIL COMMENTS / REQUESTS FOR AGENDA ITEMS

(This is the time for the City Council / Agency to comment on any topics related to "City Business," including announcements, reflections on city / regional events, response to public comments, suggested discussion topics for future council meetings, general concerns about particular city matters, questions to the staff, and directives to the staff (subject to approval / consent of the City Council majority members present, regarding staff directives). Each Council / Agency Member will be allowed to speak for a period not to exceed three (3) minutes. Notwithstanding the foregoing, the City Council Members shall not use this comment period for serial discussions or debate between members on City business matters not properly agendized. The City Attorney shall be responsible for regulating this aspect of the proceeding.)

7. CITY MANAGER REPORT (information only)

8. REPORTS REGARDING AD HOC, ADVISORY, STANDING, OR OTHER COMMITTEE MEETINGS

- A. CITY MANAGER CONTRACT NEGOTIATIONS AD HOC COMMITTEE
(Vice Mayor Hernandez and Council Member Sanchez) – Formed December 14, 2015)

- B. **TECHNOLOGY AD HOC COMMITTEE**
(Vice Mayor Hernandez and Council Member Garcia) – Formed November 23, 2015
- C. **AD HOC COMMITTEE TO RECOMMEND APPOINTMENTS TO VARIOUS CITY COMMISSIONS**
(Vice Mayor Hernandez and Council Member Sanchez) – Formed August 24, 2015
- D. **NATIONWIDE AD HOC COMMITTEE** – Formed October 12, 2015
(Council Members Garcia and Sanchez)
- E. **AD HOC BOOK FAIR COMMITTEE**
(Mayor Markovich and Council Member Garcia)
- F. **CUDAHY YOUTH LEADERSHIP AD HOC COMMITTEE**
(Mayor Markovich and Council Member Garcia)
- G. **AD HOC BEAUTIFICATION COMMITTEE**
(Mayor Markovich and Council Member Sanchez)
- H. **SUCCESSOR AGENCY COMMITTEE**
(Mayor Markovich and Vice Mayor Hernandez)
- I. **CASINO AND GAMING COMMITTEE**
(Vice Mayor Hernandez and Council Member Sanchez)
- J. **AD HOC CLARA PARK EXPANSION COMMITTEE**
(Council Member Garcia and Mayor Markovich)
- K. **FARMERS MARKET/SWAPMEET COMMITTEE**
(Council Member Garcia and Council Member Sanchez)
- L. **CONTRACTS COMMITTEE**
(Council Member Garcia)
- M. **PENSION REFORM COMMITTEE**
(Mayor Markovich)

9. WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

(Consideration to waive full text reading of all Resolutions and Ordinances by single motion made at the start of each meeting, subject to the ability of the City Council / Agency to read the full text of selected resolutions and ordinances when the item is addressed by subsequent motion.) (COUNCIL / AGENCY)

Recommendation: Approve the Waiver of Full Reading of Resolutions and Ordinances.

10. CONSENT CALENDAR

(Items under the Consent Calendar are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless a Council / Agency Member so requests, in which event the item will be removed from the Consent Calendar and considered separately.)

(AS HOUSING SUCCESSOR AGENCY)

- A. Adoption of a Proposed Resolution of the City of Cudahy, Acting as Housing Successor Agency, Approving an Amendment to the Housing Asset Transfer Form *(page 9)*

Presented by Finance Director and City Attorney

Recommendation: The City of Cudahy, Acting as Housing Successor Agency, is requested to adopt the proposed resolution to implement the Department of Finance's December 16, 2015 order that the City of Cudahy as Housing Successor Agency revise its Housing Asset Transfer Form (HAT Form) to add the property located at 4848-4854 Live Oak Street (Property) as part of the inventory of housing assets, rather than include the Property in the Long Range Property Management Plan because the Property was funded with moderate income housing funds.

(AS CITY COUNCIL)

- B. Approval of a Second Amendment to the Professional Services Agreement with HR Dynamics & Performance Management for Human Resources Consulting Services *(page 31)*

Presented by Acting Human Resources Specialist

Recommendation: The City Council is requested to approve the second amendment to the professional services agreement and scope of work with HR Dynamics & Performance Management for human resources consulting services.

- C. Adoption of a Proposed Resolution Authorizing Submittal of Future Applications for CalRecycle Payment Programs and Related Authorizations *(page 97)*

Presented by City Manager

Recommendation: The City Council is requested to:

1. Adopt a proposed resolution authorizing future application submittals to the California Department of Resources Recycling and Recovery (CalRecycle) for payment programs and related authorizations; and
2. Authorize the City Manager to execute all documents necessary to implement and secure payment.

- D. Approval of a Professional Services Agreement with Wendy Chung for Creative Design Services
(page 103)

Presented by City Manager

Recommendation: The City Council is requested to approve a professional services agreement for writing, editing, creative design services, civic engagement strategy and policy, and program coordination and management services under the direction of the City Manager for a two-year period not to exceed \$50,000.

- E. Approval of a First Amendment to the Professional Services Agreement with FUEL Creative Group (page 123)

Presented by City Manager

Recommendation: The City Council is requested to approve a first amendment to the professional services agreement with FUEL Creative Group for City newsletter services at a cost not to exceed \$123,224 with a term of two years (i.e. July 1, 2016 to June 30, 2018).

11. PUBLIC HEARING - NONE

12. BUSINESS SESSION

- A. Adoption of a Proposed Resolution Amending the City of Cudahy Fiscal Year (FY) 2015-16 Budget (page 155)

Presented by Finance Director

Recommendation: The City Council is requested to:

1. Receive the Fiscal Year 2015-16 Mid-Year Budget review and related reports; and
2. Adopt a proposed resolution approving the amendment to the FY 2015-16 City Budget in the amount of \$273,909 for the General Fund; \$310,000 for the Gas Tax Fund; \$100,000 for the Other Grants Fund; \$317,000 for the Proposition 1B Local Street Improvement Fund; \$79,000 for the Proposition C Fund; \$160,000 for the Measure R Fund; \$20,000 for the California Beverage Container Fund; and \$5,000 for the Housing Fund.

13. COUNCIL DISCUSSION

A. Vice Mayor Hernandez

Discussion of Creation of a Quarterly Magazine Ad Hoc Committee

B. Council Member Sanchez

Discussion of Standard Order of Business for City Council meetings and Public Comment Period

14. ORAL COMMUNICATIONS (Closed Session)

(Each person will be allowed to speak only once on closed session items and will be limited to three (3) minutes. When addressing the Council please speak into the microphone and voluntarily state your name and address.)

RECESS TO CLOSED SESSION

This is the time at which the City Council will meet in closed session to go over items of business on the closed session agenda. It should be noted that because Councilman Guerrero will be participating from Bedwell Hall via teleconference, he will be patched into the closed session chambers from Bedwell Hall via telephone device. At this time, all persons other than Councilman Guerrero and City personnel authorized by either the City Manager or the City Attorney will not be allowed to remain in Bedwell Hall. Once closed session is completed and the City Council returns from closed session into open session, members of the public may then reenter the Council Chamber to rejoin the proceedings.

CLOSED SESSION

A. Pursuant to Government Code Section 54957.6(a) – Conference with Labor Negotiator Regarding Unrepresented Employees

Title of Positions Subject to Negotiation: Community Development Manager; Public Safety and Services Manager; Director of Community Services; Director of Parks and Recreation; Executive Secretary/Human Resources Specialist; and Finance Manager

Designated Representative: City Manager and City Attorney

B. Pursuant to Government Code Section 54957.6(a) – Conference with Labor Negotiator Regarding Unrepresented Employee

Title of Positions Subject to Negotiation: City Manager

Designated Representative: City Attorney

- C. Pursuant to Government Code Sections 54956.9(d)(2) and 54956.9(d)(3) – Conference with Legal Counsel to Discuss Matter Involving Anticipated Litigation/Significant Exposures to Litigation – [One (1) potential case]
- D. Pursuant to Government Code Sections 54956.9(d)(2) and 54956.9(d)(4) Conference with Legal Counsel to Discuss Matter Involving Anticipated Litigation/Significant Exposures to Litigation – [One (1) potential case]

RECONVENE TO OPEN SESSION

15. CLOSED SESSION ANNOUNCEMENT

16. PUBLIC COMMENT

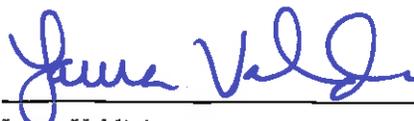
(Mayor: This is the time set aside for citizens to address the City Council / Agency **on matters under the City Council's jurisdiction**. Anyone wishing to speak, please fill out the pink comment card located at the Council Chambers entrance and submit it to the City Clerk. Speakers that submitted comment cards within the first 20 minutes of the meeting will be permitted to speak. **Pursuant to Government Code section 54954.3(b), time limits are placed on the public comment period. The Mayor will announce when public comment cards may no longer be submitted to the City Clerk and no public comment cards will be accepted after the Mayor's announcement.** Each person who submits a public comment card will be allowed to speak only once and will be limited to three (3) minutes. When addressing the Council / Agency please speak into the microphone and voluntarily state your name and address.)

17. ADJOURNMENT

Cudahy City Council / Agency will adjourn to a Regular and Joint Meeting as Successor Agency to the Cudahy Development Commission on Monday, March 14, 2016 at 6:30 p.m.

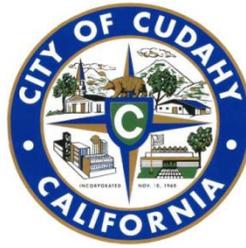
I Laura Valdivia, hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted at Cudahy City Hall, Bedwell Hall, Clara Park, Lugo Park, and the City's Website not less than 72 hours prior to the meeting. A copy of said Agenda is on file in the City Clerk's Office.

Dated this 18th day of February 2016



Laura Valdivia
Interim City Clerk

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Item Number 10A

STAFF REPORT

Date: February 22, 2016

To: Honorable Mayor / Chair and City Council / Agency Members

From: Steven Dobrenen, Finance Direction
By: Isabel Birrueta, Assistant City Attorney

Subject: **Adoption of a Proposed Resolution of the City of Cudahy, Acting as Housing Successor Agency Approving an Amendment to the Housing Asset Transfer Form**

RECOMMENDATION

The City of Cudahy as Housing Successor Agency, is requested to adopt the attached proposed resolution to implement the Department of Finance's ("DOF") December 16, 2015 order that the City of Cudahy as Housing Successor Agency revise its Housing Asset Transfer Form (the "HAT Form") to add the property located at 4848-4854 Live Oak Street ("Property") as part of the inventory of housing assets, rather than include the Property in the Long Range Property Management Plan ("LRPMP"), because the Property was funded with moderate income housing funds.

BACKGROUND

1. In April 2011, the Community Development Commission City of Cudahy ("the Former Redevelopment Agency") and City of Cudahy (the "City") formed the Cudahy Economic Development Corporation, a non-profit public benefit corporation (the "EDC"). The EDC was created as a separate and autonomous body to undertake community redevelopment activities within the City.
2. Additionally, in April 2011, the Former Redevelopment Agency and EDC entered into a Project Funding Agreement setting forth terms for the support of development activities to be undertaken by the Cudahy EDC. The Project Funding Agreement obligates the EDC to undertake certain development within the City, and in return, the Former Redevelopment Agency transferred bond proceeds, cash and real property assets of the Former Redevelopment Agency to the EDC for such community development purposes.

3. Additionally, in April 2011, the Former Redevelopment Agency and EDC entered into the Reimbursement Agreement whereby the EDC agreed to undertake certain public works projects.
4. Pursuant to these agreements, the Former Redevelopment Agency transferred five (5) parcels of real property as previously acquired by the Former Redevelopment Agency to the Cudahy EDC, one of which included the Property, and the Former Redevelopment Agency also transferred the proceeds of redevelopment bonds issued in 2011 and certain cash balances of the Former Redevelopment Agency to the EDC.
5. Pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231 (2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Redevelopment Agency transferred to the control of the Cudahy Community Development Commission/Redevelopment Agency (the "Successor Agency") by operation of law.
6. On January 17, 2012, prior to the dissolution of the Former Redevelopment Agency, the City Council of the City adopted Resolution No. 12-04 electing that the City to serve as the successor agency and successor entity to the Former Redevelopment Agency and assume all housing assets and functions previously performed by the Former Redevelopment Agency pursuant to Health and Safety Code Section 34176.
7. Health and Safety Code Section 34177(g) directs the Successor Agency to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code Section 34176, in this particular case being the City of Cudahy as Housing Successor Agency, and Health and Safety Code Section 34181(c) provides that the Oversight Board of the Successor Agency (the "Oversight Board") shall direct the Successor Agency to transfer housing assets pursuant to Health and Safety Code Section 34176 to the Housing Successor Agency.
8. On May 1, 2012, Paramount Villas LLC, a California limited liability company and Alvaro Banegas (collectively "Paramount") and the EDC, entered into the Second Amended Acquisition and Development Loan Agreement ("Paramount Loan Agreement") involving the Property and states that it "amends and supersedes the Acquisition and Development Loan Agreement" dated January 9, 2012, and the amended agreement dated March 1, 2012, both between Paramount and the EDC.

9. Paramount holds title to the Property based on documents executed by Paramount and EDC, including, without limitation, the following: (i) Grant Deed recorded as Instrument No. 20120623627; and (ii) Deed of Trust recorded as Instrument No. 20120623628, both recorded April 27, 2012 in Official Records.
10. In or around July of 2012, the EDC rescinded its contracts with Paramount including the Paramount Loan Agreement.
11. On August 1, 2012, pursuant to Health and Safety Code Section 34176(a)(2), the City and the Successor Agency submitted to the DOF a Housing Assets Transfer Form (the "HAT Form") of all housing assets, including any assets transferred on or after February 1, 2012.
12. On September 5, 2012, the DOF reviewed and approved the HAT Form.
13. On April 9, 2013, Paramount filed, in Los Angeles Superior Court, *Alvaro Banegas and Paramount Villas, LLC v. Cudahy Economic Development Corp. and the City of Cudahy*, Case No.: VC063068, a lawsuit arising out of the contracts between Paramount and EDC including the Paramount Loan Agreement, and Paramount's proposed development project at the Property ("Lawsuit").
14. On April 9, 2013, Paramount recorded two Notices of Pendency of Action (Lis Pendens) as Instrument Nos. 20130527150 and 20130527151, both of Official Records.
15. In August of 2013, the EDC filed a cross-complaint in the Lawsuit seeking, *inter alia*, rescission of contracts including the Paramount Loan Agreement and quiet title to the Property.
16. On May 12, 2014, the Oversight Board adopted Resolution No. OB 14-03 directing the Successor Agency to transfer housing assets to the City as Successor Housing Agency, pursuant to Health and Safety Code Section 34176.
17. On May 20, 2014, the City, acting as Housing Successor Agency, adopted Resolution No. 14-32 to approve its acceptance of the housing functions and assets of the Former Redevelopment Agency.

18. On April 15, 2014, the California State Controller's Office ("SCO") issued a report titled: Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011 through January 31, 2012, which orders the Successor Agency to recover the Property and other specified assets of the EDC, in accordance with the Dissolution Laws.
19. On February 3, 2015 the Successor Agency adopted Resolution No. 15-01, approving an Asset Transfer Agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO.
20. On February 5, 2015, the Board of Directors of the EDC adopted Resolution No. EDC-15-01, approving the Asset Transfer Agreement.
21. On March 12, 2015, the Oversight Board adopted Resolution No. OB15-07 approving the Asset Transfer Agreement.
22. On May 11, 2015, the Successor Agency received an appraisal of the Property prepared by Kenneth T. Soergel providing that as of April 17, 2015, the Property appraised at One Million and Fifty Thousand Dollars (\$1,050,000) in its "as is" condition.
23. On May 19, 2015, the Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
24. On June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO.
25. The Successor Agency determined that the Former Redevelopment Agency acquired the Property in 2009 with tax increment revenues derived from the low and moderate housing fund and, thus, notified DOF that the Property should be excluded from the LRPMP.
26. On December 16, 2015, the DOF notified the Successor Agency in writing that it approved the LRPMP and that the Property should be added the HAT Form as part of the housing assets rather than the LRPMP because the Property was funded with moderate income housing funds.
27. On about February 8, 2016, the parties involved in the Lawsuit negotiated a Settlement and Release Agreement for the transfer of Successor Agency's right, title and interest in

and to the Property under the Asset Transfer Agreement to Paramount provided that Paramount provides to the Successor Agency One Million and Two Hundred Thousand Dollars (\$1,200,000) for the purchase the Property.

28. Any transfer of the Property to Paramount shall be contingent upon written acknowledgement from DOF confirming that the Property has been included in the revised HAT Form pursuant to Health and Safety Code section 34176.

ANALYSIS

The Successor Agency entered into a Settlement and Release Agreement with Paramount to settle the title dispute concerning the Property. The Settlement and Release Agreement requires Paramount to purchase the Property for \$1.2 million dollars. However, in order to consummate the sale of the Property, the City of Cudahy as Housing Successor Agency must first amend the HAT Form to include the Property as part of its inventory of housing assets. The Successor Agency expects that this amendment will permit the Successor Agency to sell the Property to Paramount to resolve the title dispute.

CONCLUSION

The adoption of the proposed resolution is necessary to implement DOF's December 16, 2015 order that the City of Cudahy as Housing Successor Agency include the Property in the HAT Form. The Successor Agency expects that inclusion of the Property in the HAT Form will permit the Successor Agency to sell the Property to Paramount consistent with the terms of the Settlement and Release Agreement.

FINANCIAL IMPACT

No financial impact provided that Paramount complies with the terms of the Release and Settlement Agreement for the purchase of the Property.

ATTACHMENTS

Proposed Resolution and Exhibits

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF CUDAHY, ACTING AS
HOUSING SUCCESSOR AGENCY, APPROVING AN
AMENDMENT OF THE HOUSING ASSET TRANSFER FORM**

WHEREAS, in April 2011, the Community Development Commission City of Cudahy (“the Former Redevelopment Agency”) and City of Cudahy (the “City”) formed the Cudahy Economic Development Corporation, a non-profit public benefit corporation (the “EDC”). The EDC was created as a separate and autonomous body to undertake community redevelopment activities within the City; and

WHEREAS, additionally, in April, 2011, the Former Redevelopment Agency and Cudahy EDC entered into a Project Funding Agreement setting forth terms for the support of development activities to be undertaken by the Cudahy EDC. The Project Funding Agreement obligates the Cudahy EDC to undertake certain development within the City, and in return, the Former Redevelopment Agency transferred bond proceeds, cash and real property assets of the Former Redevelopment Agency to the Cudahy EDC for such community development purposes; and

WHEREAS, additionally, in April, 2011, the Former Redevelopment Agency and Cudahy EDC entered into the Reimbursement Agreement whereby the EDC agreed to undertake certain public works projects; and

WHEREAS, pursuant to these agreements, the Former Redevelopment Agency transferred five (5) parcels of real property as previously acquired by the Former Redevelopment Agency to the EDC, including the property located at 4848-4854 Live Oak Street (the “Property”), and the Former Redevelopment Agency also transferred the proceeds of redevelopment bonds issued in 2011 and certain cash balances of the Former Redevelopment Agency to the EDC; and

WHEREAS, on January 17, 2012, prior to the dissolution of the Former Redevelopment Agency, the City Council of the City adopted Resolution No. 12-04 electing that the City to serve as the successor agency and successor entity to the Former Redevelopment Agency (“Successor Agency”) and assume all housing assets and functions previously performed by the Former Redevelopment Agency pursuant to Health and Safety Code Section 34176; and

WHEREAS, pursuant to Health and Safety Code Section 34175(b) and the California Supreme Court's decision in *California Redevelopment Association, et al. v. Ana Matosantos, et al.* (53 Cal.4th 231 (2011)), on February 1, 2012, all assets, properties, contracts, leases, books and records, buildings, and equipment of the Former Redevelopment Agency transferred to the control of the Successor Agency by operation of law; and

WHEREAS, Health and Safety Code Section 34177(g) directs the Successor Agency to effectuate the transfer of housing functions and assets to the appropriate entity designated pursuant to Health and Safety Code Section 34176, in this particular case being the City of Cudahy as Housing Successor Agency, and Health and Safety Code Section 34181(c) provides that the Oversight Board of the Successor Agency (the "Oversight Board") shall direct the Successor Agency to transfer housing assets pursuant to Health and Safety Code Section 34176 to the Housing Successor Agency; and

WHEREAS, on May 1, 2012, Paramount Villas LLC, a California limited liability company and Alvaro Banegas (collectively "Paramount") and the EDC, entered into the Second Amended Acquisition and Development Loan Agreement ("Paramount Loan Agreement") involving the Property, and states that it "amends and supersedes the Acquisition and Development Loan Agreement" dated January 9, 2012, and the amended agreement dated March 1, 2012, both between Paramount and the EDC; and

WHEREAS, Paramount holds title to the Property based on documents executed by Paramount and EDC, including, without limitation, the following: (i) Grant Deed recorded as Instrument No. 20120623627; and (ii) Deed of Trust recorded as Instrument No. 20120623628, both recorded April 27, 2012 in Official Records; and

WHEREAS, in or around July of 2012, the EDC rescinded its contracts with Paramount including the Paramount Loan Agreement; and

WHEREAS, on August 1, 2012, pursuant to Health and Safety Code Section 34176(a)(2), the City and the Successor Agency submitted to the DOF a Housing Assets Transfer Form (the "HAT Form") of all housing assets, including any assets transferred on or after February 1, 2012; and

WHEREAS, on September 5, 2012, the DOF reviewed and approved the HAT Form; and

WHEREAS, on April 9, 2013, Paramount filed, in Los Angeles Superior Court, *Alvaro Banegas and Paramount Villas, LLC v. Cudahy Economic Development Corp. and the City of Cudahy*, Case No.: VC063068, a lawsuit arising out of the contracts between Paramount and EDC including the Paramount Loan Agreement, and Paramount's proposed development project at the Property ("Lawsuit"); and

WHEREAS, on April 9, 2013, Paramount recorded two Notices of Pendency of Action (Lis Pendens) as Instrument Nos. 20130527150 and 20130527151, both of Official Records; and

WHEREAS, in August of 2013, the EDC filed a cross-complaint in the Lawsuit seeking, *inter alia*, rescission of contracts including the Paramount Loan Agreement and quiet title to the Property; and

WHEREAS, on May 12, 2014, the Oversight Board adopted Resolution No. OB 14-03 directing the Successor Agency to transfer housing assets to the City as Successor Housing Agency, pursuant to Health and Safety Code Section 34176; and

WHEREAS, on May 20, 2014, the City, acting as Housing Successor Agency, adopted Resolution No. 14-32 to approve its acceptance of the housing functions and assets of the Former Redevelopment Agency; and

WHEREAS, on April 15, 2014, the California State Controller's Office ("SCO") issued a report titled: Cudahy Redevelopment Agency Asset Transfer Review January 1, 2011 through January 31, 2012, which orders the Successor Agency to recover the Property and other specified assets of the EDC, in accordance with the Dissolution Laws; and

WHEREAS, on February 3, 2015 the Successor Agency adopted Resolution No. 15-01, approving an Asset Transfer Agreement between the EDC and the Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, on February 5, 2015, the Board of Directors of the EDC adopted Resolution No. EDC-15-01, approving the Asset Transfer Agreement; and

WHEREAS, on March 12, 2015, the Oversight Board to the Successor Agency (the "Oversight Board") adopted Resolution No. OB15-07 approving the Asset Transfer Agreement; and

WHEREAS, on May 11, 2015, the Successor Agency received an appraisal of the Property prepared by Kenneth T. Soergel providing that as of April 17, 2015, the Property appraised at One Million and Fifty Thousand Dollars (\$1,050,000) in its "as is" condition; and

WHEREAS, on May 19, 2015, the Successor Agency approved an amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, on June 4, 2015, the EDC approved the amendment to the Asset Transfer Agreement between the EDC and Successor Agency to effectuate the asset transfer ordered by the SCO; and

WHEREAS, the Successor Agency determined that the Former Redevelopment Agency acquired the Property in 2009 with tax increment revenues derived from the low and moderate housing fund and, thus, notified the Department of Finance ("DOF") that the Property should be excluded from the Long Range Property Management Plan ("LRPMP"); and

WHEREAS, on December 16, 2015, the DOF notified the Successor Agency in writing that it approved the LRPMP and that the Property should be added to the Successor Agency's revised HAT Form as part of its inventory of housing assets and should be excluded from the LRPMP, as it was funded with moderate income housing funds; and

WHEREAS, on about February 8, 2016, the parties involved in the Lawsuit negotiated a Settlement and Release Agreement for the transfer of Successor Agency's right, title and interest in and to the Property under the Asset Transfer Agreement to Paramount provided that Paramount provides to the Successor Agency One Million and Two Hundred Thousand Dollars (\$1,200,000) to purchase the Property; and

WHEREAS, any transfer of the Property to Paramount shall be contingent upon written acknowledgement from DOF confirming that the Property has been included in the revised HAT Form pursuant to Health and Safety Code section 34176.

NOW, THEREFORE, THE CITY OF CUDAHY, ACTING AS HOUSING SUCCESSOR AGENCY, DOES RESOLVE AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are a substantive part of this Resolution.

SECTION 2. This Resolution is adopted pursuant to Health and Safety Code Sections 34176 and to implement DOF's December 16, 2015 order that the Property shall be included in the Housing Successor Agency revised HAT and excluded from the LRPMP as the Property was funded with moderate income housing funds.

SECTION 3. The City of Cudahy, acting as Housing Successor Agency, hereby authorizes and directs: (i) submittal of an amendment request to DOF in order to amend the HAT Form to include the Property as part of the inventory of housing assets.

SECTION 4. The amended HAT Form that will be submitted to DOF is attached hereto as Exhibit D.

SECTION 5. The City staff and the chair of the Successor Agency are hereby authorized and directed, jointly and severally, to execute and record such documents and instruments and to do any and all other things which they may deem necessary or advisable to effectuate the amendment to the HAT Form as authorized by this Resolution.

APPROVED AND ADOPTED this 22nd day of February 2016.

Cristian Markovich,
Chair of the City of Cudahy as Housing
Successor Agency

ATTEST:

Secretary of the City of Cudahy
as Housing Successor Agency

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, _____ Secretary for the City of Cudahy as Housing Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency, hereby certify that the foregoing Resolution No. ____ was passed, approved, and adopted by the City of Cudahy as Housing Successor Agency to the former Cudahy Community Development Commission/Redevelopment Agency signed by the Chair and attested by the Chair at a meeting of said Successor held on this 22nd day of February, 2016, and that said Resolution was adopted by the following votes to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Secretary of the City of Cudahy as Housing
Successor Agency

DEPARTMENT OF FINANCE
HOUSING ASSETS LIST
ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
(Health and Safety Code Section 34176)

Former Redevelopment Agency: CUDAHY DEVELOPMENT COMMUNITY COMMISSION

Successor Agency to the Former Redevelopment Agency: CITY OF CUDAHY SUCCESSOR AGENCY

Entity Assuming the Housing Functions of the former Redevelopment Agency: CITY OF CUDAHY SUCCESSOR AGENCY

Entity Assuming the Housing Functions Contact Name: Mellie Deano Title Finance Director Phone 323-773-5143 E-Mail Address deano@cityofcudahyca.gov

Entity Assuming the Housing Functions Contact Name: _____ Title _____ Phone _____ E-Mail Address _____

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

- Exhibit A - Real Property
- Exhibit B- Personal Property
- Exhibit C - Low-Mod Encumbrances
- Exhibit D - Loans/Grants Receivables
- Exhibit E - Rents/Operations
- Exhibit F- Rents
- Exhibit G - Deferrals

X

Prepared By: Mellie Deano - Finance Director

Date Prepared: 7/31/12

CITY MANAGER



Hector Rodriguez

City or County of xxxxx
 Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Yes	\$280,000	11/1/1995	Elizabeth West & East LLP	construction loan	yes	November-25	6.55%	\$561,432
2	Yes	\$500,000	6/28/1998	Clara St. LLP	construction loan	yes	May-26	1.00%	\$558,233
3	Yes	\$590,000	6/30/2000	Live Oak LLP	construction loan	yes	August-29	2.50%	\$757,262
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September 5, 2012

Ms. Mellie D. Deano, Finance Director-Treasurer
City of Cudahy
5220 Santa Ana St.
Cudahy, CA 90201

Dear Ms. Deano:

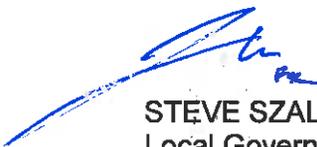
Subject: Housing Assets Transfer Form

Pursuant to Health and Safety Code (HSC) section 34176 (a) (2), the City of Cudahy submitted a Housing Assets Transfer Form (Form) to the California Department of Finance (Finance) on August 1, 2012 for the period February 1, 2012 through August 1, 2012.

Finance has completed its review of your Form, which may have included obtaining clarification for various items. Based on a sample of line items reviewed and the application of law, Finance is not objecting to any assets or transfers of assets identified on your Form.

Please direct inquiries to Kylie Le, Supervisor or Brian Dunham, Lead Analyst at (916) 445-1546.

Sincerely,



STEVE SZALAY
Local Government Consultant

cc: Ms. Kristina Burns, Manager, Community Redevelopment Administration Section,
Property Tax Division, Auditor Controller's Office, Los Angeles County
California State Controller's Office

EXHIBIT "A"

All that certain real property situated in the County of Los Angeles, State of California, described as follows:

Parcel 1:

The Easterly half of Lot 74 of Tract No. 180, in the City of Cudahy, County of Los Angeles, State of California, as per map recorded in Book 13, Page 198, of Maps, in the Office of the County Recorder of said County.

Parcel 2:

That portion of the Southerly 10 feet of Lot E of Tract No. 180, in the City of Cudahy, County of Los Angeles, State of California, as per map recorded in Book 13, Page 198, of Maps, in the Office of the County Recorder of said County, which lies between the Northerly prolongations of the Easterly and Westerly line of the West half of Lot 74 of said Tract.

Parcel 3:

Lot 75 of Tract No. 180, in the City of Cudahy, County of Los Angeles, State of California, as per map recorded in Book 13, Page 198, of Maps, in the Office of the County Recorder of said County.

Except therefrom the Easterly 52.50 feet of said Lot.

Parcel 4:

That portion of the Southerly 10 feet of Lot E of Tract No. 180, in the City of Cudahy, County of Los Angeles, State of California, as per map recorded in Book 13, Page 198, of Maps, in the Office of the County Recorder of said County, lying between the Northerly prolongation of the Westerly line of Lot 75 of said Tract and the Westerly line of the Easterly 52.5 feet of said Lot 75.

[Assessor's Parcel Number: 6226-014-046 & -045]

**DEPARTMENT OF FINANCE
 AMENDED HOUSING ASSETS LIST
 ASSEMBLY BILL X1 26 AND ASSEMBLY BILL 1484
 (Health and Safety Code Section 34176)**

Former Redevelopment Agency: CUDAHY DEVELOPMENT COMMUNITY COMMISSION

Successor Agency to the Former Redevelopment Agency: CITY OF CUDAHY SUCCESSOR AGENCY

Entity Assuming the Housing Functions of the former Redevelopment Agency: CITY OF CUDAHY AS HOUSING SUCCESSOR AGENCY

Entity Assuming the Housing Functions Contact Name: Steven Dobrenen Title Finance Director Phone 323-773-5143 E-Mail Address deano@cityofcudahyca.gov

Entity Assuming the Housing Functions Contact Name: _____ Title _____ Phone _____ E-Mail Address _____

All assets transferred to the entity assuming the housing functions between February 1, 2012 and the date the exhibits were created are included in this housing assets list. The following Exhibits noted with an X in the box are included as part of this inventory of housing assets:

- Exhibit A - Real Property
- Exhibit B- Personal Property
- Exhibit C - Low-Mod Encumbrances
- Exhibit D - Loans/Grants Receivables
- Exhibit E - Rents/Operations
- Exhibit F- Rents
- Exhibit G - Deferrals

X
X

Prepared By: **Steven Dobrenen - Finance Director**

Date Prepared: **2/22/16**

**City of Cudahy
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)**

Item #	Type of Asset a/	Legal Title and Description	Carrying Value of Asset	Total square footage	Square footage reserved for low-mod housing	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Date of transfer to Housing Successor Agency	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition by the former RDA	Interest in real property (option to purchase, easement, etc.)
1	Property	4848-4854 Live Oak											
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a/ Asset types may include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of Asset a/	Description	Carrying Value of Asset	Date of transfer to Housing Successor Agency	Acquisition cost funded with Low-Mod Housing Fund monies	Acquisition costs funded with other RDA funds	Acquisition costs funded with non-RDA funds	Date of acquisition by the former RDA
1	NA							
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a/ Asset types any personal property provided in residences, including furniture and appliances, all housing-related files and loan documents, office supplies, software licenses, and mapping programs, that were acquired for low and moderate income housing purposes, either by purchase or through a loan, in whole or in part, with any source of funds.

City or County of xxxxx
 Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of housing built or acquired with enforceably obligated funds a/	Date contract for Enforceable Obligation was executed	Contractual counterparty	Total amount currently owed for the Enforceable Obligation	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant b/	Current owner of the property	Construction or acquisition cost funded with Low-Mod Housing Fund monies	Construction or acquisition costs funded with other RDA funds	Construction or acquisition costs funded with non-RDA funds	Date of construction or acquisition of the property
1			NA								
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20											

a/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

b/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Was the Low-Mod Housing Fund amount issued for a loan or a grant?	Amount of the loan or grant	Date the loan or grant was issued	Person or entity to whom the loan or grant was issued	Purpose for which the funds were loaned or granted	Are there contractual requirements specifying the purposes for which the funds may be used?	Repayment date, if the funds are for a loan	Interest rate of loan	Current outstanding loan balance
1	Yes	\$280,000	11/1/1995	Elizabeth West & East LLP	construction loan	yes	November-25	6.55%	\$561,432
2	Yes	\$500,000	6/28/1998	Clara St. LLP	construction loan	yes	May-26	1.00%	\$558,233
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City or County of xxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which they payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent/operation is associated with (if applicable)
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a/ May include revenues from rents, operation of properties, residual receipt payments from developers, conditional grant repayments, costs savings and proceeds from refinancing, and principal and interest payments from homebuyers subject to enforceable income limits.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Type of payment a/	Type of property with which the payments are associated b/	Property owner	Entity that collects the payments	Entity to which the collected payments are ultimately remitted	Purpose for which the payments are used	Is the property encumbered by a low-mod housing covenant?	Source of low-mod housing covenant c/	Item # from Exhibit A the rent is associated with (if applicable)
1	NA								
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a/ May include rents or home loan payments.

b/ May include low-mod housing, mixed-income housing, low-mod housing with commercial space, mixed-income housing with commercial space.

c/ May include California Redevelopment Law, tax credits, state bond indentures, and federal funds requirements.

City or County of xxxxx
Inventory of Assets Received Pursuant to Health and Safety Code section 34176 (a) (2)

Item #	Purpose for which funds were deferred	Fiscal year in which funds were deferred	Amount deferred	Interest rate at which funds were to be repaid	Current amount owed	Date upon which funds were to be repaid
1	NA					
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Item Number 10B

STAFF REPORT

Date: February 22, 2016

To: Honorable Mayor/Chair and City Council/Agency Members

From: Jose E. Pulido, City Manager/Executive Director
By: Jennifer Hernandez, Acting Human Resources Specialist

Subject: **Approval of a Second Amendment to the Professional Services Agreement (PSA) with HR Dynamics & Performance Management for Human Resources Consulting Services**

RECOMMENDATION

The City Council is requested to approve the Second Amendment to the Professional Services Agreement (PSA) and scope of work with HR Dynamics & Performance Management for human resources consulting services.

BACKGROUND

1. On February 2, 2015, the Council approved the PSA with HR Dynamics & Performance Management to provide human resources consulting services.
2. On June 8, 2015, the First Amendment to this PSA, modifying and clarifying the scope of work, was approved by the City Council.

ANALYSIS

Over the past 10 months, City staff have been working diligently alongside a seasoned human resources consultant who continues to successfully provide guidance as well as independent work related to various projects and high level, regulatory human resources issues / matters (e.g., Audit Compliance, Human Resources Assessment; Classification and Compensation Projects; Recruitments for Key Positions and Labor Relations Matters). It is very important to the City that it have an experienced human resources consultant be available to the City Manager and staff for these critical functions until the City is able to close out existing high

level projects, as outlined in the attached *Human Resources Consulting Scope of Services* (Attachment B), needed to improve the sustainability and efficiency of the City's Personnel Department. The attached Scope of Services clearly delineates the timeline for completion of identified projects, and highlights the numerous accomplishments to date.

The original PSA was approved for \$72,960.00, which was exhausted in August of 2015. Subsequently an additional appropriation of \$50,000 was approved by the City Council in the FY 2015-2016 City Budget. Consistent with Section 5.1B of the agreement¹, the consultant was authorized to continue to provide services to the City. To date, the City has incurred an additional \$21,875.95 in costs above the original PSA amount, but has stayed within the additional \$50,000 2015-16 City Budget appropriation with a remaining available balance of \$12,400.78. Overall, costs incurred by the City of Cudahy to date for Human Resources consulting services are \$94,835.95, however, the list of accomplishments included in the attached Scope of Services are very comprehensive and thorough.

CONCLUSION

City Council approval of the Second Amendment to the HR Dynamics & Performance Management PSA for human resources consulting services will continue the current work underway by assisting the City Manager in assessing, and rebuilding the Human Resources Department into a best practices department.

FINANCIAL IMPACT

To date, the City has incurred an additional \$21,875.95 in costs above the original agreement amount of \$72,960, resulting in a total incurred cost of \$94,835.95. This additional cost is currently budgeted within the FY 2015-16 City Budget for Human Resources Consulting services, which was budgeted at \$50,000. Previous costs were absorbed by a \$65,000 one-time budget appropriation in the FY 2014-15 City Budget.

An additional \$59,280 in funding is being requested in order to complete several high level HR matters by the end of FY 2015-16, consistent with the attached Scope of Services.

¹ "... In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the Finance Director and the City Manager of the City and unless such added expenditure is specifically approved in advance and in writing by the City."

ATTACHMENTS

- A. Second Amendment to Professional Service Agreement with HR Dynamics & Performance Management – 2016
- B. Human Resources Consulting Scope of Services
- C. First Amendment to Professional Service Agreement with HR Dynamics & Performance Management – 2015
- D. Professional Service Agreement with HR Dynamics & Performance Management - 2015



**SECOND AMENDMENT
TO AGREEMENT FOR TEMPORARY PROFESSIONAL SERVICES
(Engagement: Temporary Human Resources Services)
(Parties: HR Dynamics and the City of Cudahy)**

THIS FIRST AMENDMENT TO TEMPORARY PROFESSIONAL SERVICES AGREEMENT (the "Agreement") to that certain document entitled "Temporary Professional Services" (the "Master Agreement") executed as of February 2, 2015, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and HR Dynamics & Performance Management (hereinafter, "CONSULTANT") is made and entered into this 22nd day of February 2016. For the purposes of this Agreement, City and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or CONSULTANT interchangeably.

RECITALS

WHEREAS, on or about February 2, 2015, the Parties executed and entered into the Master Agreement which is attached hereto as Exhibit "A"; and

WHEREAS, on or about June 8, 2015, the City amended the Master Agreement in its entirety and replaced its language with the First Amendment; and

WHEREAS, the City desires to amend the First Amendment in its entirety and replace its language with this Second Amendment; and

WHEREAS, CONSULTANT has the necessary training, experience and competence to perform specialized consulting services requested by City; and

WHEREAS, selection of the CONSULTANT is expected to achieve the desired results in an expedited fashion; and

WHEREAS, CONSULTANT has submitted a proposal to City and has affirmed its willingness and ability to perform such work; and

WHEREAS, City has the authority to retain the services of CONSULTANT; and

WHEREAS, the execution of this Second Amendment was approved by the Cudahy City Council at its Regular Meeting of January 11, 2016.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

AGREEMENT

1. Retention of Consultant. City retains CONSULTANT to perform, and CONSULTANT agrees to render, those services and tasks set forth in Exhibit “A” (hereinafter “the Services”).

2. Standard of Performance. While performing the Services, CONSULTANT shall exercise the reasonable professional care and skill customarily exercised by reputable members of CONSULTANT’s profession, and shall use reasonable diligence and best judgment while exercising professional skill and expertise.

3. Term. This Agreement shall have a limited term commencing from January 11, 2016 and ending on June 30, 2016, unless terminated as provided elsewhere in this Agreement (hereinafter, the “Term”). Upon the conclusion of the Term, this Agreement may renew for up to two (2) three month extension terms, upon approval from City Council, unless City issues written notice sixty (60) days in advance of its intent not to authorize any additional extension term(s). Nothing in the foregoing sentence shall operate to prohibit or otherwise restrict the City’s ability to terminate this Agreement prior to the expiration of the initial Term or any extension term.

4. Personnel. CONSULTANT may utilize Henry T. Garcia, co-consultant, to perform portions of the Services. Mr. Garcia shall remain assigned through completion of the Services unless otherwise mutually agreed by the parties in writing, in which case any substitutes shall be subject to City approval.

5. Contact. Jose Pulido, City Manager, shall be CONSULTANT’s contact with respect to the Services preformed pursuant to this Agreement unless an alternative contact is otherwise designated in writing to CONSULTANT by City.

6. Compensation/Reimbursement.

A. CONSULTANT shall perform all of the various services and tasks that comprise the Work in accordance with Exhibit “A.” CONSULTANT shall be billed out at an hourly rate of NINETY FIVE DOLLARS PER HOUR (\$95.00/hour) (hereinafter “Hourly Rate”).

B. Notwithstanding section 6.A, above, CONSULTANT’s total compensation for the Services under this Agreement may not exceed the sum of ONE HUNDRED FIFTY FOUR THOUSAND ONE HUNDRED SIXTEEN DOLLARS (\$154,116.00) (hereinafter, the “Contract Price”). In no event shall the total compensation and costs payable to CONSULTANT under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the

Finance Director-Treasurer and the City Manager of the City and unless such added expenditure is specifically approved in advance and in writing by the City.

- C. City shall pay CONSULTANT at the Hourly Rate as CONSULTANT performs the various services and tasks that make up the Work. CONSULTANT shall submit to City a monthly itemized statement indicating the work performed, costs incurred and hours of service rendered by CONSULTANT and its various employees. The statement shall describe the specific tasks performed. City shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- D. REIMBURSEMENT. City recognizes that CONSULTANT may incur certain expenses of a non-personal nature in the performance of Consultant's duties under this Agreement. City agrees to reimburse or to pay for an amount not to exceed FIVE HUNDRED DOLLARS (\$500.00) per month for such business expenses that are incurred by CONSULTANT in the performance of CONSULTANT's duties in accordance with City's expense reimbursement procedures, as the same may be updated and/or amended from time to time by the City Council.

7. Independent Contractor. CONSULTANT and co-consultant shall at all times during their performance of the services retain their status as independent contractor. City retains CONSULTANT on an independent contractor basis and CONSULTANT is not an employee of City. Any additional personnel, including co-consultant mentioned herein, performing the Services governed by this Agreement on behalf of CONSULTANT shall at all times be under CONSULTANTs exclusive direction and control. CONSULTANT shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Agreement and as required by law. CONSULTANT shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security, taxes, income tax withholding, unemployment insurance and workers' compensation insurance. CONSULTANT shall be responsible for scheduling hours of work by its personnel, including co-consultant, as well as the following:

- Control and responsibility for the conduct of CONSULTANT's personnel/employees and how and when Services are performed;
- Determining when and the amounts CONSULTANT's personnel will be paid; Payment of any overtime, vacation pay, sick pay, employee benefits (including but not limited to health insurance, life insurance, disability insurance, unemployment and workers compensation insurance).
- Evaluation of CONSULTANT's personnel
- Providing anything needed to perform the Services;

- CONSULTANT shall provide any required instruction to its personnel as to how the Services are performed;
- CONSULTANT shall be responsible for its expenses and expenses of its personnel except as otherwise specified in this Agreement;
- CONSULTANT shall be free to contract for similar services with other clients;
- CONSULTANT bears all risk of profit or loss;
- CONSULTANT shall be responsible for any investment required to provide the Services; and
- CONSULTANT shall have its own office or facilities (if needed), its own vehicles and handle its own billing and bookkeeping.

8. Indemnification. City shall indemnify and hold CONSULTANT and co-consultant harmless, including providing for adequate representation, from and against any and all alleged claims, damages, liabilities, costs and expenses, as well as reasonable attorneys' fees and other legal or other costs and expenses which may be suffered or incurred by CONSULTANT and/or co-consultant arising from an adverse action taken by an employee or member of the City Council against one or more employees or CONSULTANT as a result of CONSULTANT or co-consultant's work, unless such claims, damages, liabilities, costs as expenses are a result of CONSULTANT's or co-consultant's gross negligence or willful misconduct.

To the extent permitted by law, CONSULTANT will defend and hold City and its directors, officers, agents, representatives, and employees (collectively "Indemnitees") harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by CONSULTANT or CONSULTANT's officers, employees, or authorized agents' breach of this Agreement; its failure to discharge its material duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of CONSULTANT or CONSULTANT's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

9. Insurance. CONSULTANT agrees that it shall procure and maintain for the term of this Agreement (and for such extended period of time as may be required under the Agreement) insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of the various services, functions, duties and tasks set forth under the Agreement as described below. Throughout the term of the Agreement, CONSULTANT shall procure and maintain the following policies of insurance:

- A. Commercial General Liability Insurance: CONSULTANT shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars

(\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.

- B. Automobile Liability Insurance: CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
- C. Professional Liability Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall be endorsed to include contractual liability.

10. Confidentiality. All memoranda, contracts, complaints, documentation, written information, and other materials provided to, or prepared by, CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shared exclusively with City as deemed appropriate by City.

11. Termination. CONSULTANT may not terminate this Agreement except upon 30 days' written notice to City. This Agreement may be terminated by City without cause, upon 30 days' written notice to CONSULTANT. In the event of termination, CONSULTANT shall be entitled to receive compensation during the thirty (30) day notice period at the rates set forth in this Agreement but not thereafter.

In the event of breach of the Agreement by CONSULTANT, City may terminate the Agreement immediately by written notice to CONSULTANT; may reduce payment to the CONSULTANT in the amount necessary to offset City's resulting damages; and may pursue any other legally available remedies. In said event, CONSULTANT shall be entitled to the reasonable value of its services, at the rates set forth in this Agreement, performed up to the day it received City's Notice of Termination, minus any offset from such payment representing City's damages from such breach. Failure of CONSULTANT to provide City reports and other written material, which meets or exceeds reasonable professional standards, shall cause damages which are unascertainable at the inception hereof, entitling City to offset any payments due on the Agreement in the form of liquidated damages and not as a penalty. City reserves the right to delay any post-termination payment until completion of any partially-completed Services or correction of any substandard Services, as may be determined in City's sole discretion, so as to permit a full and complete accounting of costs.

12. Ownership of Documents. All reports and other contract deliverables prepared under this Agreement by CONSULTANT shall be and remain the property of City upon City's compensation of CONSULTANT for the Services as herein provided. CONSULTANT shall not release to others information furnished by City without prior approval of City.

13. Notices. Services of any notices, bills, invoices or other documents required or permitted under this Agreement shall be sufficient if sent by one party to the other by United States mail, postage prepaid and addressed as follows:

City's Notice Address

City of Cudahy
Attn: Jose E. Pulido, City Manager
5220 Santa Ana Street
Cudahy, CA 90201

CONSULTANT

Rhonda D. Strout-Garcia
HR Dynamics & Performance Management, Inc.
461 Green Orchard Place
Riverside, CA 92506

14. Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of CONSULTANT each represent and warrant that they have the legal power, right and actual authority to bind CONSULTANT to the terms and conditions hereof and thereof.

15. Construction of Agreement: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.

16. Severability: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

17. Amendment; Modification: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to City approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.

18. Captions: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

19. Inconsistencies or Conflicts: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.

20. Entire Agreement: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between City and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this

Attachment A

Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 17, above.

21. Counterparts: This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 17, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by City.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, City and CONSULTANT have caused this Agreement to be duly executed on the day and year first above written.

CITY OF CUDHAY

CONSULTANT: HR DYNAMICS

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT "A"

(See the attached Scope of Work)

EXHIBIT “A”

SCOPE OF WORK

HUMAN RESOURCES CONSULTING

SCOPE OF SERVICES

- 1) Conduct a comprehensive review and assessment of the status of the City's Human Resources function; collect data; evaluate findings and make recommendations consistent with industry best practices in the following areas including, but not limited to:
 - Appropriate staffing levels.
 - Appropriate systems and use of technology.
 - Record keeping methods.
 - Customer service and client department satisfaction.
 - City's training and development programs.
 - City's recruitment and selection programs.
 - City's employee and labor relations programs.
- 1.
- 2) Conduct a comprehensive review of the City's classification/compensation and fringe benefit provisions, including the following:
 - Review all applicable Resolutions, MOU's, and personnel rules.
 - Consolidate all applicable salary and benefit provisions into a comprehensive Fringe Benefits and Salary Plan document.
 - Conduct job analyses for all City positions, and prepare current and relevant job descriptions.
 - Recommend an organizational structure/staffing plan to address current needs.
Identify the City's labor market (comparable agencies) and compensation philosophy.
 - Conduct a salary and benefits survey with comparable agencies.
- 3) Review and recommend cost effective strategies to the City's employee benefit programs.

- 4) Conduct a comprehensive review of the City's labor agreements and personnel rules, and provide recommendations to the City Manager for labor negotiations.
2.
- 5) Perform a full analysis and update of the City's personnel rules.
3.
- 6) Provide advisement to the City Manager and the Acting Human Resources Specialist regarding handling of various complex Human Resources matters.
- 7) Provide advisement to the City related to compliance with various audit findings, including strategies and solutions.
4.
- 8) Develop a formal complaint process for the City, including applicable forms and tracking system.
5.

METHODOLOGY

The Consultant shall develop a timeline for the independent completion of all defined tasks, to be completed in 18 months. The Consultant shall meet with staff at prescribed times initiated by the Consultant, as needed for the purposes of conducting various interviews and collecting data in order to evaluate the Human Resources function including files, reports, official documents, policies, practices, etc.

Data collected will be used to compare against best practices and in order to make recommendations to the City for future consideration and implementation.

DELIVERABLES

The following products shall be delivered to the City:

- 1) New Job Descriptions
- 2) Salary/Benefit Survey
- 3) HR Assessment/Best Practices
- 4) Fringe Benefit and Salary Plan Document
- 5) Updated Personnel Rules
- 6) Organizational Chart
- 7) Labor Agreement Recommendations/Reforms
- 8) Complaint Process System



**CITY OF CUDAHY
HUMAN RESOURCES CONSULTING**

SCOPE OF SERVICES

Key:
Completed Tasks
January – June 2016 Tasks
July – December 2016 Tasks
January – December 2016 Tasks

Tasks	Timeline	Hours
<i>Task #1 - Conduct a Comprehensive Review and Assessment of the Status of the City's Human Resources Function; Collect Data; Evaluate Findings and Make Recommendations Consistent with Industry Best Practices in the following Areas including, but not limited to 1) Appropriate staffing levels; 2) Appropriate systems and use of technology; 3) Record keeping methods; 4) Customer service and client department satisfaction; 5) City's training and development programs, 6) City's recruitment and selection programs; and 7) City's employee and labor relations programs. <u>Recommend and implement solutions based on immediate needs.</u></i>		
1. Review and assess the City's Human Resources function; collect data; make observations; review and establish compliant personnel files; review systems, records and materials; discuss systems and processes with staff.	1/1/16 – 12/30/16	40
2. Obtain feedback regarding HR services and employee/departmental satisfaction level during job analysis interviews; compile results.	3/21/16 – 12/30/16	20
3. Compare City's practices to "best practices" checklist; determine areas of compliance/non-compliance, and areas for future programmatic and/or professional enhancements.	7/1/16 – 12/30/16	60
4. Prepare summary report with recommendations, and timeline for implementation based on level of priority, including both short term and long term goals.	11/1/16 – 11/30/16	20
5. Reviewed 2015/16 HR Budget and made recommendations to City Manager.	Completed	
6. Developed "New Hire Checklist" and "New Hire Packet/Forms" due to immediate need and for compliance purposes.	Completed	
7. Reviewed labor poster compliance.	Completed	
8. Prepared "Offer Letter" for use in hiring process.	Completed	

9. Prepared "Exit Checklist" for employee separations.	Completed	
10. Recommended activities for "Administrative Professionals Day" recognition.	Completed	
11. Recommended activities for "National Customer Service Week."	Completed	
12. Developed a City-wide Customer Service Policy.	Completed	
13. Facilitated the selection of an outside trainer to conduct City-wide Customer Service Training; implemented Phases I & II.	Completed	
14. Revised/updated the City Employment Application ("Ban the Box" for legal compliance).	Completed	
15. Developed disciplinary templates for all stages of progressive discipline (warning through Skelly letter).	Completed	
16. Prepared Post-Employment Offer Drug Testing Analysis Form.	Completed	
17. Review potential time-keeping options for the City.	7/1/16 – 12/30/16	30
18. Identified various HR professional development opportunities/resources for staff.	Completed	
19. Verified I-9 Form compliance for staff and elected officials.	Completed	
20. Prepared a "Recruitment Plan" template.	Completed	
21. Provided sample interview questions and "Rating Sheet" Templates with scoring guidelines.	Completed	
22. Prepared Job Announcement Template.	Completed	
23. Assist in the review and development of language and structure for the City website – HR page.	7/1/16 – 12/30/16	30
<i>Estimated Total Hours Remaining</i>	200	

Tasks	Timeline	Hours
Task #2A - Conduct a Comprehensive Review of the City's Classification/ Compensation and Fringe Benefit Provisions.		
1. Review all applicable Resolutions, MOU's and personnel rules.	Completed	
2. Reconciled multiple salary schedules for prior years and created accurate salary grade tables and salary schedules for all job classifications; interpreted MOU language intent and agreement; coordinated with MEA for resolution of prior increases and finalized schedules.	Completed	
3. Assisted City Manager with reorganization of City staff and structure through the budget process, and implemented further changes to the City's new Fringe Benefit and Salary Plan to reflect new titles and deletion of obsolete titles; included incentive plan for management as an optional tool.	Completed	
4. Consolidated all applicable salary and benefit provisions into a comprehensive Fringe Benefits and Salary Plan Document and obtained City Council approval.	Completed	
5. Researched prior resolutions, Council audio tapes and minutes to determine intent and formal actions taken related to salary and benefits for elected officials; prepared new Resolution to clarify and resolve pending issues including the matter of PERS Medical Vesting and Retiree benefits for elected officials.	Completed	
6. Conduct project planning meeting with Cudahy's Management Team to further review scope of work and approve consultant time-line.	1/11/16 – 1/15/16	2
7. Receive City's current job descriptions in electronic format in order to create customized individual job analysis questionnaires for employee and supervisory completion related to job content.	Reconciliation process found that the City had few existing job descriptions requiring an additional step. See #8 below.	
8. Obtain job descriptions from other agencies in Electronic and/or hard copy; format and/or type job descriptions into standardized template for use as a baseline in conducting next steps of the study.	In Progress 1/11/16 – 1/29/16	48
9. Create customized individual job analysis questionnaires for employee and supervisory completion related to job content.	2/1/16 – 2/12/16	16
10. Notify Municipal Employee Association (MEA) of Study Process; meet with MEA as requested.	2/16/16 – 2/19/16	4
11. Conduct orientation session(s) with employees and supervisors to overview the process and methodology, and to disseminate questionnaires; respond to questions and inquiries from employees and provide guidance.	2/22/16 – 2/26/16	4

12. Employees to complete questionnaires, and supervisors/department heads to review and comment prior to submittal to consultant.	2/29/16 – 3/11/16	N/A
13. Receive and review employee completed questionnaires; prepare specific follow-up questions for job analysis interviews with incumbents based on questionnaires.	3/14/16 – 3/18/16	10
14. Conduct individual interviews for full-time employees (one hour each), and group interviews for each classification for part-time employees (one hour each session).	3/21/16 – 3/25/16	30
15. Review and evaluate job analysis questionnaires and interview notes; analyze for knowledge, skill, ability, education and experience relevance, hierarchical consistency, conformity with ADA language relative to essential job functions (including physical requirements) and FLSA designation (exempt versus non-exempt); develop classification recommendations (new, delete, title change, and/or reclassify).	3/28/16 – 4/15/16	40
16. Discuss and finalize job description format with City; develop new “draft” job descriptions and job series as appropriate for all classes included in the study to uniformly reflect the essential functions; prepare class specifications to include definitions, purpose, distinguishing characteristics, supervision received and exercised, working conditions, FLSA status, position duties and special requirements including licensing and certification requirements; recommend job series to provide career ladders based on differentiation including experience, knowledge, duties and certifications achieved.	4/18/16 – 5/13/16	80
17. Meet with City’s Management Team to review proposed changes to the Classification Plan and employee allocation recommendations; provide feedback regarding reporting relationships and structure; implement feedback received; present final plan.	5/16/16 – 5/20/16	8
18. Coordinate and facilitate feedback to employees on Job Analysis/ Classification Study results and recommendations; address employee concerns; finalize job descriptions and submit in electronic format; finalize employee allocations, recommendations and Classification Plan.	5/23/16 – 5/27/16	16
19. Meet with Municipal Employee Association (MEA) to share Classification Study Results, including employee allocations, new classes, and obsolete classes for deletion from the Classification Plan.	5/30/16 – 6/3/16	4
20. Provide coaching and mentoring to HR staff in performing the Classification Study/Job Analysis Process.	1/4/16 – 6/10/16	Included
<i>Estimated Total Hours Remaining</i>	262	

Tasks	Timeline	Hours
Task #2B – Conduct a Salary and Benefits Survey with Comparable Agencies.		
1. Collect data relative to current comparable agencies; consider local labor market, geographic area, and comparable size and services; discuss with Cudahy’s management team and finalize list. Survey to include 8-10 comparable agencies.	Completed	
2. Discuss the organization’s compensation philosophy with Cudahy’s City Council; discuss recruitment and retention issues; determine whether agency desires a competitive position of “lead, lag or match.”	7/4/16 – 7/8/16	8
3. Develop survey instrument and job summary descriptions based on the new/proposed job descriptions for designated classes. Salary survey shall include benchmark classes and/or up to 25 job classes.	7/4/16 – 7/8/16	12
4. Contact established comparison agencies to obtain support for salary survey participation, and identify key contact person, compensation plan data and/or website information.	Completed	
5. Conduct salary survey; distribute survey by mail, fax, and/or email, as appropriate.	7/11/16 – 7/12/16	12
6. Conduct follow-up with comparison agencies to obtain requested data and to ensure comparability of job matches; extract data from documentation provided by agencies as required.	7/25/16 – 7/29/16	20
7. Compile and analyze salary survey data and compute market averages based on comparing monthly maximum base salary.	8/1/16 – 8/5/16	20
8. Compare salary structure to the market averages; prepare salary survey report and summary overview describing results.	8/8/16 – 8/12/16	20
9. Develop recommended salary adjustments to benchmark classes (and related classes) based on survey results and internal salary relationships taking into consideration structural changes needed for internal alignment, and desired market positioning for competitiveness.	8/15/16 – 9/02/16	40
10. Prepare and present preliminary report to City’s Management Team; receive feedback and make necessary adjustments.	9/5/16 – 9/9/16	12
11. Prepare and present final report to employee groups, City Council, and others as determined by City Manager.	9/12/16 – 9/16/16	12
12. Provide coaching and mentoring to staff in conducting Salary Surveys and preparing/recommending salary structures.	7/1/16 – 9/16/16	Included
Estimated Total Hours Remaining	156	

Tasks	Timeline	Hours
Task #3 – Review and Recommend Cost Effective Strategies to the City’s Employee Benefit Programs.		
1. Evaluate employee benefit programs and work with City staff in the transition to a new benefits provider to achieve cost-savings.	Completed	
2. Assist with the City’s Labor Negotiations with the Municipal Employee Association (MEA) in the implementation/negotiation of new plans.	Completed	
3. Participated in the review of the City’s Risk Management Program and the analysis of proposals; participated in the recommendation to change providers and assisted staff in the transition to Keenan & Associates to provide Workers’ Compensation, Safety, and General Liability programs providing the City with cost-savings and enhanced services.	Completed	
4. Provide on-going staff assistance and advisement related to Benefit programs including Workers’ Compensation, Safety and General Liability programs; Training, Record keeping and specific employee cases.	On-going 1/4/16 – 12/30/16	
Estimated Total Hours Remaining* (*1 hour per week x 52 weeks)		Hours Included Under Task #6

Tasks	Timeline	Hours
Task #4 – Conduct a Comprehensive Review of the City’s Labor Agreements and Personnel Rules, and Provide Recommendations to the City Manager for Labor Negotiations.		
1. Review MOU and Personnel Rules.	Completed	
2. Conduct review of legal fees associated with HR and Labor matters; recommend use of LCW for labor negotiations and complex legal HR matters.	Completed	
3. Meet with City Manager and Department Heads to determine operational needs and business necessities for City’s proposal for Labor Negotiations.	Completed	
4. Develop a comprehensive list of potential reforms including proposed language changes.	Completed	
5. Make recommendations to City Manager.	Completed	
6. Assist with Labor Negotiations process; coordinate with Labor Negotiator and City Staff.	Completed	
7. Review various City and MEA proposals and costs of City and MEA proposals.	Completed	
8. Provide guidance to City staff and attend various meetings as required; brief City Manager regarding labor negotiations progress.	Completed	
9. Attend closed session Council meetings as required to provide pertinent updates.	Completed	
10. Assisted with achieving a 4 year contract with numerous reforms for over-all long-term savings.	Completed	
11. Assist with the implementation of the MOU including updates to the Fringe Benefits and Salary Plan and adoption of Resolution to amend Plan; implementation of 4/10 schedule transition plan related to FLSA compliance; implementation of retroactive salary adjustments for employees.	1/4/16 – 2/15/16	20
12. Resolve grievance issue related to performance evaluation process/re-visit performance evaluation form.	4/15/16 – 6/30/16	20
13. Provide City Council with relevant information related to the Management Group, and recommend appropriate salary and benefit changes, consistent with the MEA; prepare necessary documents showing historical actions and costs associated with recommendations; attend meetings with City representatives and City Council as necessary.	1/4/16 – 3/15/16	40
14. Assist and advise regarding labor and grievance issues.	1/4/16 – 6/30/16	20
Estimated Total Hours Remaining	100	

Tasks	Timeline	Hours
Task #5 – Perform a Full Analysis and Update of the City’s Personnel Rules.		
1. Research resolutions to determine the last official adopted Personnel Rules.	Completed	
2. Utilizing the most recently prepared (un-adopted) Personnel Rules (2012), reconcile the draft to the City’s MOU, and add/revise as required for consistency and for currency with changes in labor law; finalize draft in redlined format with changes noted.	8/1/16 - 10/14/16	81
3. Conduct meetings with City Manager and HR staff to review proposed changes.	10/17/16 – 10/21/16	8
4. Meet with MEA to present updated Personnel Rules; receive feedback and finalize document.	10/24/16 -10/28/16	8
5. Present document to City Council for approval and address questions or concerns.	10/31/16 – 11/4/16	4
Estimated Total Hours Remaining	101	

Tasks	Timeline	Hours
Task #6 – Provide Advisement to the City Manager and the Acting Human Resources Specialist Regarding Handling of Various Complex Human Resources Matters.		
1. Meet with City Manager regularly to discuss current issues and to provide status updates on current projects.	On-going	
2. Meet with Acting HR Specialist regularly to discuss current issues and to provide guidance.	On-going	
3. Respond to inquiries by email or phone, as necessary related to various HR and organizational issues and provide guidance to staff.	On-going	
4. Assisted with the “Affordable Care Act” analysis for applicability to the City of Cudahy.	Completed	
5. Prepared and presented a new Performance Evaluation Tool.	Completed	
6. Facilitated the City Manager Performance Evaluation Process involving multiple meetings with the City Council in Closed Session.	Completed	
7. Conducted a Compensation Analysis for the City Manager Performance Evaluation Process.	Completed	
8. Provided assistance in the handling and resolution of a grievance related to the matter of Longevity Pay for employees.	Completed	
9. Provide assistance and guidance to the Acting HR Specialist in the Recruitment Process for several “key” positions including City Clerk, Public Safety Services Manager, and Community Development Manager.	1/1/16 – 3/15/16	
10. Assisted in the search for an Interim City Clerk and On-Boarding of Interim City Clerk.	Completed	
11. Provided guidance to City staff related to ADA requirements related to compliant process and mandatory posters.	Completed	
12. Reviewed current Workers’ Compensation cases and status and provided guidance.	Completed	
13. Reviewed and assisted in preparation of draft holiday schedule and City Hall closure.	Completed	
14. Recommended implementation of 2016 Payroll calendar and provided guidance in the development of the document.	Completed	
15. Provide guidance to City staff related to Safety programs.	On-going	

16. Provide guidance to City staff in responding to California Public Records Act requests related to HR records.	On-going
17. Respond to various inquiries from the City Council.	On-going
18. Assisted City Manager with “Standardization of Work Hours” for employees consistent with regulatory compliance for 9/80 Alternative Workweek Plan; provided guidance and recommendations regarding compliance with overtime regulations (Fair Labor Standards Act); prepared employee communication memo, and assisted with timecard reconciliation to transition to proper timekeeping method.	Completed
19. Reviewed Acting Pay status related to two employees consistent with Personnel Rules and appropriate level of compensation and advised City Manager.	Completed
20. Assist City Manager and Acting HR Specialist with various confidential personnel matters.	On-going
21. Assist the Acting HR Specialist with implementation of the new MOU including processing of retroactive salary adjustments and change to 4/10 schedule to ensure compliance with FLSA over-time rules.	In Progress
Total Hours * (*Estimated 4-5 hours per week x 52 weeks)	236

Tasks	Timeline	Hours
Task #7 – Provide Advisement to the City Related to Compliance with Various Audit Findings, Including Strategies and Solutions.		
1. Assist in the resolution of the CalPERS audit and compliance requirements.	In Progress	See Below
2. Resolved Finding #1 – “The Agency’s pay schedule did not meet all the requirements of the Government code and CCR.”	Completed	
3. Resolved Finding #2 – “The Agency incorrectly reported pay rate and earnings.”	Completed	
4. Resolved Finding #3 – “The Agency did not report special compensation as required by CCR Section 571.”	Completed	
15. Resolve Finding #4 – “The Agency unlawfully employed a retired annuitant.”	In Progress	24
16. Resolve CalPERS Observation – “The Agency’s administration of a contract exclusion for hourly compensated employees is not clearly defined.” * Response submitted to CalPERS Contract Unit– further amendments will be required to the City’s contract with CalPERS and to the City’s Classification Plan following the Classification Study.	In Progress * 1/4/16 – 12/30/16	80
7. Provided guidance to the City related to the implementation of the new Sick Leave Law including mandatory employee notices, policy language for approval by the City Council via Resolution, and payroll records for employee accruals.	Completed	
8. Reviewed State Controller’s Report findings related to HR.	Completed	
9. Coordinated with staff to provide mandatory Transparency Reports on-line.	Completed	
10. Assist City staff with the implementation of new legislation for 2016 including preparation of policy language, employee communications, payroll system changes, and related activities as required.	1/4/16 – 3/30/16	60
Estimated Total Hours Remaining*	164	

Tasks	Timeline	Hours
Task #8 – Develop a Formal Complaint Process for the City, including applicable forms and tracking system.		
1. Review complaint processes utilized by other agencies and obtain sample policies and forms.	Completed	
2. Develop complaint process and form for the City's use.	Completed	
3. Present final documents to the City Manager for implementation.	Completed	
4. Provide assistance and guidance to the City in the handling/processing of citizen complaints when related to employees.	On-going 1/4/16 – 12/30/16	
Total Hours (*Estimated 1-2 hours per week x 52 weeks)	80	

**JANUARY – JUNE 2016
HUMAN RESOURCES PRIORITIES**

Priority Level	Tasks	Hours	Cost Based on Estimated Hours Per Task
A.	Task #7 – Provide Advisement to the City Related to Compliance with Various Audit Findings, Including Strategies and Solutions.	74	\$7,030
B.	Task #6 – Provide Advisement to the City Manager and the Acting Human Resources Specialist Regarding Handling of Various Complex Human Resources Matters.	118	\$11,210
C.	Task #4 – Conduct a Comprehensive Review of the City’s Labor Agreements and Personnel Rules, and Provide Recommendations to the City Manager for Labor Negotiations.	100	\$9,500
D.	Task #2A - Conduct a Comprehensive Review of the City’s Classification/ Compensation and Fringe Benefit Provisions.	262	\$24,890
E.	Task #1 - Conduct a Comprehensive Review and Assessment of the Status of the City’s Human Resources Function; Collect Data; Evaluate Findings and Make Recommendations Consistent with Industry Best Practices in the following Areas including, but not limited to 1) Appropriate staffing levels; 2) Appropriate systems and use of technology; 3) Record keeping methods; 4) Customer service and client department satisfaction; 5) City’s training and development programs, 6) City’s recruitment and selection programs; and 7) City’s employee and labor relations programs. Recommend and implement solutions based on immediate needs.	30	\$2,850
F.	Task #8 – Develop a Formal Complaint Process for the City, including applicable forms and tracking system.	40	\$3,800
	Total Hours	624	\$59,280.00

**JULY – DECEMBER 2016
HUMAN RESOURCES PRIORITIES**

Priority Level	Tasks	Hours	Cost Based on Estimated Hours Per Task
A.	Task #7 – Provide Advisement to the City Related to Compliance with Various Audit Findings, Including Strategies and Solutions.	90	\$8,550
B.	Task #6 – Provide Advisement to the City Manager and the Acting Human Resources Specialist Regarding Handling of Various Complex Human Resources Matters.	118	\$11,210
C.	Task #2B – Conduct a Salary and Benefits Survey with Comparable Agencies.	156	\$14,820
D.	Task #1 - Conduct a Comprehensive Review and Assessment of the Status of the City’s Human Resources Function; Collect Data; Evaluate Findings and Make Recommendations Consistent with Industry Best Practices in the following Areas including, but not limited to 1) Appropriate staffing levels; 2) Appropriate systems and use of technology; 3) Record keeping methods; 4) Customer service and client department satisfaction; 5) City’s training and development programs, 6) City’s recruitment and selection programs; and 7) City’s employee and labor relations programs. Recommend and implement solutions based on immediate needs.	170	\$16,150
E.	Task #5 – Perform a Full Analysis and Update of the City’s Personnel Rules.	101	\$9,595
F.	Task #8 – Develop a Formal Complaint Process for the City, including applicable forms and tracking system.	40	\$3,800
	Total Hours	675	\$64,125.00



THE IMPORTANCE OF JOB DESCRIPTIONS

Accurate and up-to-date job descriptions are important to the organization, as they form the basis and foundation of many other related Human Resources functions including recruitment/selection, training and development, and performance evaluation. Job descriptions, although often overlooked by many organizations, are valuable to both the employee and the employer for a variety of reasons. Job descriptions are used for the following purposes:

- Defining the specific jobs that each employee is responsible for completing within the organization.
- Assisting new employees in orienting themselves to the organization.
- Establishing the “essential duties” of the position in accordance with ADA guidelines, and serving as a tool for the “interactive process” in the event accommodation is requested in the pre-employment process, or during post-employment.
- Defining “distinguishing characteristics” within a class series, and the key distinctions between the various levels.
- Defining reporting relationships and level of supervision received and exercised.
- Setting forth lines of promotion within the job series allowing for career advancement opportunities, and associated requirements.
- Establishing minimum requirements and qualifications (knowledge, skills and abilities) required to perform the position.
- Defining all pertinent details for the purpose of developing a job announcement, screening potential candidates against established minimum requirements, and for the development of skills tests and interview questions.
- Serving as the basis for evaluating an employee’s job performance allowing for comparison between employee performance and the job description’s stated expectations.
- Serving as the basis for establishing employee training programs to ensure employees possess and maintain appropriate knowledge, skills and abilities for their current positions, and to develop career development training opportunities for upward advancement.
- Serving as the basis for establishing compensation, in which jobs must be evaluated in order to make comparisons and to determine a fair base salary.
- Ensuring legal compliance with the Fair Labor Standards Act (FLSA).



**FIRST AMENDMENT
TO AGREEMENT FOR TEMPORARY PROFESSIONAL SERVICES
(Engagement: Temporary Human Resources Services)
(Parties: HR Dynamics and the City of Cudahy)**

THIS FIRST AMENDMENT TO TEMPORARY PROFESSIONAL SERVICES AGREEMENT (the "Agreement") to that certain document entitled "Temporary Professional Services" (the "Master Agreement") executed as of February 2, 2015, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and HR Dynamics & Performance Management (hereinafter, "CONSULTANT") is made and entered into this 8th day of June 2015. For the purposes of this Agreement, City and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or CONSULTANT interchangeably.

RECITALS

WHEREAS, on or about February 2, 2015, the Parties executed and entered into the Master Agreement which is attached hereto as Exhibit "A"; and

WHEREAS, the City desires to amend the Master Agreement in its entirety and replace its language with this Amendment; and

WHEREAS, CONSULTANT has the necessary training, experience and competence to perform specialized consulting services requested by City; and

WHEREAS, selection of the CONSULTANT is expected to achieve the desired results in an expedited fashion; and

WHEREAS, CONSULTANT has submitted a proposal to City and has affirmed its willingness and ability to perform such work; and

WHEREAS, City has the authority to retain the services of CONSULTANT; and

WHEREAS, the execution of this Agreement was approved by the Cudahy City Council at its Regular Meeting of June 3, 2015.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

AGREEMENT

1. Retention of Consultant. City retains CONSULTANT to perform, and CONSULTANT agrees to render, those services and tasks set forth in Exhibit "B" (hereinafter "the Services").

2. Standard of Performance. While performing the Services, CONSULTANT shall exercise the reasonable professional care and skill customarily exercised by reputable members of CONSULTANT's profession, and shall use reasonable diligence and best judgment while exercising professional skill and expertise.

3. Term. This Agreement shall have a limited term of one (1) year commencing from the February 2, 2015, unless terminated as provided elsewhere in this Agreement (hereinafter, the "Term"). Upon the conclusion of the Term, this Agreement may renew for up to two (2) three month extension terms, upon approval from City Council, unless City issues written notice sixty (60) days in advance of its intent not to authorize any additional extension term(s). Nothing in the foregoing sentence shall operate to prohibit or otherwise restrict the City's ability to terminate this Agreement prior to the expiration of the initial Term or any extension term.

4. Personnel. CONSULTANT may utilize Henry T. Garcia, co-consultant, to perform portions of the Services. Mr. Garcia shall remain assigned through completion of the Services unless otherwise mutually agreed by the parties in writing, in which case any substitutes shall be subject to City approval.

5. Contact. Jose Pulido, City Manager, shall be CONSULTANT's contact with respect to the Services performed pursuant to this Agreement unless an alternative contact is otherwise designated in writing to CONSULTANT by City.

6. Compensation/Reimbursement.

A. CONSULTANT shall perform all of the various services and tasks that comprise the Work in accordance with Exhibit "A." CONSULTANT shall be billed out at an hourly rate of NINETY FIVE DOLLARS PER HOUR (\$95.00/hour) (hereinafter "Hourly Rate").

B. Notwithstanding section 6.A, above, CONSULTANT's total compensation for the Services under this Agreement may not exceed the sum of SEVENTY TWO THOUSAND NINE HUNDRED SIXTY DOLLARS (\$72,960.00) (hereinafter, the "Contract Price"). In no event shall the total compensation and costs payable to CONSULTANT under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the Finance Director-Treasurer and the City Manager of the City and unless such added expenditure is specifically approved in advance and in writing by the City.

C. City shall pay CONSULTANT at the Hourly Rate as CONSULTANT performs the various services and tasks that make up the Work. CONSULTANT shall submit to City a monthly itemized statement indicating the work performed, costs incurred and hours of service rendered by CONSULTANT and its various employees. The statement shall

describe the specific tasks performed. City shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

D. REIMBURSEMENT. City recognizes that CONSULTANT may incur certain expenses of a non-personal nature in the performance of Consultant's duties under this Agreement. City agrees to reimburse or to pay for an amount not to exceed FIVE HUNDRED DOLLARS (\$500.00) per month for such business expenses that are incurred by CONSULTANT in the performance of CONSULTANT's duties in accordance with City's expense reimbursement procedures, as the same may be updated and/or amended from time to time by the City Council.

7. Independent Contractor. CONSULTANT and co-consultant shall at all times during their performance of the services retain their status as independent contractor. City retains CONSULTANT on an independent contractor basis and CONSULTANT is not an employee of City. Any additional personnel, including co-consultant mentioned herein, performing the Services governed by this Agreement on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries, and other amounts due such personnel in connection with their performance under this Agreement and as required by law. CONSULTANT shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security, taxes, income tax withholding, unemployment insurance and workers' compensation insurance. CONSULTANT shall be responsible for scheduling hours of work by its personnel, including co-consultant, as well as the following:

- Control and responsibility for the conduct of CONSULTANT's personnel/employees and how and when Services are performed;
- Determining when and the amounts CONSULTANT's personnel will be paid; Payment of any overtime, vacation pay, sick pay, employee benefits (including but not limited to health insurance, life insurance, disability insurance, unemployment and workers compensation insurance).
- Evaluation of CONSULTANT's personnel
- Providing anything needed to perform the Services;
- CONSULTANT shall provide any required instruction to its personnel as to how the Services are performed;
- CONSULTANT shall be responsible for its expenses and expenses of its personnel except as otherwise specified in this Agreement;
- CONSULTANT shall be free to contract for similar services with other clients;
- CONSULTANT bears all risk of profit or loss;
- CONSULTANT shall be responsible for any investment required to provide the Services; and

- CONSULTANT shall have its own office or facilities (if needed), its own vehicles and handle its own billing and bookkeeping.

8. Indemnification. City shall indemnify and hold CONSULTANT and co-consultant harmless, including providing for adequate representation, from and against any and all alleged claims, damages, liabilities, costs and expenses, as well as reasonable attorneys' fees and other legal or other costs and expenses which may be suffered or incurred by CONSULTANT and/or co-consultant arising from an adverse action taken by an employee or member of the City Council against one or more employees or CONSULTANT as a result of CONSULTANT or co-consultant's work, unless such claims, damages, liabilities, costs as expenses are a result of CONSULTANT's or co-consultant's gross negligence or willful misconduct.

To the extent permitted by law, CONSULTANT will defend and hold City and its directors, officers, agents, representatives, and employees (collectively "indemnitees") harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by CONSULTANT or CONSULTANT's officers, employees, or authorized agents' breach of this Agreement; its failure to discharge its material duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of CONSULTANT or CONSULTANT's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

9. Insurance.

CONSULTANT agrees that it shall procure and maintain for the term of this Agreement (and for such extended period of time as may be required under the Agreement) insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of the various services, functions, duties and tasks set forth under the Agreement as described below. Throughout the term of the Agreement, CONSULTANT shall procure and maintain the following policies of insurance:

A. Commercial General Liability Insurance: CONSULTANT shall procure and maintain Commercial General Liability Insurance ("CGL Coverage") as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.

B. Automobile Liability Insurance: CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.

C. Professional Liability Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and maintain Errors

and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall be endorsed to include contractual liability.

10. Confidentiality. All memoranda, contracts, complaints, documentation, written information, and other materials provided to, or prepared by, CONSULTANT in connection with the performance of this Agreement shall be held confidential by CONSULTANT and shared exclusively with City as deemed appropriate by City.

11. Termination. CONSULTANT may not terminate this Agreement except upon 30 days' written notice to City. This Agreement may be terminated by City without cause, upon 30 days' written notice to CONSULTANT. In the event of termination, CONSULTANT shall be entitled to receive compensation during the thirty (30) day notice period at the rates set forth in this Agreement but not thereafter.

In the event of breach of the Agreement by CONSULTANT, City may terminate the Agreement immediately by written notice to CONSULTANT; may reduce payment to the CONSULTANT in the amount necessary to offset City's resulting damages; and may pursue any other legally available remedies. In said event, CONSULTANT shall be entitled to the reasonable value of its services, at the rates set forth in this Agreement, performed up to the day it received City's Notice of Termination, minus any offset from such payment representing City's damages from such breach. Failure of CONSULTANT to provide City reports and other written material, which meets or exceeds reasonable professional standards, shall cause damages which are unascertainable at the inception hereof, entitling City to offset any payments due on the Agreement in the form of liquidated damages and not as a penalty. City reserves the right to delay any post-termination payment until completion of any partially-completed Services or correction of any substandard Services, as may be determined in City's sole discretion, so as to permit a full and complete accounting of costs.

12. Ownership of Documents. All reports and other contract deliverables prepared under this Agreement by CONSULTANT shall be and remain the property of City upon City's compensation of CONSULTANT for the Services as herein provided. CONSULTANT shall not release to others information furnished by City without prior approval of City.

13. Notices. Services of any notices, bills, invoices or other documents required or permitted under this Agreement shall be sufficient if sent by one party to the other by United States mail, postage prepaid and addressed as follows:

City's Notice Address
City of Cudahy
Attn: Jose E. Pulido, City Manager
5220 Santa Ana Street
Cudahy, CA 90201

CONSULTANT
Rhonda D. Strout-Garcia
HR Dynamics & Performance Management, Inc.
461 Green Orchard Place

Riverside, CA 92506

14. Authority. The individuals executing this Agreement and the instruments referenced herein on behalf of CONSULTANT each represent and warrant that they have the legal power, right and actual authority to bind CONSULTANT to the terms and conditions hereof and thereof.

15. Construction of Agreement: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.

16. Severability: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

17. Amendment, Modification: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to City approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.

18. Captions: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

19. Inconsistencies or Conflicts: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.

20. Entire Agreement: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between City and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 17, above.

21. Counterparts: This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 17, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by City.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, City and CONSULTANT have caused this Agreement to be duly executed on the day and year first above written.

CITY OF CUDEHAY

CONSULTANT: HR DYNAMICS

By: 

By: Mundi D. Strout

Name: Cristian Markovich

Name: RHONDA D. STROUT

Its: Mayor

Its: _____

EXHIBIT "A"

(See the attached Master Agreement)



2015

AGREEMENT FOR TEMPORARY PROFESSIONAL SERVICES
(Parties: HR Dynamics & Performance Management and the City of Cudahy)
(Engagement: Temporary Human Resources Services)

THIS 2015 AGREEMENT FOR TEMPORARY PROFESSIONAL SERVICES ("Agreement") by and between the City OF CUDAHY, a municipal corporation and general law city ("City") and HR Dynamics & Performance Management (hereinafter, "Staffing Firm") is made and entered into the last date of signature below, but shall not take effect until signed by all of the parties to this Agreement as indicated on the signature page below. For the purposes of this Agreement, City and Staffing Firm may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or Staffing Firm interchangeably.

RECITALS

WHEREAS, City, pursuant to California Government Code sections 37109 and 53060, is authorized and empowered to contract with any person for the furnishing of services and advice in finance, economic, accounting or administrative matters if such persons are specially trained and experienced and competent to perform such special services required; and

WHEREAS, City wishes to engage the Staffing Firm for the purposes of retaining a person to perform the duties and functions as mentioned in the attached Scope of Work for City on an interim basis; and

WHEREAS, City's in-house personnel are presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, Staffing Firm has proposed and City has agreed to appoint a Consultant ("Consultant") who possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, City and Staffing Firm wish to enter into the Agreement in order to set forth the rights and obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and based upon the recitals set forth above, City and Staffing Firm agree as follows:

**ARTICLE 1.
DUTIES AND SCOPE OF WORK**

1.1 **SCOPE OF WORK:** Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, Consultant agrees to perform the services and tasks set forth in Exhibit "A" (hereinafter referred to as the "Scope of Work"). Consultant further agrees to furnish to City all labor, materials, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Work. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Work shall hereinafter be referred to generally by the capitalized term "Work." Neither Consultant nor anyone acting on Consultant's behalf shall commence with the performance of the Work or any other related tasks until City issues a written notice to proceed (hereinafter, the "Notice to Proceed").

**ARTICLE 2.
INDEPENDENT CONTRACTOR STATUS; TERMINATION FOR CONVENIENCE**

2.1 **INDEPENDENT CONTRACTOR STATUS.** The Parties acknowledge, understand and agree that Consultant is, and shall at all times remain, a wholly independent contractor and shall not be considered an employee of the City. Given the temporary and interim nature of this engagement, it is the desire and intent of the Parties that Consultant shall be an "independent contractor" who is not also an employee within the meaning of Government Code section 20300(b), and by such status is excluded from compulsory enrollment in the California Public Employees Retirement System established under the Public Employees Retirement Law ("PERL") (Government Code section 20000 et seq.).

**ARTICLE 3.
TERM OF AGREEMENT**

3.1 This Agreement shall have an initial term of one (1) year commencing from the Effective Date unless terminated as provided elsewhere in this Agreement (hereinafter, the "Term"). Upon the conclusion of the Term, this Agreement may renew for up to two (2) three month extension terms, upon approval from City Council, unless City issues written notice sixty (60) days in advance of its intent not to authorize any additional extension term(s). Nothing in the foregoing sentence shall operate to prohibit or otherwise restrict the City's ability to terminate this Agreement prior to the expiration of the initial Term or any extension term as provided under Articles 11 and 12 of this Agreement below.

**ARTICLE 4.
PERFORMANCE SCHEDULE**

4.1 **ATTENDANCE AT MEETINGS, CONFERENCES AND SPECIAL FUNCTIONS.** Section 4.1 notwithstanding, Consultant, as directed by the City Council, shall also be available to attend public meetings, business meetings, conferences and functions that may be scheduled outside of normal City business hours, including but not limited to all regular, special, adjourned and/or emergency meetings of the Cudahy City Council, and City shall be billed for all such hours Consultant attends such meetings required by City.

4.2 **RESTRICTION ON HOURS WORKED:** The Term of this Agreement and the provisions of Section 4.1 notwithstanding, in no event may Consultant's total hours worked under this Agreement exceed more than 1,000 hours during any single fiscal year. Consultant shall maintain a log of Consultant's daily work hours (including start time and departure time) to monitor compliance with this provision. Staffing Firm shall have no obligation to continue performance once the 1,000 hour limitation has been attained. Furthermore, City shall have the responsibility to monitor fees charged in relation to the not-to-exceed amount. City shall be responsible for all charges for services in the event City fails to notify Staffing Firm of termination of the assignment or fails to increase of the not-to-exceed amount. For purposes of this Agreement, the term "fiscal year" shall mean the period of time commencing from July 1st of a calendar year and ending on June 30th of the calendar year immediately following.

ARTICLE 5. COMPENSATION AND REIMBURSEMENT

5.1 COMPENSATION.

- A. Staffing Firm shall perform all of the various services and tasks that comprise the Work in accordance with Exhibit "A." Staffing Firm shall be paid for the number of hours Consultant provides in performance of the Work. Consultant shall not exceed forty (40) hours per work week, unless authorized by City Council. Consultant shall be billed out at an hourly rate of NINETY FIVE DOLLARS PER HOUR (\$95.00/hour) (hereinafter "Hourly Rate").
- B. Notwithstanding section 5.1A, Consultant's total annual compensation for the Work under this Agreement may not exceed the sum of SEVENTY TWO THOUSAND NINE HUNDRED SIXTY DOLLARS (\$72,960.00) (hereinafter, the "Contract Price"). The Parties agree that the Contract Price includes compensation for all labor, materials, tools, supplies, equipment, services, tasks, costs and incidental and customary work necessary to competently perform Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the Finance Director-Treasurer and the City Manager of the City and unless such added expenditure is specifically approved in advance and in writing by the City.
- C. City shall pay Staffing Firm at the Hourly Rate in a bi-weekly format to run simultaneous with employee payroll as Consultant performs the various services and tasks that make up the Work. At the end of each pay period during the term of this Agreement, Staffing Firm shall submit to City a bi-monthly itemized statement indicating the work performed, costs incurred and hours of service rendered by Consultant and its various employees. The statement shall describe the specific tasks performed. City shall not withhold applicable taxes or other authorized deductions from payments made to Staffing Firm.

5.2 REIMBURSEMENT. City recognizes that Consultant may incur certain expenses of a non-personal nature in the performance of Consultant's duties under this Agreement. City agrees to reimburse or to pay for an amount not to exceed SEVENTY TWO THOUSAND NINE HUNDRED AND SIXTY DOLLARS (\$72,960.00) per month for such business expenses that are incurred by Consultant in the performance of Consultant's duties in accordance with City's expense reimbursement procedures, as the same may be updated and/or amended from time to time by the City Council.

**ARTICLE 6,
NO BENEFITS**

6.1 Except as otherwise provided under Article 5 of the Agreement, Consultant shall not receive any benefits, incentives, compensation in lieu of benefits or any other form of compensation above the hourly compensation provided under Article 5, above.

6.2 Consultant acknowledges, understands and agrees that Consultant is not a regular employee of the City and is not entitled to receive any benefits generally available to employees of the City, including but not limited to medical insurance, dental insurance, sick leave, paid vacation, retirement benefits, unemployment benefits or otherwise which accrue to employees of the City, and hereby expressly waives any right or claim to such benefits.

**ARTICLE 7.
INDEMNITY**

7.1 To the extent permitted by law, Staffing Firm will defend and hold City and its directors, officers, agents, representatives, and employees (collectively "Indemnitees") harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by Staffing Firm or Staffing Firm's officers, employees, or authorized agents' breach of this Agreement; its failure to discharge its material duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of Staffing Firm or Staffing Firm's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

7.2 To the extent permitted by law, City will defend, and hold Staffing Firm and its directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorney's fees) to the extent caused by City or City's officers, employees, or authorized agents' breach of this Agreement; its failure to discharge its duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of City or City's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

7.3 City shall have the right to offset against the amount of any compensation due Staffing Firm under this Agreement any amount due City from Staffing Firm as a result of Staffing Firm's failure to pay City promptly any indemnification arising under this Article and related to Staffing Firm's failure to either (i) pay legally required taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

7.4 The obligations of Staffing Firm under this Article will not be limited by the provisions of any workers' compensation act or similar act. Staffing Firm expressly waives its statutory immunity under such statutes or laws as to City and City's elected and appointed officials, officers, employees, agents and volunteers.

7.5 Staffing Firm agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Staffing Firm in the performance of this Agreement. In the event Staffing Firm fails to obtain such indemnity obligations from others as required herein, Staffing Firm agrees to be fully responsible and indemnify, hold harmless and defend City and City's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any reckless, negligent, or otherwise wrongful acts, errors or omissions of Staffing Firm's subcontractors or any other person or entity involved by, for, with or on behalf of Staffing Firm in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

7.6 City does not, and shall not, waive any rights that it may possess against Staffing Firm because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

7.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the City may have at law or in equity. Notwithstanding anything to the contrary in this Agreement, Staffing Firm shall have no obligation of indemnity or liability for any claims to the extent arising out of City's negligence or willful misconduct, or failure to comply with the requirements of this Agreement.

**ARTICLE 8.
INSURANCE**

8.1 **DUTY TO PROCURE AND MAINTAIN INSURANCE:** Staffing Firm agrees that it shall procure and maintain for the term of this Agreement (and for such extended period of time as may be required under the Agreement) insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of the various services, functions, duties and tasks set forth under the Agreement as described below. Throughout the term of the Agreement, Staffing Firm shall procure and maintain the following policies of insurance:

- A. **Workers' Compensation Insurance/ Employer's Liability Insurance:** Consultant shall procure and maintain Workers' Compensation Insurance affording coverage at least as broad as that required by the State of California with Employer's Liability Insurance with minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. The Workers'

Compensation insurer shall also agree to waive all rights of subrogation against City and City's elected and appointed officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy.

- B. Professional Liability Insurance: For the full term of this Agreement and for a period of two (2) years thereafter, Consultant shall procure and maintain Errors and Omissions Liability Insurance appropriate to Consultant's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per claim and shall be endorsed to include contractual liability.

**ARTICLE 9.
BUSINESS RELATED EQUIPMENT**

Consultant acknowledges, understands and agrees that she will not receive, nor shall she be entitled to any type of personal mobile communication device for the performance of her duties under this Agreement such as a cell phone or an iPad.

**ARTICLE 10.
CITY DOCUMENTS AND CONFIDENTIALITY**

10.1 CITY DOCUMENTS. All data, studies, reports and other documents prepared by Consultant while performing Consultant's duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitation on their use.

10.2 CONFIDENTIALITY. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant to the extent permitted by applicable law. Such materials shall not, without City's prior written consent, be used by Consultant for any purposes other than the performance of Consultant's duties.

**ARTICLE 11
TERMINATION FOR CONVENIENCE**

11.1 TERMINATION FOR CONVENIENCE. Consultant shall serve at the pleasure of the City Council. Consultant's engagement with City may be terminated for convenience at any time by the City Council without cause upon the issuance of written notice specifying the effective date of such termination, which may provide that such termination shall take effect immediately upon the issuance of the notice.

11.2 NO PRE-TERMINATION HEARING. Consultant shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Council to terminate Consultant's engagement.

11.3 NO PROPERTY INTEREST. It is understood and agreed by the Parties that Staffing Firm engagement with the City is temporary in nature and that Staffing Firm shall have no

expectation of ongoing or long-term employment with the City. Nothing in this Agreement shall confer upon Staffing Firm any right or property interest in employment with City.

11.4 **NO SEVERANCE PAY.** Consultant expressly agrees that she shall not be entitled to any severance pay as the result of the termination of this Agreement prior to the expiration of the Term or any extension term.

11.5 **STAFFING FIRM TERMINATION.** Staffing Firm may terminate this Agreement at any time without cause and for convenience, provided it provides the City Council with no less than fifteen (15) calendar days advance written notice prior to the effective date of termination. The City Council may shorten the effective date of any termination for convenience initiated by Staffing Firm in the City Council's sole and absolute discretion.

**ARTICLE 12.
TERMINATION FOR CAUSE**

12.1 EVENTS OF DEFAULT; BREACH OF AGREEMENT

- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 10.1B and 10.1C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within fifteen (15) calendar days of the non-defaulting Party's issuance of a written notice of default (hereinafter, a "Notice of Default") to the defaulting party.
- B. City, in its sole and absolute discretion, may also immediately suspend Consultant's performance under this Agreement pending Consultant's cure of any Event of Default by giving Staffing Firm/Consultant written notice of City's intent to suspend Staffing Firm/Consultant's performance (hereinafter, a "Suspension Notice"). City may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, Staffing Firm/Consultant shall be compensated only for those services rendered up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of City shall operate to prohibit or otherwise restrict City's ability to suspend this Agreement as provided herein.
- C. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No

waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

D. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to City at law or under this Agreement in the event of any breach of this Agreement, City, in its sole and absolute discretion, may also pursue any one or more of the following remedies:

- i. Upon written notice to Staffing Firm/Consultant, the City may immediately terminate this Agreement in whole or in part;
- ii. Upon written notice to Staffing Firm/Consultant, the City may extend the time of performance;
- iii. The City may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for Staffing Firm/Consultant's breach of the Agreement, or to terminate the Agreement; or
- iv. The City may exercise any other available and lawful right or remedy.

City may seek legal fees plus other costs and expenses that City incurs upon Staffing Firm's breach of this Agreement or in the City's exercise of its remedies under this Agreement.

E. In the event City is in breach of this Agreement, Staffing Firm/Consultant's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to Staffing Firm/Consultant under this Agreement for services rendered.

**ARTICLE 13.
CONDITIONS OF CONSULTANT'S SERVICES**

13.1 **CONFLICT-OF-INTEREST.** City shall direct Consultant to sign a separate writing stating the following obligations: Consultant shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business within the corporate limits of City, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. Consultant further agrees not to invest in any other real estate or property improvements within the corporate limits of City during the term of this Agreement without the prior consent of the City Council.

13.2 **CONSULTANT VEHICLE.** Consultant shall provide her transportation to and from the worksite.

**ARTICLE 14.
GENERAL PROVISIONS**

14.1 **NOTICES.** All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to City at the address below, and at the last known address maintained in City's contract file. Staffing Firm agrees to notify City, in writing, of any change in Staffing Firm's address during Consultant's employment with City. Notice of change of address shall be effective only when accomplished in accordance with this Section.

City's Notice Address:
City of Cudahy
Attn: Jose Pulido, City Manager
5220 Santa Ana Street
Cudahy, California 90201

Staffing Firm's Address:
HR Dynamics and Performance Management
Rhonda Strout, Principal
461 Green Orchard Place
Riverside, CA 92506
Phone: 951-999-1617

14.2 **BONDING.** City shall bear the full cost of any fidelity or other bonds required of the Staffing Firm under any laws or ordinance.

14.3 **BACKGROUND CHECK.** Within three (3) calendar days of the effective date of this Agreement, Consultant shall contact the City's Human Resources Department to schedule a LiveScan fingerprinting. Consultant shall not commence any Services relating to this Agreement until the LiveScan results have been reviewed by the Human Resources Department. A negative LiveScan report may result in the termination of this Agreement.

14.4 **ENTIRE AGREEMENT.** This Agreement, including the General Conditions of Assignment and the Terms of Payments incorporated herein and attached hereto as "Exhibit A," is intended to be the final, complete, and exclusive statement of the terms of Staffing Firm/Consultant's engagement with the City. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the engagement of Staffing Firm/Consultant, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of City, now or in the future, apply to Staffing Firm/Consultant and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

14.5 **AMENDMENTS.** This Agreement may not be amended except in the form of a written amendment to this Agreement approved by the City Council.

14.6 **WAIVER.** Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

14.7 **ASSIGNMENT.** Staffing Firm/Consultant shall not assign any rights or obligations under this Agreement. City may, upon prior written notice to Staffing Firm/Consultant, assign its rights and obligations hereunder.

14.8 **SEVERABILITY.** If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

14.9 **ATTORNEYS' FEES.** In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

14.10 **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue in the County of Los Angeles, State of California.

14.11 **INTERPRETATION.** This Agreement shall be construed as a whole, according to its fair meaning, and not in favor of or against any Party. By way of example and not in limitation, this Agreement shall not be construed in favor of the Party receiving a benefit nor against the Party responsible for any particular language in this Agreement. Captions are used for reference purposes only and should be ignored in the interpretation of the Agreement. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the Parties to this Agreement and by no other means. Each Party waives their future right to claim, contest, or assert that this Agreement was modified, cancelled superseded or changed by any oral agreement, course of conduct, waiver or estoppel.

14.12 **ACKNOWLEDGMENT.** Staffing Firm acknowledge that it has had the opportunity to consult legal counsel in regard to this Agreement, that it has read and understands this Agreement, that it is fully aware of its legal effect, and that it has entered into it freely and voluntarily and based on Staffing Firm's own judgment and not on any representations or promises other than those contained in this Agreement.

14.13 **COUNTERPARTS.** This Agreement shall be executed in four (4) original counterparts each of which shall be of equal force and effect. One counterpart shall be delivered to Staffing Firm, one counterpart shall be retained by the Human Resources Department, one counterpart shall be retained by the Office of the City Manager, and the fourth counterpart shall be retained by the City Clerk for permanent archiving by the City.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, City has caused this Agreement to be signed and executed on the date first indicated above.

CITY OF CUDAHY:

HR DYNAMICS AND PERFORMANCE MANAGEMENT

By: [Signature]
Jose E. Pulido, City Manager

By: [Signature]
Rhonda Strout, Principal

Date: _____

Date: 2/2/15

ATTEST:

APPROVED AS TO FORM:

By: [Signature]
Victor H. Ferrer, Deputy City Clerk

By: [Signature]
Isabel Birrueta, Assistant City Attorney

Date: 2/2/15

Date: _____

EXHIBIT "A"

SCOPE OF WORK

I. Services

Consultant's Human Resources services shall include, but not be limited to, the following duties:

A. General Human Resources Services

To plan, organize, and direct the development, implementation and administration of the City's human resources management system, labor relations programs and risk management program. Duties may include, but are not limited to the following:

Plan, organize and direct the administration of the City's personnel policies, practices, and procedures; advise management and employees in their interpretation when necessary. Develop and assist in development and implementation of goals, objectives, policies and priorities. Supervise and administer the classification, compensation, recruitment and selection, equal employment, labor relations, evaluations, training and risk management programs. Participate in formulating, recommending, and coordinating the implementation of policies, rules, and practices for accomplishing the goals of the personnel program. Assist in contract negotiations through development of strategies, research and presentation of relevant information. Perform research and maintain records; administer and interpret provisions of labor agreements. Advise management and employees regarding grievance procedures; monitor and administer grievance procedures. Maintain the City's official personnel files. Coordinate human resources/risk management activities with other City departments. Supervise and participate in the preparation of various personnel reports; make oral presentations as necessary. Prepare and administer the human resources/risk management budget. Maintain departmental awareness of current human resources practices and current state and federal laws related to personnel and risk management. Attend conferences and meetings in human resources, risk management and labor relations field. Assess, recommend and coordinate City's training programs. Select, supervise, develop, train and evaluate assigned staff. Promote and maintain safety in the workplace. Perform other related duties as assigned.

B. Additional Services

In addition to the general Human Resources services outlined above, Consultant shall also provide the following:

1. Strengths, Weaknesses, Opportunities, Threats ("SWOT") Analysis (General Assessment of the Human Resources Function; and
2. Prepare job classifications/descriptions in preparation for labor negotiations; and
3. Advise and participate in labor negotiations between the City and its employees.

II. Compensation

Compensation Calculation

Hourly Rate	\$95.00/hr.
Expected Work Hours	150 hours per month (not to exceed 40 hours per week)
Expected Initial Term	12 Months
Expected Monthly Amount	\$6,080.00 per month

EXHIBIT "B"
(See the attached Scope of Work)

EXHIBIT "B"

SCOPE OF WORK

HUMAN RESOURCES CONSULTING

SCOPE OF SERVICES

- 1) Conduct a comprehensive review and assessment of the status of the City's Human Resources function; collect data; evaluate findings and make recommendations consistent with industry best practices in the following areas including, but not limited to:
 - Appropriate staffing levels.
 - Appropriate systems and use of technology.
 - Record keeping methods.
 - Customer service and client department satisfaction.
 - City's training and development programs.
 - City's recruitment and selection programs.
 - City's employee and labor relations programs.

- 2) Conduct a comprehensive review of the City's classification/compensation and fringe benefit provisions, including the following:
 - Review all applicable Resolutions, MOU's, and personnel rules.
 - Consolidate all applicable salary and benefit provisions into a comprehensive Fringe Benefits and Salary Plan document.
 - Conduct job analyses for all City positions, and prepare current and relevant job descriptions.
 - Recommend an organizational structure/staffing plan to address current needs.
Identify the City's labor market (comparable agencies) and compensation philosophy.
 - Conduct a salary and benefits survey with comparable agencies.

- 3) Review and recommend cost effective strategies to the City's employee benefit programs.

- 4) Conduct a comprehensive review of the City's labor agreements and personnel rules, and provide recommendations to the City Manager for labor negotiations.

- 5) Perform a full analysis and update of the City's personnel rules.

- 6) Provide advisement to the City Manager and the Acting Human Resources Specialist regarding handling of various complex Human Resources matters.
- 7) Provide advisement to the City related to compliance with various audit findings, including strategies and solutions.
- 8) Develop a formal complaint process for the City, including applicable forms and tracking system.

METHODOLOGY

The Consultant shall develop a timeline for the independent completion of all defined tasks, to be completed in 18 months. The Consultant shall meet with staff at prescribed times initiated by the Consultant, as needed for the purposes of conducting various interviews and collecting data in order to evaluate the Human Resources function including files, reports, official documents, policies, practices, etc.

Data collected will be used to compare against best practices and in order to make recommendations to the City for future consideration and implementation.

DELIVERABLES

The following products shall be delivered to the City:

- 1) New Job Descriptions
- 2) Salary/Benefit Survey
- 3) HR Assessment/Best Practices
- 4) Fringe Benefit and Salary Plan Document
- 5) Updated Personnel Rules
- 6) Organizational Chart
- 7) Labor Agreement Recommendations/Reforms
- 8) Complaint Process System



2015

AGREEMENT FOR TEMPORARY PROFESSIONAL SERVICES
(Parties: HR Dynamics & Performance Management and the City of Cudahy)
(Engagement: Temporary Human Resources Services)

THIS 2015 AGREEMENT FOR TEMPORARY PROFESSIONAL SERVICES (“Agreement”) by and between the City OF CUDAHY, a municipal corporation and general law city (“City”) and HR Dynamics & Performance Management (hereinafter, “Staffing Firm”) is made and entered into the last date of signature below, but shall not take effect until signed by all of the parties to this Agreement as indicated on the signature page below. For the purposes of this Agreement, City and Staffing Firm may be referred to collectively by the capitalized term “Parties.” The capitalized term “Party” may refer to City or Staffing Firm interchangeably.

RECITALS

WHEREAS, City, pursuant to California Government Code sections 37103 and 53060, is authorized and empowered to contract with any person for the furnishing of services and advice in finance, economic, accounting or administrative matters if such persons are specially trained and experienced and competent to perform such special services required; and

WHEREAS, City wishes to engage the Staffing Firm for the purposes of retaining a person to perform the duties and functions as mentioned in the attached Scope of Work for City on an interim basis; and

WHEREAS, City’s in-house personnel are presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, Staffing Firm has proposed and City has agreed to appoint a Consultant (“Consultant”) who possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, City and Staffing Firm wish to enter into the Agreement in order to set forth the rights and obligations of the Parties.

NOW, THEREFORE, in consideration of the mutual promises contained herein, and based upon the recitals set forth above, City and Staffing Firm agree as follows:

**ARTICLE 1.
DUTIES AND SCOPE OF WORK**

1.1 **SCOPE OF WORK:** Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, Consultant agrees to perform the services and tasks set forth in Exhibit “A” (hereinafter referred to as the “Scope of Work”). Consultant further agrees to furnish to City all labor, materials, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Work. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Work shall hereinafter be referred to generally by the capitalized term “Work.” Neither Consultant nor anyone acting on Consultant’s behalf shall commence with the performance of the Work or any other related tasks until City issues a written notice to proceed (hereinafter, the “Notice to Proceed”).

**ARTICLE 2.
INDEPENDENT CONTRACTOR STATUS; TERMINATION FOR CONVENIENCE**

2.1 **INDEPENDENT CONTRACTOR STATUS.** The Parties acknowledge, understand and agree that Consultant is, and shall at all times remain, a wholly independent contractor and shall not be considered an employee of the City. Given the temporary and interim nature of this engagement, it is the desire and intent of the Parties that Consultant shall be an “independent contractor” who is not also an employee within the meaning of Government Code section 20300(b), and by such status is excluded from compulsory enrollment in the California Public Employees Retirement System established under the Public Employees Retirement Law (“PERL”) (Government Code section 20000 et seq.).

**ARTICLE 3.
TERM OF AGREEMENT**

3.1 This Agreement shall have an initial term of one (1) year commencing from the Effective Date unless terminated as provided elsewhere in this Agreement (hereinafter, the “Term”). Upon the conclusion of the Term, this Agreement may renew for up to two (2) three month extension terms, upon approval from City Council, unless City issues written notice sixty (60) days in advance of its intent not to authorize any additional extension term(s). Nothing in the foregoing sentence shall operate to prohibit or otherwise restrict the City’s ability to terminate this Agreement prior to the expiration of the initial Term or any extension term as provided under Articles 11 and 12 of this Agreement below.

**ARTICLE 4.
PERFORMANCE SCHEDULE**

4.1 **ATTENDANCE AT MEETINGS, CONFERENCES AND SPECIAL FUNCTIONS.** Section 4.1 notwithstanding, Consultant, as directed by the City Council, shall also be available to attend public meetings, business meetings, conferences and functions that may be scheduled outside of normal City business hours, including but not limited to all regular, special, adjourned and/or emergency meetings of the Cudahy City Council, and City shall be billed for all such hours Consultant attends such meetings required by City.

4.2 **RESTRICTION ON HOURS WORKED:** The Term of this Agreement and the provisions of Section 4.1 notwithstanding, in no event may Consultant's total hours worked under this Agreement exceed more than 1,000 hours during any single fiscal year. Consultant shall maintain a log of Consultant's daily work hours (including start time and departure time) to monitor compliance with this provision. Staffing Firm shall have no obligation to continue performance once the 1,000 hour limitation has been attained. Furthermore, City shall have the responsibility to monitor fees charged in relation to the not-to-exceed amount. City shall be responsible for all charges for services in the event City fails to notify Staffing Firm of termination of the assignment or fails to increase of the not-to-exceed amount. For purposes of this Agreement, the term "fiscal year" shall mean the period of time commencing from July 1st of a calendar year and ending on June 30th of the calendar year immediately following.

**ARTICLE 5.
COMPENSATION AND REIMBURSEMENT**

5.1 **COMPENSATION.**

- A. Staffing Firm shall perform all of the various services and tasks that comprise the Work in accordance with Exhibit "A." Staffing Firm shall be paid for the number of hours Consultant provides in performance of the Work. Consultant shall not exceed forty (40) hours per work week, unless authorized by City Council. Consultant shall be billed out at an hourly rate of NINETY FIVE DOLLARS PER HOUR (\$95.00/hour) (hereinafter "Hourly Rate").
- B. Notwithstanding section 5.1A, Consultant's total annual compensation for the Work under this Agreement may not exceed the sum of SEVENTY TWO THOUSAND NINE HUNDRED SIXTY DOLLARS (\$72,960.00) (hereinafter, the "Contract Price"). The Parties agree that the Contract Price includes compensation for all labor, materials, tools, supplies, equipment, services, tasks, costs and incidental and customary work necessary to competently perform Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the Finance Director-Treasurer and the City Manager of the City and unless such added expenditure is specifically approved in advance and in writing by the City.
- C. City shall pay Staffing Firm at the Hourly Rate in a bi-weekly format to run simultaneous with employee payroll as Consultant performs the various services and tasks that make up the Work. At the end of each pay period during the term of this Agreement, Staffing Firm shall submit to City a bi-monthly itemized statement indicating the work performed, costs incurred and hours of service rendered by Consultant and its various employees. The statement shall describe the specific tasks performed. City shall not withhold applicable taxes or other authorized deductions from payments made to Staffing Firm.

5.2 REIMBURSEMENT. City recognizes that Consultant may incur certain expenses of a non-personal nature in the performance of Consultant's duties under this Agreement. City agrees to reimburse or to pay for an amount not to exceed SEVENTY TWO THOUSAND NINE HUNDRED AND SIXTY DOLLARS (\$72,960.00) per month for such business expenses that are incurred by Consultant in the performance of Consultant's duties in accordance with City's expense reimbursement procedures, as the same may be updated and/or amended from time to time by the City Council.

**ARTICLE 6.
NO BENEFITS**

6.1 Except as otherwise provided under Article 5 of the Agreement, Consultant shall not receive any benefits, incentives, compensation in lieu of benefits or any other form of compensation above the hourly compensation provided under Article 5, above.

6.2 Consultant acknowledges, understands and agrees that Consultant is not a regular employee of the City and is not entitled to receive any benefits generally available to employees of the City, including but not limited to medical insurance, dental insurance, sick leave, paid vacation, retirement benefits, unemployment benefits or otherwise which accrue to employees of the City, and hereby expressly waives any right or claim to such benefits.

**ARTICLE 7.
INDEMNITY**

7.1 To the extent permitted by law, Staffing Firm will defend and hold City and its directors, officers, agents, representatives, and employees (collectively "Indemnitees") harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by Staffing Firm or Staffing Firm's officers, employees, or authorized agents' breach of this Agreement; its failure to discharge its material duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of Staffing Firm or Staffing Firm's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

7.2 To the extent permitted by law, City will defend, and hold Staffing Firm and its directors, officers, agents, representatives, and employees harmless from all claims, losses, and liabilities (including reasonable attorney's fees) to the extent caused by City or City's officers, employees, or authorized agents' breach of this Agreement; its failure to discharge its duties and responsibilities as provided in this Agreement; or the negligence, gross negligence, or willful misconduct of City or City's officers, employees, or authorized agents in the discharge of those duties and responsibilities.

7.3 City shall have the right to offset against the amount of any compensation due Staffing Firm under this Agreement any amount due City from Staffing Firm as a result of Staffing Firm's failure to pay City promptly any indemnification arising under this Article and related to Staffing Firm's failure to either (i) pay legally required taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

7.4 The obligations of Staffing Firm under this Article will not be limited by the provisions of any workers' compensation act or similar act. Staffing Firm expressly waives its statutory immunity under such statutes or laws as to City and City's elected and appointed officials, officers, employees, agents and volunteers.

7.5 Staffing Firm agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Staffing Firm in the performance of this Agreement. In the event Staffing Firm fails to obtain such indemnity obligations from others as required herein, Staffing Firm agrees to be fully responsible and indemnify, hold harmless and defend City and City's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any reckless, negligent, or otherwise wrongful acts, errors or omissions of Staffing Firm's subcontractors or any other person or entity involved by, for, with or on behalf of Staffing Firm in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

7.6 City does not, and shall not, waive any rights that it may possess against Staffing Firm because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

7.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the City may have at law or in equity. Notwithstanding anything to the contrary in this Agreement, Staffing Firm shall have no obligation of indemnity or liability for any claims to the extent arising out of City's negligence or willful misconduct, or failure to comply with the requirements of this Agreement.

**ARTICLE 8.
INSURANCE**

8.1 DUTY TO PROCURE AND MAINTAIN INSURANCE: Staffing Firm agrees that it shall procure and maintain for the term of this Agreement (and for such extended period of time as may be required under the Agreement) insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of the various services, functions, duties and tasks set forth under the Agreement as described below. Throughout the term of the Agreement, Staffing Firm shall procure and maintain the following policies of insurance:

- A. Workers' Compensation Insurance/ Employer's Liability Insurance: Consultant shall procure and maintain Workers' Compensation Insurance affording coverage at least as broad as that required by the State of California with Employer's Liability Insurance with minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury or disease. The Workers'

Compensation insurer shall also agree to waive all rights of subrogation against City and City's elected and appointed officials, officers, employees, agents and volunteers for losses paid under the terms of the insurance policy.

- B. **Professional Liability Insurance:** For the full term of this Agreement and for a period of two (2) years thereafter, Consultant shall procure and maintain Errors and Omissions Liability Insurance appropriate to Consultant's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per claim and shall be endorsed to include contractual liability.

**ARTICLE 9.
BUSINESS RELATED EQUIPMENT**

Consultant acknowledges, understands and agrees that she will not receive, nor shall she be entitled to any type of personal mobile communication device for the performance of her duties under this Agreement such as a cell phone or an iPad.

**ARTICLE 10.
CITY DOCUMENTS AND CONFIDENTIALITY**

10.1 **CITY DOCUMENTS.** All data, studies, reports and other documents prepared by Consultant while performing Consultant's duties during the term of this Agreement shall be furnished to and become the property of the City, without restriction or limitation on their use.

10.2 **CONFIDENTIALITY.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant to the extent permitted by applicable law. Such materials shall not, without City's prior written consent, be used by Consultant for any purposes other than the performance of Consultant's duties.

**ARTICLE 11
TERMINATION FOR CONVENIENCE**

11.1 **TERMINATION FOR CONVENIENCE.** Consultant shall serve at the pleasure of the City Council. Consultant's engagement with City may be terminated for convenience at any time by the City Council without cause upon the issuance of written notice specifying the effective date of such termination, which may provide that such termination shall take effect immediately upon the issuance of the notice.

11.2 **NO PRE-TERMINATION HEARING.** Consultant shall not be entitled to any pre-termination hearing or other similar proceeding or appeal proceeding as a precondition to any decision or action by the City Council to terminate Consultant's engagement.

11.3 **NO PROPERTY INTEREST.** It is understood and agreed by the Parties that Staffing Firm engagement with the City is temporary in nature and that Staffing Firm shall have no

expectation of ongoing or long-term employment with the City. Nothing in this Agreement shall confer upon Staffing Firm any right or property interest in employment with City.

11.4 NO SEVERANCE PAY. Consultant expressly agrees that she shall not be entitled to any severance pay as the result of the termination of this Agreement prior to the expiration of the Term or any extension term.

11.5 STAFFING FIRM TERMINATION. Staffing Firm may terminate this Agreement at any time without cause and for convenience, provided it provides the City Council with no less than fifteen (15) calendar days advance written notice prior to the effective date of termination. The City Council may shorten the effective date of any termination for convenience initiated by Staffing Firm in the City Council's sole and absolute discretion.

**ARTICLE 12.
TERMINATION FOR CAUSE**

12.1 EVENTS OF DEFAULT; BREACH OF AGREEMENT

- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 10.1B and 10.1C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within fifteen (15) calendar days of the non-defaulting Party's issuance of a written notice of default (hereinafter, a "Notice of Default") to the defaulting party.
- B. City, in its sole and absolute discretion, may also immediately suspend Consultant's performance under this Agreement pending Consultant's cure of any Event of Default by giving Staffing Firm/Consultant written notice of City's intent to suspend Staffing Firm/Consultant's performance (hereinafter, a "Suspension Notice"). City may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, Staffing Firm/Consultant shall be compensated only for those services rendered up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of City shall operate to prohibit or otherwise restrict City's ability to suspend this Agreement as provided herein.
- C. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No

waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

- D. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to City at law or under this Agreement in the event of any breach of this Agreement, City, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
- i. Upon written notice to Staffing Firm/Consultant, the City may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to Staffing Firm/Consultant, the City may extend the time of performance;
 - iii. The City may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for Staffing Firm/Consultant's breach of the Agreement or to terminate the Agreement; or
 - iv. The City may exercise any other available and lawful right or remedy.

City may seek legal fees plus other costs and expenses that City incurs upon Staffing Firm's breach of this Agreement or in the City's exercise of its remedies under this Agreement.

- E. In the event City is in breach of this Agreement, Staffing Firm/Consultant's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to Staffing Firm/Consultant under this Agreement for services rendered.

**ARTICLE 13.
CONDITIONS OF CONSULTANT'S SERVICES**

13.1 CONFLICT-OF-INTEREST. City shall direct Consultant to sign a separate writing stating the following obligations: Consultant shall not, during the term of this Agreement, individually, as a partner, joint venture, officer or shareholder, invest or participate in any business venture conducting business within the corporate limits of City, except for stock ownership in any company whose capital stock is publicly held and regularly traded, without prior approval of the City Council. Consultant further agrees not to invest in any other real estate or property improvements within the corporate limits of City during the term of this Agreement without the prior consent of the City Council.

13.2 CONSULTANT VEHICLE. Consultant shall provide her transportation to and from the worksite.

**ARTICLE 14.
GENERAL PROVISIONS**

14.1 NOTICES. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be effective upon delivery by hand or three (3) business days after deposit in the United States mail, postage prepaid, certified or registered, and addressed to City at the address below, and at the last known address maintained in City's contract file. Staffing Firm agrees to notify City, in writing, of any change in Staffing Firm's address during Consultant's employment with City. Notice of change of address shall be effective only when accomplished in accordance with this Section.

City's Notice Address:

City of Cudahy
Attn: Jose Pulido, City Manager
5220 Santa Ana Street
Cudahy, California 90201

Staffing Firm's Address:

HR Dynamics and Performance Management
Rhonda Strout, Principal
461 Green Orchard Place
Riverside, CA 92506
Phone: 951-999-1617

14.2 BONDING. City shall bear the full cost of any fidelity or other bonds required of the Staffing Firm under any laws or ordinance.

14.3 BACKGROUND CHECK. Within three (3) calendar days of the effective date of this Agreement, Consultant shall contact the City's Human Resources Department to schedule a LiveScan fingerprinting. Consultant shall not commence any Services relating to this Agreement until the LiveScan results have been reviewed by the Human Resources Department. A negative LiveScan report may result in the termination of this Agreement.

14.4 ENTIRE AGREEMENT. This Agreement, including the General Conditions of Assignment and the Terms of Payments incorporated herein and attached hereto as "Exhibit A," is intended to be the final, complete, and exclusive statement of the terms of Staffing Firm/Consultant's engagement with the City. This Agreement supersedes all other prior and contemporaneous agreements and statements, whether written or oral, express or implied, pertaining in any manner to the engagement of Staffing Firm/Consultant, and it may not be contradicted by evidence of any prior or contemporaneous statements or agreements. To the extent that the practices, policies, or procedures of City, now or in the future, apply to Staffing Firm/Consultant and are inconsistent with the terms of this Agreement, the provisions of this Agreement shall control.

14.5 AMENDMENTS. This Agreement may not be amended except in the form of a written amendment to this Agreement approved by the City Council.

14.6 **WAIVER.** Failure to exercise any right under this Agreement shall not constitute a waiver of such right.

14.7 **ASSIGNMENT.** Staffing Firm/Consultant shall not assign any rights or obligations under this Agreement. City may, upon prior written notice to Staffing Firm/Consultant, assign its rights and obligations hereunder.

14.8 **SEVERABILITY.** If any court of competent jurisdiction holds any provision of this Agreement to be invalid, unenforceable, or void, the remainder of this Agreement shall remain in full force and effect.

14.9 **ATTORNEYS' FEES.** In any legal action, arbitration, or other proceeding brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

14.10 **GOVERNING LAW.** This Agreement shall be governed by and construed in accordance with the laws of the State of California, with venue in the County of Los Angeles, State of California.

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[SIGNATURE PAGE TO FOLLOW]

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CITY OF CUDAHY:

HR DYNAMICS AND PERFORMANCE MANAGEMENT

By: 
Jose E. Pulido, City Manager

By: 
Rhonda Strout, Principal

Date: _____

Date: 2/2/15

ATTEST:

APPROVED AS TO FORM:

By: 
Victor H. Ferrer, Deputy City Clerk

By: 
Isabel Birrueta, Assistant City Attorney

Date: 2/2/15

Date: _____

EXHIBIT "A"

SCOPE OF WORK

I. Services

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A. General Human Resources Services

To plan, organize, and direct the development, implementation and administration of the City's human resources management system, labor relations programs and risk management program. Duties may include, but are not limited to the following:

Plan, organize and direct the administration of the City's personnel policies, practices, and procedures; advise management and employees in their interpretation when necessary. Develop and assist in development and implementation of goals, objectives, policies and priorities. Supervise and administer the classification, compensation, recruitment and selection, equal employment, labor relations, evaluations, training and risk management programs. Participate in formulating, recommending, and coordinating the implementation of policies, rules, and practices for accomplishing the goals of the personnel program. Assist in contract negotiations through development of strategies, research and presentation of relevant information. Perform research and maintain records; administer and interpret provisions of labor agreements. Advise management and employees regarding grievance procedures; monitor and administer grievance procedures. Maintain the City's official personnel files. Coordinate human resources/risk management activities with other City departments. Supervise and participate in the preparation of various personnel reports; make oral presentations as necessary. Prepare and administer the human resources/risk management budget. Maintain departmental awareness of current human resources practices and current state and federal laws related to personnel and risk management. Attend conferences and meetings in human resources, risk management and labor relations field. Assess, recommend and coordinate City's training programs. Select, supervise, develop, train and evaluate assigned staff. Promote and maintain safety in the workplace. Perform other related duties as assigned.

B. Additional Services

In addition to the general Human Resources services outlined above, Consultant shall also provide the following:

1. Strengths, Weaknesses, Opportunities, Threats ("SWOT") Analysis (General Assessment of the Human Resources Function; and
2. Prepare job classifications/descriptions in preparation for labor negotiations; and
3. Advise and participate in labor negotiations between the City and its employees.

II. Compensation

Compensation Calculation

Hourly Rate	\$95.00/hr.
Expected Work Hours	160 hours per month (not to exceed 40 hours per week)
Expected Initial Term	12 Months
Expected Monthly Amount	\$6,080.00 per month

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Item Number 10C

STAFF REPORT

Date: February 22, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
By: Jessica Balandran, Senior Administrative Analyst
Subject: **Adoption of a Proposed Resolution Authorizing Submittal of Future Applications for CalRecycle Payment Programs and Related Authorizations**

RECOMMENDATION

The City Council is requested to:

1. Adopt a proposed resolution authorizing future application submittals to the California Department of Resources Recycling and Recovery (CalRecycle) for payment programs and related authorizations; and
2. Authorize the City Manager to execute all documents necessary to implement and secure payment.

BACKGROUND

1. Since 1999, Cudahy has received funds for 11 funding cycles from the Beverage Container Recycle City/County Payment Program.
2. On August 5, 2015, the City was approved to receive \$6,631.00 for Fiscal Year (FY) 2014-15 to purchase beverage container recycling receptacles for facilities and parks, purchase Clean-Up Day safety equipment, and for recycling education materials and outreach for local schools.
3. On January 23, 2016, the City received notification through email from Recycling Specialist Shamila Tooker from the Beverage Container Grants Unit of CalRecycle notifying all jurisdictions of the new resolution requirement for FY 2015-16.

ANALYSIS

The California Department of Resources Recycling and Recovery (CalRecycle) established the annual Beverage Container Recycling City/County Payment Program to disburse funds to qualifying agencies throughout California. The funds are generated from the California Redemption Value (CRV) collected from consumers whenever beverage containers are purchased within the State. The amount of grant funds allocated to agencies is based on population. Starting in 2016, CalRecycle has updated procedures and now requires each agency to adopt a resolution authorizing participation in the annual grant payment program.

The funds from the Beverage Container Recycling City/County Payment Program must be used to promote beverage container recycling. To ensure regulatory compliance, CalRecycle requires the City to submit a Funding Request and receive advance approval for all grant expenditures. Additionally, the City is required to submit an Expenditure Report with supporting documentation for funds expended.

Recently the City returned unused Beverage Container Recycling City/County Payment Program funds of \$6,698 for FY 12-13 because they were not used. Currently staff has used the FY 14-15 funds to purchase neon safety vests for volunteers who participate in the Cudahy Clean-Up Days. Staff also anticipates purchasing beverage recycling receptacles for City facilities before the end of the fiscal year. These receptacles have not been identified. The funds have also been used for educational ads in the most recent ONE Cudahy (City quarterly magazine) and will be spent on a new ad that will appear in the upcoming quarterly magazine which will be used for a sticker to distribute to local schools.

CONCLUSION

Approval of the proposed resolution, per the request of the funding agency, will prepare the City for future funding opportunities with CalRecycle for the City, which requires an approved resolution. If no action is taken on the proposed resolution this may result in funding being delayed or not approved by CalRecycle.

FINANCIAL IMPACT

None. No matching funds are required.

ATTACHMENTS

- A. Proposed Resolution Authorizing Submittal of Applications for CalRecycle Payment Programs and Related Authorizations
- B. Email from Recycling Specialist Shamila Tooker - CalRecycle

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY AUTHORIZING SUBMITTAL OF AN APPLICATION FOR CALRECYCLE PAYMENT PROGRAMS AND RELATED AUTHORIZATIONS

WHEREAS, pursuant to Public Resources Code section 48000 et seq. the Department of Resources Recycling and Recovery (“CalRecycle”) has established various payment programs to make payments to qualifying jurisdictions; and

WHEREAS, in furtherance of this authority CalRecycle is required to establish procedures governing the administration of the payment programs; and

WHEREAS, CalRecycle’s procedures for administering payment programs require, among other things, an applicant’s governing body to declare by resolution certain authorizations related to the administration of the payment program.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CUDAHY DOES HEREBY FIND, ORDER AND RESOLVE AS FOLLOWS:

1. The recitals set forth above are true and correct and incorporated herein by reference.
2. The City of Cudahy is authorized to submit an application to CalRecycle for any and all payment programs offered; and
3. The City Manager, or his/her designee, is hereby authorized as Signature Authority to execute all documents necessary to implement and secure payment; and
4. This authorization is effective until rescinded by the Signature Authority or this Governing Body.
5. This Resolution shall take effect upon adoption. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at the regular meeting of this 22nd day of February 2016.

Cristian Markovich
Mayor

ATTEST:

Laura Valdivia
Interim City Clerk

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF CUDAHY)

I, Laura Valdivia, Interim City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. _____ was passed and adopted by the City Council of the City of Cudahy, signed by the Mayor and attested by the City Clerk at a special meeting of said Council held on the 22nd day of February, 2016, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Laura Valdivia
Interim City Clerk

From: [Tooker, Shamila@CalRecycle](mailto:Tooker_Shamila@CalRecycle)
Cc: [Cadiz, Divina@CalRecycle](mailto:Cadiz_Divina@CalRecycle); [Cota, Marissa@CalRecycle](mailto:Cota_Marissa@CalRecycle); [Duclo, Donnell@CalRecycle](mailto:Duclo_Donnell@CalRecycle); [Estrada, Rhoderick@CalRecycle](mailto:Estrada_Rhoderick@CalRecycle); [Wright, Tharon@CalRecycle](mailto:Wright_Tharon@CalRecycle); [Byrne, Alex@CalRecycle](mailto:Byrne_Alex@CalRecycle); ["John.Catching@carecycle.ca.gov"](mailto:John.Catching@carecycle.ca.gov); [Uyeda, Stanley@CalRecycle](mailto:Uyeda_Stanley@CalRecycle); [McIntosh, Blair@CalRecycle](mailto:McIntosh_Blair@CalRecycle)
Subject: Beverage Container Recycling City/County Payment Program - New Requirement for Fiscal Year 2015-16
Date: Wednesday, December 23, 2015 1:13:28 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Payment_program_resolution.docx](#)

Good Afternoon

Beginning with the fiscal year 2015-16 funding cycle, all jurisdictions will be required to provide a Resolution no later than the funding request due date (to be announced in the near future.)

To assist you with this new requirement, we have attached a Resolution template specific to payment programs. Open the attached Resolution template and save it to your computer. Fill in the yellow highlighted areas with your jurisdiction's name and the job title of the signature authority. If you plan on using other language or think you have an existing resolution that may be valid please email it to grantassistance@CalRecycle.ca.gov and use [City/County Payment Program Resolution and your city or county name in the subject line](#). We will review it to ensure it meets the payment program requirements prior to you seeking approval from your board or council.

Note: jurisdictions should anticipate the amount of time needed by your board or council to obtain an approved Resolution by the funding request due date. Failure to provide an approved Resolution may result in funding being delayed or not approved.

Shamila Tooker

Beverage Container Grants Unit
Department of Resources Recycling and Recovery
(916) 322-3069
Shamila.Tooker@CalRecycle.ca.gov



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Item Number 10D

STAFF REPORT

Date: February 22, 2016

To: Honorable Mayor/Chair and City Council/Agency Members

From: Jose E. Pulido, City Manager/Executive Director
By: Jessica Balandran, Senior Administrative Analyst

Subject: **Approval of a Professional Services Agreement (PSA) with Wendy Chung for Creative Design Services**

RECOMMENDATION

The City Council is requested to approve a Professional Services Agreement (PSA) for writing, editing, creative design services, civic engagement strategy and policy, and program coordination and management services under the direction of the City Manager (see attached scope of work) for a two-year period not to exceed \$50,000.

BACKGROUND

1. On June 29, 2015, the City Council as part of the Fiscal Year (FY) 2015-16 City Budget appropriated \$30,000 in funding for the production of a new logo and quarterly magazine.
2. On September 8, 2015, the City Manager retained the services of Wendy Chung to assist with the City's rebranding efforts and to coordinate the development of new City Quarterly magazine.
3. From September through November 2015, Ms. Chung worked with City staff and Fuel Creative Group to develop the new City logo and brand. Concurrently, Ms. Chung worked with Fuel Creative group to finalize the preliminary designs for the City's new quarterly magazine.
4. During December 2015, the Cudahy ONE Magazine was published and distributed citywide.

ANALYSIS

Consistent with the City Council's direction to develop a new City logo and quarterly magazine, the City Manager after realizing that the City didn't have any staff members that had experience with both endeavors contacted Wendy Chung for some much needed assistance. Over the course of three months, Ms. Chung did a great job in coordinating the new City logo development as well as the new city quarterly magazine template for "ONE Cudahy" from start to finish.

In order to continue the production of future editions of the ONE Cudahy magazine, the City Manager is recommending that Ms. Chung be retained by the City for a two year period at a not to exceed amount of \$50,000. The City Manager has also requested that Ms. Chung be available to provide staff assistance with several special projects such as: the creation of City presentation materials (i.e., State of the City) and templates consistent with the new City logo brand for meetings and presentations to other elected officials; enhance the City's website; and community outreach and marketing campaigns. All materials produced by Ms. Chung are subject to City Manager review and approval before dissemination under this PSA which doesn't require insurance coverage.

CONCLUSION

City Council approval of this PSA with Wendy Chung ensures that the City will be able to produce the City's ONE Cudahy quarterly magazine by March 2016 and in subsequent fiscal years.

FINANCIAL IMPACT

The FY 2015-16 Mid-Year City Budget includes re-appropriation of \$15,000 from City Clerk's budget to cover cost of this PSA for the remainder of this fiscal year. For the FY 2016-17 City Budget the City Council would need to appropriate funding from a variety of funding sources for this PSA.

ATTACHMENTS

A. Proposed Professional Service Agreement



PROFESSIONAL SERVICES AGREEMENT

(Wendy Chung: Writing, Editing, and Creative Design Services)

(Parties: City of Cudahy and Wendy Chung)

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this ___th day of _____ 2016 (hereinafter, the "Effective Date"), by and between the CITY OF CUDAHY, a municipal corporation ("CITY") and Wendy Chung (hereinafter, "CONSULTANT"). For the purposes of this Agreement CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to CITY or CONSULTANT interchangeably.

WHEREAS, CITY wishes to engage CONSULTANT to provide the following specialized services: writing, editing, and creative design services; and

WHEREAS, CITY's in-house personnel is presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, CONSULTANT possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, CONSULTANT agrees to perform the various services and tasks set forth under this Agreement subject to the terms and conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I.

ENGAGEMENT TERMS

1.1 SCOPE OF SERVICES: Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, CONSULTANT agrees to perform the services and tasks set forth in **Exhibit "A"** (hereinafter referred to as the "Scope of Services"). CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this Agreement the aforementioned services and tasks set forth in

the Scope of Services shall hereinafter be referred to generally by the capitalized term "Work."

- 1.2 TERM: This Agreement shall have a term of two (2) years. Nothing in this Section shall operate to prohibit or otherwise restrict the CITY's ability to terminate this Agreement at any time for convenience or for cause.
- 1.3 COMPENSATION:
 - A. CONSULTANT shall perform the various services and tasks set forth in the Scope of Services in accordance with the compensation schedule which is attached hereto as **Exhibits "B"** hereinafter, the "Approved Rate Schedule").
 - B. CONSULTANT's total compensation during the Term of this Agreement or any extension term shall not exceed the budgeted aggregate sum of FIFTY THOUSAND DOLLARS DOLLARS (\$50,000) (hereinafter, the "Not-to-Exceed Sum"), unless such added expenditure is first approved by the CITY. In the event CONSULTANT's charges are projected to exceed the Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, CITY may suspend CONSULTANT's performance pending CITY approval of any anticipated expenditures in excess of the Not-to-Exceed Sum or any other CITY-approved amendment to the compensation terms of this Agreement.
- 1.4 PAYMENT OF COMPENSATION: Following the conclusion of each calendar month, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the recently concluded calendar month, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's monthly compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within thirty (30) calendar days of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.
- 1.5 ACCOUNTING RECORDS: CONSULTANT shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data,

documents, proceedings, and activities. All other "Documents and Data" as defined in paragraph 6.1 shall be and remain property of the CITY.

- 1.6 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT shall deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

II. PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVES: The CITY hereby designates the City Manager and the Senior Administrative Analyst (hereinafter, the "CITY Representatives") to act as its representatives for the performance of this Agreement. The City Manager shall be the chief CITY Representative. The CITY Representatives or their designee, which designee the CITY may assign by notifying CONSULTANT in writing, shall act on behalf of the CITY for all purposes under this Agreement. CONSULTANT shall not accept directions or orders from any person other than the CITY Representatives or their designee.
- 2.2 CONSULTANT'S REPRESENTATIVES: CONSULTANT hereby designates Wendy Chung or designee, which designee CONSULTANT may assign by notifying CITY in writing, to act as its representative for the performance of this Agreement (hereinafter, "CONSULTANT Representative"). CONSULTANT Representative shall have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or designee shall supervise and direct the performance of the Work, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative shall constitute notice to CONSULTANT.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and shall be available to CITY staff and the CITY Representatives at all reasonable times. All work prepared by CONSULTANT shall be subject to inspection and written approval by CITY Representatives or their designees.

2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges and agrees to the following:

- A. CONSULTANT shall perform all Work skillfully, competently and to the highest standards of CONSULTANT's profession;
- B. CONSULTANT shall perform all Work in a manner reasonably satisfactory to the CITY;
- C. CONSULTANT shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code section 1090 and the Political Reform Act (Government Code section 81000 et seq.);
- D. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;
- E. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and
- F. All of CONSULTANT's employees and agents (including but not limited to subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT shall perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions shall be commenced within three (3) business days upon their discovery by either Party and shall be completed within no more than fifteen (15) calendar days from the date of discovery or such other extended period of time authorized by the CITY Representatives in writing and in their sole and absolute discretion except for any error or omission which may be a hazard to health or life safety in which case corrective action shall be taken immediately and shall be diligently completed. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training,

knowledge and experience necessary to perform the Work skillfully, competently and to the highest standards of CONSULTANT's profession.

- 2.5** ASSIGNMENT: The skills, training, knowledge and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of CONSULTANT's duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.
- 2.6** CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Work shall be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like.
- 2.7** REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants are determined by the CITY Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly

removed by CONSULTANT and shall not be reassigned to perform any of the Work.

- 2.8** COMPLIANCE WITH LAWS: CONSULTANT shall keep itself informed of and in compliance with all applicable federal, state or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT's compliance with applicable laws shall include without limitation compliance with all applicable Cal/OSHA requirements.
- 2.9** NON-DISCRIMINATION: In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, subconsultant, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.
- 2.10.** INDEPENDENT CONTRACTOR STATUS: The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and shall at all times remain, wholly independent contractors and are not officials, officers, employees, departments or subdivisions of CITY. CONSULTANT shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT shall have no authority, express or implied, to bind CITY in any manner, nor 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 to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III. INSURANCE [RESERVED]

IV. INDEMNIFICATION

- 4.1** The Parties agree that CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers (hereinafter, the "CITY Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the CITY Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein.

- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, hold harmless and defend the CITY Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with CONSULTANT's performance of Work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole negligence or willful misconduct of the CITY.
- 4.3 CITY shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Article and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.4 The obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers.
- 4.5 CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.
- 4.6 CITY does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

- 4.7 This Article and all provisions contained herein (including but not limited to the duty to indemnify, defend and hold free and harmless) shall survive the termination or normal expiration of this Agreement and is in addition to any other rights or remedies which the CITY may have at law or in equity.

V.
TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of five (5) calendar days' prior written notice of CITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT shall be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Work. CONSULTANT shall be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, shall operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; and (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 5.2.B and 5.2.C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.
- B. CONSULTANT shall cure the following Events of Defaults within the following time periods:

- i. Within five (5) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 5-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 5-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2.B.i. that exceeds seven (7) calendar days from the end of the initial 5-day cure period; or
- ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2.B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT shall include, but shall not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vi) CITY's discovery that a statement, representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- C. CITY shall cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may

submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.4, above, shall be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.

- D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT shall be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.
- E. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:
 - i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
 - ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
 - iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or

iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT shall be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement by CONSULTANT or in the CITY's exercise of its remedies under this Agreement.

G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

VI. MISCELLANEOUS PROVISIONS

6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data shall be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, drawings, designs, renderings, specifications, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT shall require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or

subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.

- 6.2 **CONFIDENTIALITY:** All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT shall not use CITY's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.3 **FALSE CLAIMS ACT:** CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., section 3789 et seq. and the California False Claims Act, Government Code section 12650 et seq.
- 6.4 **NOTICES:** All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CONSULTANT:
Wendy Chung
1838 Cliffhill Drive
Monterey Park, CA 91754
Phone: (626) 560-1713

CITY:
City of Cudahy
Attention: City Manager
5220 Santa Ana Street
Cudahy, CA 90201
Attn: City Manager
Phone: (323) 773-5143
Fax: (323) 771-2072

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.5 **COOPERATION; FURTHER ACTS:** The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as is

reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.

- 6.6 SUBCONTRACTING: CONSULTANT shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.7 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.
- 6.8 PROHIBITED INTERESTS: CONSULTANT warrants, represents and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid nor has it agreed to pay any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of CITY, during the term of his or her service with CITY, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
- 6.9 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.10 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.11 ATTORNEYS' FEES: If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and

recover from the losing Party reasonable attorneys' fees and all other costs of such action.

- 6.12 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.
- 6.13 NO THIRD PARTY BENEFIT: There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.14 CONSTRUCTION OF AGREEMENT: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.15 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.16 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.
- 6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.
- 6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.19 ENTIRE AGREEMENT: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment,

modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.

6.20 **COUNTERPARTS:** This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart shall be delivered to CONSULTANT and the remaining two original counterparts shall be retained by CITY.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF CUDAHY:

CONSULTANT:

By: _____
Cristian Markovich, Mayor

By: _____
Wendy Chung

[By the Mayor's signature, above, the Mayor hereby confirms the City's waiver of any and all insurance obligations for Consultant.]

Title _____

ATTEST:

By: _____
Deputy City Clerk

APPROVED AS TO FORM:

By: _____
City Attorney

EXHIBIT “A”

Scope of Services

Writing, Editing and Creative Design Services

Under direction and approval of City Manager, develop and produce miscellaneous media, including quarterly magazine, web content, document templates, and other civic/promotional collateral. All materials are subject to City review and final approval.

Example of responsibilities:

- Interacting with staff, consultants, public and various sources;
- Potentially interacting with student interns;
- Packaging public information for general audience;
- Researching public records and online sources;
- Developing and creating content consistent with City brand (taking photos, writing and editing copy, creating presentations, designing templates, etc.);
- Preparation of various award/grant submittals;
- Uploading content (website, social media, etc.).

Civic Engagement Strategy & Policy

Under direction and approval of City Manager, assist in developing programs, strategies and policies for community engagement.

Example of responsibilities:

- Developing strategies and policies for programs and events, to increase community engagement in various forms (digital, community events, etc.);
- Researching best practices;
- Recommending policies to support new City brand, communications initiatives and tools (e.g., internal guidelines for branding/logo use/social media/etc.; quality control of outreach collateral; etc.)
- Establishing routines and processes to support communication functions (e.g., magazine production procedures; web maintenance standards; recommending software; establishing databases; etc.).

Program Coordination/Management

Under direction and approval of City Manager, assist in the coordination, development and implementation of some civic engagement programs and events—e.g., Youth Committee and special community events (e.g., open streets).

Example of responsibilities:

- Interacting with various staff, consultants, contractors, and public—including youth;
- Developing strategic plans for implementation;
- Coordinate activities (e.g., developing agendas, budgets, etc.);
- Engage in outreach and marketing campaigns.

EXHIBIT “B”

Approved Rate Schedule

Rate of Compensation

Sixty Dollars (\$60.00) per hour.



Item Number 10E

STAFF REPORT

Date: February 22, 2016
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
Jessica Balandran, Senior Administrative Analyst
Subject: **Approval of a First Amendment to the Professional Services Agreement (PSA) with FUEL Creative Group**

RECOMMENDATION

The City Council is requested to approve a First Amendment to the Professional Services Agreement (PSA) with FUEL Creative Group for City newsletter services at a cost not to exceed \$123,224 with a term of two years (i.e., July 1, 2016 to June 30, 2018).

BACKGROUND

1. On July 12, 2014, the City Council held a Strategic Planning Session which identified the need to develop a new City image and a better means of communicating with the public.
2. On October 24, 2014 the City Council approved the Fiscal Year (FY) 2014-15 City Budget which included funding for the City newsletter.
3. On November 4, 2014, the City Council approved the FY 2014-15 City Budget One Time appropriations which included funding for the City rebranding.
4. On January 2, 2015, the City Manager contacted FUEL Creative Group regarding the City's need for branding and newsletter design professional services.
5. On January 8, 2015, the City Manager had a teleconference call with Brent Rector who is the Art Director and Principal for this firm to discuss the City's need for: rebranding; new quarterly magazine; and website development.

6. On January 14, 2015, FUEL Creative Group provided the City Manager with a proposal for the City branding and newsletter design services.
7. On January 20, 2015, City Council approved a PSA for FUEL Creative Group for City branding and City newsletter.
8. From September through November 2015, Fuel Creative Group worked with City staff and the magazine consultant Wendy Chung on the development of both the new City logo and the quarterly magazine.
9. On December 10, 2015, One Cudahy/Una Comunidad Magazine featuring the new City Logo was finalized and subsequently hand delivered door to door.

ANALYSIS

As part of a larger effort to update the City's image and highlight the community's youthful energy, the inaugural One Cudahy / Una Comunidad Magazine was completed on December 10, 2015. This 40 page bilingual magazine was hand delivered to every door. The magazine includes a guide to city hall, general plan details, key points for a safer community, and featured a calendar, news, highlights and a recreation guide. Staff received an increase in calls inquiring about the identified sports opportunities and the Cudahy Clean-Up Day. The City website also received more views than usual.

Under this proposed First Amendment to the PSA, FUEL Creative Group will design and produce the City's upcoming quarterly magazine for the Fiscal Years (FYs) 2016-18 (i.e., July 1, 2016 to June 30, 2018). Since the City prints the magazine in-house there is flexibility on the final page count (i.e., 32, 36, or 40 pages with less or more ads) depending on what issues need to be communicated to the public. To help off-set the cost of this quarterly magazine, City staff is also working with grants and local service providers (i.e., COPS, CalRecycle, Southern California Edison, Republic Services, and Southern California Gas Company) to include helpful ads for residents promoting safety, environmental safety, and upcoming events.

The proposed First Amendment would modify the original master PSA with FUEL Creative Group by extending the term through June 30, 2018 and increase the previous not-to-exceed contract compensation sum of of thirty-three thousand two hundred twenty-four dollars (\$33,224) by ninety thousand dollars (\$90,000) to establish a new not-to-exceed sum of one hundred twenty-three thousand two hundred twenty-four dollars (\$123,224).

CONCLUSION

In order to ensure that the next One Cudahy / Una Comunidad magazine is produced and delivered in the City by March 2016, the City Council is requested to approve the First Amendment to the PSA with FUEL Creative Group for the City's quarterly magazine design services.

FINANCIAL IMPACT

The FY 2015-16 Mid-Year City Budget adjustments include a transfer of \$25,000 from the City Clerk's budget to cover the next two quarterly magazines through June 30, 2016. Funding for FY 2016-17 will be discussed as part of the regular City Budget process.

ATTACHMENTS

- A. First Amendment to Professional Services Agreement for FUEL Creative Group
- B. Staff Report from January 20, 2015 City Council Agenda



2016
FIRST AMENDMENT
TO AGREEMENT FOR PROFESSIONAL SERVICES AGREEMENT
(Parties: Fuel Creative Group and City of Cudahy)

THIS FIRST AMENDMENT (“First Amendment”) to that certain agreement entitled “2015 Professional Services Agreement” dated as of January 20, 2015 (the “Master Agreement”), is hereby made and entered into this ____nd day of _____, 2016 (the “Effective Date”) by and between the City of Cudahy, a municipal corporation (hereinafter, “City”) and Fuel Creative Group, a California corporation (herinafter “Consultant”). For purposes of this First Amendment, the capitalized term “Parties” shall be a collective reference to the City and Consultant and the capitalized term “Party” shall refer to the City or Consultant interchangeably, as appropriate.

RECITALS

This FIRST AMENDMENT is made and entered into with respect to the following facts:

WHEREAS, on or about January 20, 2015, the Parties executed and entered into the Master Agreement (attached hereto as **Attachment 1**) to allow Consultant to provide professional services to the City, as provided therein; and

WHEREAS, the Parties wish to modify and amend the terms of the Master Agreement, as permitted under section 6.16 of the Master Agreement; and

WHEREAS, the Parties specifically seek to amend the Master Agreement to increase the term of the Master Agreement, as set forth in Section 1.2(A), two (2) years and increase the not-to-exceed sum of THIRTY-THREE THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS (\$33,224) by NINETY THOUSAND DOLLARS (\$90,000) to establish a new not-to-exceed sum of ONE HUNDRED TWENTY-THREE THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS (\$123,224); and

WHEREAS, Consultant represents that it still possesses the specialized training, skill, expertise and experience required to perform the services contemplated under the Master Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. Subsection A of Section 1.2 (Prosecution of Work) is hereby amended to read as follows:

A. This agreement shall have a term of two (2) years commencing on July 1, 2016 and concluding on June 30, 2018. CITY, in its reasonable discretion, may grant CONSULTANT additional time to complete the Work. The granting of such additional time by the CITY shall in no way entitle CONSULTANT to compensation in excess of the Contract Price, defined below, in so far as the need of additional time is not reasonably attributable to the CITY;

2. Subsection 1.3.1 of Section 1.3 (Compensation) of the Master Agreement is hereby amended to read as follows:

A. CITY agrees to compensate CONSULTANT for the services provided under this Agreement and CONSULTANT agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule and Proposal. See Exhibit "A." CONSULTANT shall perform the Services during the course of the term set forth in Section 1.1, above. CONSULTANT agrees to accept in full satisfaction for such services, payment in accordance with the compensation structure reflected in Exhibit "A." Based on the foregoing, CONSULTANT's total compensation for the Work under this Agreement ay not exceed the sum of ONE HUNDRED TWENTY-THREE THOUSAND TWO HUNDRED TWENTY-FOUR DOLLARS (\$123,224)(hereinafter, the "Contract Price"). The Parties agree that the Contract Price includes compensation for all labor, materials, tools, supplies, equipment, services, tasks, costs, and incidental and customary work necessary to competently perform the Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work.

3. Exhibit "A" of the Master Agreement is hereby supplemented and augmented by the proposal attached hereto as **Attachment 2**.

4. Except as otherwise set forth in this First Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. Section 6.19 of the Master Agreement notwithstanding, this First Amendment together with the Master Agreement shall constitute the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed in both documents.

5. The provisions of this First Amendment shall be deemed a part of the Master Agreement and except as otherwise provided under this Amendment, the Master Agreement and all provisions contained therein shall remain binding and enforceable. In the event of any conflict or inconsistency between the provisions of this First Amendment and the provisions of the Master Agreement, the provisions of this First Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

IN WITNESS WHEREOF, the Parties hereto have caused this First Amendment to be executed on the day and year first appearing above.

CITY:

City of Cudahy

By: _____
Jose Pulido
City Manager

CONTRACTOR

Fuel Creative Group

By: _____
Name: Brent Rector
Title: Principal

APPROVED AS TO FORM

By: _____
City Attorney

**ATTACHMENT 1
MASTER AGREEMENT**



2015

PROFESSIONAL SERVICES AGREEMENT

(Engagement: Professional City Branding and Magazine Publication Services)

(Parties: Fuel Creative Group, a S Corporation – City of Cudahy)

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and entered into this 20th day of January 2015 (hereinafter, the “Effective Date”), by and between the CITY OF CUDAHY, a municipal corporation (“CITY”) and FUEL CREATIVE GROUP, A S CORPORATION, (hereinafter, “CONSULTANT”). For the purposes of this Agreement CITY and CONSULTANT may be referred to collectively by the capitalized term “Parties.” The capitalized term “Party” may refer to CITY or CONSULTANT interchangeably.

RECITALS

This Agreement is made and entered into with respect to the following facts:

WHEREAS, CITY wishes to engage CONSULTANT to provide the following specialized services: City Branding and Magazine Publication Services; and

WHEREAS, CITY’s in-house personnel is presently unable to perform the specialized services and tasks contemplated under this Agreement; and

WHEREAS, CONSULTANT possesses the specialized training, skill, expertise and experience required to perform the services contemplated under this Agreement; and

WHEREAS, CONSULTANT agrees to perform the various services and tasks set forth under this Agreement subject to the terms and conditions set forth herein; and

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, CITY and CONSULTANT agree as follows:

I.

ENGAGEMENT TERMS

- 1.1 SCOPE OF SERVICES: Subject to the terms and conditions set forth in this Agreement and all exhibits attached and incorporated hereto, CONSULTANT agrees to perform the services and tasks set forth under Scope of Work (including Review of Existing Hazardous Plans) of that certain proposal of CONSULTANT entitled “Fuel Creative Group Proposal for the City of Cudahy” attached hereto as Exhibit “A” (hereinafter

referred to as the "Scope of Services"). CONSULTANT further agrees to furnish to CITY all labor, materials, tools, supplies, equipment, services, tasks and incidental and customary work necessary to competently perform and timely complete the services and tasks set forth in the Scope of Services. For the purposes of this Agreement the aforementioned services and tasks set forth in the Scope of Services shall hereinafter be referred to generally by the capitalized term "Work."

1.2 PROSECUTION OF WORK: The Parties agrees as follows:

- A. Time is of the essence of this Agreement and each and every provision contained herein. The Work shall be commenced within three (3) calendar days of CITY's issuance of a written Notice to Proceed and shall be completed at the earliest feasible time practicable, but in no event by a date later than **eight (8) weeks** from CITY's issuance of a Notice to Proceed (hereinafter, the "Completion Date"). CITY, in its reasonable discretion, may grant CONSULTANT additional time to complete the Work, provided (i) no grant of additional time shall exceed a period of thirty (30) calendar days from the original Completion Date; and (ii) CONSULTANT shall have provided CITY with a written request for additional time no less than (20) calendar days prior to the original Completion Date, which notice shall specify the reason(s) why additional time is needed, how much additional time is needed and what measures CONSULTANT has taken to mitigate the need for additional time. The granting of such additional time by the CITY shall in no way entitle CONSULTANT to compensation in excess of the Contract Price, defined below, in so far as the need of additional time is not reasonably attributable to CITY;
- B. CONSULTANT shall perform the Work continuously and with due diligence so as to complete the Work by the Completion Date. CONSULTANT shall cooperate with CITY and in no manner interfere with the work of CITY, its employees or other consultants, contractors or agents;
- C. CONSULTANT shall not claim or be entitled to receive any compensation or damage because of the failure of CONSULTANT or its subcontractors or subconsultants, to have related services or tasks completed in a timely manner;
- D. CONSULTANT shall at all times enforce strict discipline and good order among CONSULTANT's employees; and
- E. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

1.3 COMPENSATION:

- 1.3.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule and Proposal. (Total Fee Not To Exceed of \$33,224). See Exhibit "A". Consultant shall perform the

Services during the course of the term set forth in Section 1.1, above. Consultant agrees to accept in full satisfaction for such services, payment in accordance with the compensation structure reflected in the "Project Cost" section of Exhibit A. Based on the foregoing, Consultant's total compensation for the Work under this Agreement may not exceed the sum of THIRTY THREE THOUSAND TWO HUNDRED AND TWENTY FOUR DOLLARS (\$33,224.00) (hereinafter, the "Contract Price"). The Contract Price shall be paid in two equal parts. The initial payment of SIXTEEN THOUSAND SIX HUNDRED AND TWELVE DOLLARS (\$16,612.00) shall be paid after the initial four (4) weeks of Work. The second payment of SIXTEEN THOUSAND SIX HUNDRED AND TWELVE DOLLARS (\$16,612.00) shall be paid at the conclusion of eighth (8th) week of Work upon approval by the City of the proposed Work. The Parties agree that the Contract Price includes compensation for all labor, materials, tools, supplies, equipment, services, tasks, costs and incidental and customary work necessary to competently perform the Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Contract Price unless the availability of funds for the added expenditure is first reviewed by the Finance Director-Treasurer and the City Manager of the City of Cudahy and unless such added expenditure is specifically approved in advance and in writing by the City.

1.3.2 Payments for any services requested in writing by city and not included in the Scope of Services shall be made to consultant by city on a time-and-materials basis using Consultant's standard fee schedule. Fess for such additional services shall be paid within sixty days of the date consultant issues an invoice for such services.

1.4 PAYMENT OF COMPENSATION: Following the conclusion of the initial eight (8) week period of the Work, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the 8 week period, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. Following the conclusion of the eighth (8th) week of the Work, CONSULTANT shall submit to CITY an itemized invoice indicating the services and tasks performed during the second 8 week period, including services and tasks performed and the reimbursable out-of-pocket expenses incurred. If the amount of CONSULTANT's compensation is a function of hours worked by CONSULTANT's personnel, the invoice shall indicate the number of hours worked in the recently concluded calendar month, the persons responsible for performing the Work, the rate of compensation at which such services and tasks were performed, the subtotal for each task and service performed and a grand total for all services performed. Within thirty (30) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in the invoice. Within forty-five (45) calendar day of receipt of each invoice, CITY shall pay all undisputed amounts included on the invoice. CITY shall not withhold applicable taxes or other authorized deductions from payments made to CONSULTANT.

- 1.5 ACCOUNTING RECORDS: CONSULTANT shall maintain complete and accurate records with respect to all matters covered under this Agreement for a period of three (3) years after the expiration or termination of this Agreement. CITY shall have the right to access and examine such records, without charge, during normal business hours. CITY shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.
- 1.6 ABANDONMENT BY CONSULTANT: In the event CONSULTANT ceases to perform the Work agreed to under this Agreement or otherwise abandons the undertaking contemplated herein prior to the expiration of this Agreement or prior to completion of any or all tasks set forth in the Scope of Services, CONSULTANT shall deliver to CITY immediately and without delay, all materials, records and other work product prepared or obtained by CONSULTANT in the performance of this Agreement. Furthermore, CONSULTANT shall only be compensated for the reasonable value of the services, tasks and other work performed up to the time of cessation or abandonment, less a deduction for any damages, costs or additional expenses which CITY may incur as a result of CONSULTANT's cessation or abandonment.

II.

PERFORMANCE OF AGREEMENT

- 2.1 CITY'S REPRESENTATIVES: The CITY hereby designates the City Manager and/or his designee (hereinafter, the "CITY Representatives") to act as its representatives for the performance of this Agreement. The City Manager shall be the chief CITY Representative. The CITY Representatives or their designee shall act on behalf of the CITY for all purposes under this Agreement. CONSULTANT shall not accept directions or orders from any person other than the CITY Representatives or their designee.
- 2.2 CONSULTANT REPRESENTATIVE: CONSULTANT hereby designates Brent Rector, Principal to act as its representative for the performance of this Agreement (hereinafter, "CONSULTANT Representative"). CONSULTANT Representative shall have full authority to represent and act on behalf of the CONSULTANT for all purposes under this Agreement. CONSULTANT Representative or his designee shall supervise and direct the performance of the Work, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the Work under this Agreement. Notice to the CONSULTANT Representative shall constitute notice to CONSULTANT.
- 2.3 COORDINATION OF SERVICE; CONFORMANCE WITH REQUIREMENTS: CONSULTANT agrees to work closely with CITY staff in the performance of the Work and this Agreement and shall be available to CITY staff and the CITY Representatives at all reasonable times. All work prepared by CONSULTANT shall be subject to inspection and approval by CITY Representatives or their designees.
- 2.4 STANDARD OF CARE; PERFORMANCE OF EMPLOYEES: CONSULTANT represents, acknowledges and agrees to the following:

- A. CONSULTANT shall perform all Work skillfully, competently and to the highest standards of CONSULTANT's profession;
- B. CONSULTANT shall perform all Work in a manner reasonably satisfactory to the CITY;
- C. CONSULTANT shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*);
- D. CONSULTANT understands the nature and scope of the Work to be performed under this Agreement as well as any and all schedules of performance;
- E. All of CONSULTANT's employees and agents possess sufficient skill, knowledge, training and experience to perform those services and tasks assigned to them by CONSULTANT; and
- F. All of CONSULTANT's employees and agents (including but not limited to subcontractors and subconsultants) possess all licenses, permits, certificates, qualifications and approvals of whatever nature that are legally required to perform the tasks and services contemplated under this Agreement and all such licenses, permits, certificates, qualifications and approvals shall be maintained throughout the term of this Agreement and made available to CITY for copying and inspection.

The Parties acknowledge and agree that CONSULTANT shall perform, at CONSULTANT's own cost and expense and without any reimbursement from CITY, any services necessary to correct any errors or omissions caused by CONSULTANT's failure to comply with the standard of care set forth under this Section or by any like failure on the part of CONSULTANT's employees, agents, contractors, subcontractors and subconsultants. Such effort by CONSULTANT to correct any errors or omissions shall be commenced immediately upon their discovery by either Party and shall be completed within seven (7) calendar days from the date of discovery or such other extended period of time authorized by the CITY Representatives in writing and in their sole and absolute discretion. The Parties acknowledge and agree that CITY's acceptance of any work performed by CONSULTANT or on CONSULTANT's behalf shall not constitute a release of any deficiency or delay in performance. The Parties further acknowledge, understand and agree that CITY has relied upon the foregoing representations of CONSULTANT, including but not limited to the representation that CONSULTANT possesses the skills, training, knowledge and experience necessary to perform the Work skillfully, competently and to the highest standards of CONSULTANT's profession.

- 2.5 ASSIGNMENT: The skills, training, knowledge and experience of CONSULTANT are material to CITY's willingness to enter into this Agreement. Accordingly, CITY has an interest in the qualifications and capabilities of the person(s) who will perform the services and tasks to be undertaken by CONSULTANT or on behalf of CONSULTANT

in the performance of this Agreement. In recognition of this interest, CONSULTANT agrees that it shall not assign or transfer, either directly or indirectly or by operation of law, this Agreement or the performance of any of CONSULTANT's duties or obligations under this Agreement without the prior written consent of the CITY. In the absence of CITY's prior written consent, any attempted assignment or transfer shall be ineffective, null and void and shall constitute a material breach of this Agreement.

- 2.6 CONTROL AND PAYMENT OF SUBORDINATES; INDEPENDENT CONTRACTOR: The Work shall be performed by CONSULTANT or under CONSULTANT's strict supervision. CONSULTANT will determine the means, methods and details of performing the Work subject to the requirements of this Agreement. CITY retains CONSULTANT on an independent contractor basis and not as an employee. CONSULTANT reserves the right to perform similar or different services for other principals during the term of this Agreement, provided such work does not unduly interfere with CONSULTANT's competent and timely performance of the Work contemplated under this Agreement and provided the performance of such services does not result in the unauthorized disclosure of CITY's confidential or proprietary information. Any additional personnel performing the Work under this Agreement on behalf of CONSULTANT are not employees of CITY and shall at all times be under CONSULTANT's exclusive direction and control. CONSULTANT shall pay all wages, salaries and other amounts due such personnel and shall assume responsibility for all benefits, payroll taxes, Social Security and Medicare payments and the like. CONSULTANT shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, income tax withholding, unemployment insurance, disability insurance, workers' compensation insurance and the like.
- 2.7 REMOVAL OF EMPLOYEES OR AGENTS: If any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants is determined by the CITY Representatives to be uncooperative, incompetent, a threat to the adequate or timely performance of the tasks assigned to CONSULTANT, a threat to persons or property, or if any of CONSULTANT's officers, employees, agents, contractors, subcontractors or subconsultants fail or refuse to perform the Work in a manner acceptable to the CITY, such officer, employee, agent, contractor, subcontractor or subconsultant shall be promptly removed by CONSULTANT and shall not be re-assigned to perform any of the Work.
- 2.8 COMPLIANCE WITH LAWS: CONSULTANT shall keep itself informed of and in compliance with all applicable federal, State or local laws to the extent such laws control or otherwise govern the performance of the Work. CONSULTANT's compliance with applicable laws shall include without limitation compliance with all applicable Cal/OSHA requirements.
- 2.9 NON-DISCRIMINATION: In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, subcontractor, subconsultant, or applicant for

employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability or medical condition.

- 2.10 **INDEPENDENT CONTRACTOR STATUS**: The Parties acknowledge, understand and agree that CONSULTANT and all persons retained or employed by CONSULTANT are, and shall at all times remain, wholly independent contractors and are not officials, officers, employees, departments or subdivisions of CITY. CONSULTANT shall be solely responsible for the negligent acts and/or omissions of its employees, agents, contractors, subcontractors and subconsultants. CONSULTANT and all persons retained or employed by CONSULTANT shall have no authority, express or implied, to bind CITY in any manner, nor 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 to CONSULTANT under this Agreement or is otherwise expressly conferred by CITY in writing.

III.
INSURANCE

- 3.1 **DUTY TO PROCURE AND MAINTAIN INSURANCE**: Prior to the beginning of and throughout the duration of the Work, CONSULTANT will procure and maintain policies of insurance that meet the requirements and specifications set forth under this Article. CONSULTANT shall procure and maintain the following insurance coverage, at its own expense:
- A. **Commercial General Liability Insurance**: CONSULTANT shall procure and maintain Commercial General Liability Insurance (“CGL Coverage”) as broad as Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001) or its equivalent. Such CGL Coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and Two Million Dollars (\$2,000,000.00) in the general aggregate for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability.
 - B. **Automobile Liability Insurance**: CONSULTANT shall procure and maintain Automobile Liability Insurance as broad as Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto). Such Automobile Liability Insurance shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage.
 - C. **Workers’ Compensation Insurance/ Employer’s Liability Insurance**: A policy of workers’ 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 CONSULTANT and 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 CONSULTANT in the course of carrying out the Work contemplated in this Agreement.

- D. Errors & Omissions Insurance: For the full term of this Agreement and for a period of three (3) years thereafter, CONSULTANT shall procure and maintain Errors and Omissions Liability Insurance appropriate to CONSULTANT's profession. Such coverage shall have minimum limits of no less than One Million Dollars (\$1,000,000.00) per occurrence and shall be endorsed to include contractual liability.
- 3.2 ADDITIONAL INSURED REQUIREMENTS: The CGL Coverage and the Automobile Liability Insurance shall contain an endorsement naming the CITY and CITY's elected and appointed officials, officers, employees, agents and volunteers as additional insureds.
- 3.3 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement shall be procured from insurers admitted in the State of California and authorized to issue policies directly to California insureds. Except as otherwise provided elsewhere under this Article, all required insurance shall be procured from insurers who, according to the latest edition of the Best's Insurance Guide, have an A.M. Best's rating of no less than A:VII. CITY may also accept policies procured by insurance carriers with a Standard & Poor's rating of no less than BBB according to the latest published edition the Standard & Poor's rating guide. As to Workers' Compensation Insurance/Employer's Liability Insurance, the CITY Representatives are authorized to authorize lower ratings than those set forth in this Section.
- 3.4 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by CONSULTANT shall be primary to any coverage available to CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by CITY or CITY's elected or appointed officials, officers, employees, agents or volunteers shall be in excess of CONSULTANT's insurance and shall not contribute with it.
- 3.5 WAIVER OF SUBROGATION: All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT or CONSULTANT's officers, employees, agents, subcontractors or subconsultants from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY.
- 3.6 VERIFICATION OF COVERAGE: CONSULTANT acknowledges, understands and agrees, that CITY's ability to verify the procurement and maintenance of the insurance required under this Article is critical to safeguarding CITY's financial well-being and, indirectly, the collective well-being of the residents of the CITY. Accordingly, CONSULTANT warrants, represents and agrees that its shall furnish CITY with original certificates of insurance and endorsements evidencing the coverage required under this Article on forms satisfactory to CITY in its sole and absolute discretion. **The certificates of insurance and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf, and shall be on forms provided by the CITY if requested.** All certificates of insurance and endorsements shall be received and approved by CITY as a condition precedent to CONSULTANT's commencement of any work or any of the Work. Upon CITY's written request,

CONSULTANT shall also provide CITY with certified copies of all required insurance policies and endorsements.

IV.
INDEMNIFICATION

- 4.1 The Parties agree that CITY, the CITY's elected and appointed officials, officers, employees, agents and authorized volunteers (hereinafter, the "City Indemnitees") should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the City Indemnitees with the fullest protection possible under the law. CONSULTANT acknowledges that CITY would not enter into this Agreement in the absence of CONSULTANT's commitment to indemnify, defend and protect CITY as set forth herein.
- 4.2 To the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold harmless the City Indemnitees from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature to the extent caused by CONSULTANT's negligent performance under this Agreement, including but not limited to the negligent acts, errors or omissions of CONSULTANT or CONSULTANT's officers, employees, agents, servants, contractors, subcontractors or subconsultants or the failure of the same to comply with any of the duties, obligations or standards of care set forth herein. The duty to indemnify, defend and hold harmless under this subsection shall not encompass a duty to indemnify, defend or hold harmless for liability, loss, suit, damage, expense, or cost caused by the negligence or willful misconduct of any or all of the City Indemnitees. The duty to indemnify, defend and hold harmless as set forth under this subsection is intended to encompass liabilities, losses, damages, expense and costs not otherwise subject to subsection 4.1, above.
- 4.4 As to the duties to indemnify under Sections 4.1 and 4.2 of this Article, above, CITY shall have the right to offset against the amount of any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Article and related to CONSULTANT's failure to either (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 4.5 As to the duties to indemnify under Sections 4.1 and 4.2 of this Article, above, the obligations of CONSULTANT under this Article will not be limited by the provisions of any workers' compensation act or similar act. CONSULTANT expressly waives its statutory immunity under such statutes or laws as to CITY and CITY's elected and appointed officials, officers, employees, agents and authorized volunteers.

- 4.6 As to the duties to indemnify under Sections 4.1 and 4.2 of this Article, above, CONSULTANT agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Article from each and every subcontractor or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. In the event CONSULTANT fails to obtain such indemnity obligations from others as required herein, CONSULTANT agrees to be fully responsible and indemnify, hold harmless and defend CITY and CITY's elected and appointed officials, officers, employees, agents and authorized volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT's subcontractors or any other person or entity involved by, for, with or on behalf of CONSULTANT in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of CITY's choice.
- 4.7 As to the duties to indemnify under Sections 4.1 and 4.2 of this Article, above, CITY does not, and shall not, waive any rights that it may possess against CONSULTANT because of the acceptance by CITY, or the deposit with CITY, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.
- 4.8 As to the duties to indemnify under Sections 4.1 and 4.2 of this Article, above, the duties to indemnify, defend and hold harmless as set forth under this Section, shall survive the early termination or normal expiration of this Agreement and shall be in addition to any other rights or remedies which the CITY may have at law or in equity.

V.
TERMINATION

- 5.1 TERMINATION WITHOUT CAUSE: CITY may terminate this Agreement at any time for convenience and without cause by giving CONSULTANT a minimum of five (5) calendar days prior written notice of CITY's intent to terminate this Agreement. Upon such termination for convenience, CONSULTANT shall be compensated only for those services and tasks which have been performed by CONSULTANT up to the effective date of the termination. CONSULTANT may not terminate this Agreement except for cause as provided under Section 5.2, below. If this Agreement is terminated as provided herein, CITY may require CONSULTANT to provide all finished or unfinished Documents and Data, as defined in Section 6.1 below, and other information of any kind prepared by CONSULTANT in connection with the performance of the Work. CONSULTANT shall be required to provide such Documents and Data within fifteen (15) calendar days of CITY's written request. No actual or asserted breach of this Agreement on the part of CITY pursuant to Section 5.2, below, shall operate to prohibit or otherwise restrict CITY's ability to terminate this Agreement for convenience as provided under this Section.

5.2 EVENTS OF DEFAULT; BREACH OF AGREEMENT:

- A. In the event either Party fails to perform any duty, obligation, service or task set forth under this Agreement (or fails to timely perform or properly perform any such duty, obligation, service or task set forth under this Agreement), an event of default (hereinafter, "Event of Default") shall occur. For all Events of Default, the Party alleging an Event of Default shall give written notice to the defaulting Party (hereinafter referred to as a "Default Notice") which shall specify: (i) the nature of the Event of Default; (ii) the action required to cure the Event of Default; (iii) a date by which the Event of Default shall be cured, which shall not be less than the applicable cure period set forth under Sections 5.2.B and 5.2C below or if a cure is not reasonably possible within the applicable cure period, to begin such cure and diligently prosecute such cure to completion. The Event of Default shall constitute a breach of this Agreement if the defaulting Party fails to cure the Event of Default within the applicable cure period or any extended cure period allowed under this Agreement.
- B. CONSULTANT shall cure the following Events of Defaults within the following time periods:
- i. Within three (3) business days of CITY's issuance of a Default Notice for any failure of CONSULTANT to timely provide CITY or CITY's employees or agents with any information and/or written reports, documentation or work product which CONSULTANT is obligated to provide to CITY or CITY's employees or agents under this Agreement. Prior to the expiration of the 3-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 3-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2 B.i. that exceeds seven (7) calendar days from the end of the initial 3-day cure period; or
 - ii. Within fourteen (14) calendar days of CITY's issuance of a Default Notice for any other Event of Default under this Agreement. Prior to the expiration of the 14-day cure period, CONSULTANT may submit a written request for additional time to cure the Event of Default upon a showing that CONSULTANT has commenced efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 14-day cure period. The foregoing notwithstanding, CITY shall be under no obligation to grant additional time for the cure of an Event of Default under this Section 5.2B.ii that exceeds thirty (30) calendar days from the end of the initial 14-day cure period.

In addition to any other failure on the part of CONSULTANT to perform any duty, obligation, service or task set forth under this Agreement (or the failure to timely perform

or properly perform any such duty, obligation, service or task), an Event of Default on the part of CONSULTANT shall include, but shall not be limited to the following: (i) CONSULTANT's refusal or failure to perform any of the services or tasks called for under the Scope of Services; (ii) CONSULTANT's failure to fulfill or perform its obligations under this Agreement within the specified time or if no time is specified, within a reasonable time; (iii) CONSULTANT's and/or its employees' disregard or violation of any federal, state, local law, rule, procedure or regulation; (iv) the initiation of proceedings under any bankruptcy, insolvency, receivership, reorganization, or similar legislation as relates to CONSULTANT, whether voluntary or involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vi) CITY's discovery that a statement representation or warranty by CONSULTANT relating to this Agreement is false, misleading or erroneous in any material respect.

- C. CITY shall cure any Event of Default asserted by CONSULTANT within forty-five (45) calendar days of CONSULTANT's issuance of a Default Notice, unless the Event of Default cannot reasonably be cured within the 45-day cure period. Prior to the expiration of the 45-day cure period, CITY may submit a written request for additional time to cure the Event of Default upon a showing that CITY has commenced its efforts to cure the Event of Default and that the Event of Default cannot be reasonably cured within the 45-day cure period. The foregoing notwithstanding, an Event of Default dealing with CITY's failure to timely pay any undisputed sums to CONSULTANT as provided under Section 1.4, above, shall be cured by CITY within five (5) calendar days from the date of CONSULTANT's Default Notice to CITY.
- D. CITY, in its sole and absolute discretion, may also immediately suspend CONSULTANT's performance under this Agreement pending CONSULTANT's cure of any Event of Default by giving CONSULTANT written notice of CITY's intent to suspend CONSULTANT's performance (hereinafter, a "Suspension Notice"). CITY may issue the Suspension Notice at any time upon the occurrence of an Event of Default. Upon such suspension, CONSULTANT shall be compensated only for those services and tasks which have been rendered by CONSULTANT to the reasonable satisfaction of CITY up to the effective date of the suspension. No actual or asserted breach of this Agreement on the part of CITY shall operate to prohibit or otherwise restrict CITY's ability to suspend this Agreement as provided herein.
- E. No waiver of any Event of Default or breach under this Agreement shall constitute a waiver of any other or subsequent Event of Default or breach. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.
- F. The duties and obligations imposed under this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. In addition to any other remedies available to CITY at law or under this Agreement in the event of any breach of

this Agreement, CITY, in its sole and absolute discretion, may also pursue any one or more of the following remedies:

- i. Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;
- ii. Upon written notice to CONSULTANT, the CITY may extend the time of performance;
- iii. The CITY may proceed by appropriate court action to enforce the terms of the Agreement to recover damages for CONSULTANT's breach of the Agreement or to terminate the Agreement; or
- iv. The CITY may exercise any other available and lawful right or remedy.

CONSULTANT shall be liable for all legal fees plus other costs and expenses that CITY incurs upon a breach of this Agreement or in the CITY's exercise of its remedies under this Agreement.

G. In the event CITY is in breach of this Agreement, CONSULTANT's sole remedy shall be the suspension or termination of this Agreement and/or the recovery of any unpaid sums lawfully owed to CONSULTANT under this Agreement for completed services and tasks.

5.3 SCOPE OF WAIVER: No waiver of any default or breach under this Agreement shall constitute a waiver of any other default or breach, whether of the same or other covenant, warranty, agreement, term, condition, duty or requirement contained in this Agreement. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

5.4 SURVIVING ARTICLES, SECTIONS AND PROVISIONS: The termination of this Agreement pursuant to any provision of this Article or by normal expiration of its term or any extension thereto shall not operate to terminate any Article, Section or provision contained herein which provides that it shall survive the termination or normal expiration of this Agreement.

VI. MISCELLANEOUS PROVISIONS

6.1 DOCUMENTS & DATA; LICENSING OF INTELLECTUAL PROPERTY: All Documents and Data shall be and remain the property of CITY without restriction or limitation upon their use or dissemination by CITY. For purposes of this Agreement, the term "Documents and Data" means and includes all reports, analyses, correspondence, plans, drawings, designs, renderings, specifications, notes, summaries, strategies, charts, schedules, spreadsheets, calculations, lists, data compilations, documents or other materials developed and/or assembled by or on behalf of CONSULTANT in the

performance of this Agreement and fixed in any tangible medium of expression, including but not limited to Documents and Data stored digitally, magnetically and/or electronically. This Agreement creates, at no cost to CITY, a perpetual license for CITY to copy, use, reuse, disseminate and/or retain any and all copyrights, designs, and other intellectual property embodied in all Documents and Data. CONSULTANT shall require all subcontractors and subconsultants working on behalf of CONSULTANT in the performance of this Agreement to agree in writing that CITY shall be granted the same right to copy, use, reuse, disseminate and retain Documents and Data prepared or assembled by any subcontractor or subconsultant as applies to Documents and Data prepared by CONSULTANT in the performance of this Agreement.

- 6.2 **CONFIDENTIALITY:** All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. Upon request, all CITY data shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT shall not use CITY's name or insignia, photographs, or any publicity pertaining to the Work in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of CITY.
- 6.3 **FALSE CLAIMS ACT:** CONSULTANT warrants and represents that neither CONSULTANT nor any person who is an officer of, in a managing position with, or has an ownership interest in CONSULTANT has been determined by a court or tribunal of competent jurisdiction to have violated the False Claims Act, 31 U.S.C., Section 3789 et seq. and the California False Claims Act, Government Code Section 12650 et seq.
- 6.4 **NOTICES:** All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

CONSULTANT:
FUEL Creative Group
2321 P Street, Floor 2
Sacramento, CA 95816
Attn: Brent Rector
Principal
Phone: 916-669-1591
Fax: 916-290-0425
Email: brent@fuelcreativegroup.com

CITY:
City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201
Attn: Jose E. Pulido
City Manager
Phone: 323-773-5143
Fax: 323-771-2072

Such notices shall be deemed effective when personally delivered or successfully transmitted by facsimile as evidenced by a fax confirmation slip or when mailed, forty-eight (48) hours after deposit with the United States Postal Service, first class postage prepaid and addressed to the Party at its applicable address.

- 6.5 COOPERATION; FURTHER ACTS: The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as is reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.
- 6.6 SUBCONTRACTING: CONSULTANT shall not subcontract any portion of the Work required by this Agreement, except as expressly stated herein, without the prior written approval of CITY. Subcontracts (including without limitation subcontracts with subconsultants), if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including provisions relating to insurance requirements and indemnification.
- 6.7 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: CITY reserves the right to employ other contractors in connection with the various projects worked upon by CONSULTANT.
- 6.8 PROHIBITED INTERESTS: CONSULTANT warrants, represents and maintains that it has not employed nor retained any company or person, other than a *bona fide* employee working solely for CONSULTANT, to solicit or secure this Agreement. Further, CONSULTANT warrants and represents that it has not paid nor has it agreed to pay any company or person, other than a *bona fide* employee working solely for CONSULTANT, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, CITY shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of CITY, during the term of his or her service with CITY, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.
- 6.9 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.
- 6.10 GOVERNING LAW AND VENUE: This Agreement shall be interpreted and governed according to the laws of the State of California. In the event of litigation between the Parties, venue, without exception, shall be in the Los Angeles County Superior Court of the State of California. If, and only if, applicable law requires that all or part of any such litigation be tried exclusively in federal court, venue, without exception, shall be in the Central District of California located in the City of Los Angeles, California.
- 6.11 ATTORNEYS' FEES: If either Party commences an action against the other Party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorneys' fees and all other costs of such action.
- 6.12 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.

- 6.13 NO THIRD PARTY BENEFIT: There are no intended third party beneficiaries of any right or obligation assumed by the Parties. All rights and benefits under this Agreement inure exclusively to the Parties.
- 6.14 CONSTRUCTION OF AGREEMENT: This Agreement shall not be construed in favor of, or against, either Party but shall be construed as if the Parties prepared this Agreement together through a process of negotiation and with the advice of their respective attorneys.
- 6.15 SEVERABILITY: If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- 6.16 AMENDMENT; MODIFICATION: No amendment, modification or supplement of this Agreement shall be valid or binding unless executed in writing and signed by both Parties, subject to CITY approval. The requirement for written amendments, modifications or supplements cannot be waived and any attempted waiver shall be void and invalid.
- 6.17 CAPTIONS: The captions of the various articles, sections and paragraphs are for convenience and ease of reference only, and do not define, limits, augment, or describe the scope, content, or intent of this Agreement.
- 6.18 INCONSISTENCIES OR CONFLICTS: In the event of any conflict or inconsistency between the provisions of this Agreement and any of the exhibits attached hereto, the provisions of this Agreement shall control.
- 6.19 ENTIRE AGREEMENT: This Agreement including all attached exhibits is the entire, complete, final and exclusive expression of the Parties with respect to the matters addressed herein and supersedes all other agreements or understandings, whether oral or written, or entered into between CITY and CONSULTANT prior to the execution of this Agreement. No statements, representations or other agreements, whether oral or written, made by any Party which are not embodied herein shall be valid or binding. No amendment, modification or supplement to this Agreement shall be valid and binding unless in writing and duly executed by the Parties pursuant to Section 6.16, above.
- 6.20 COUNTERPARTS: This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. No handwritten or typewritten amendment, modification or supplement to any one counterparts shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above. One fully executed original counterpart shall be delivered to CONSULTANT and the two remaining counterparts shall remain with the City for archiving and day-to-day reference by the department responsible for administering the Agreement on the City's behalf.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF CUDAHY:

By: 
Jose E. Pulido, City Manager

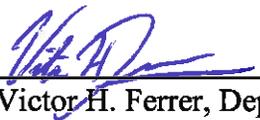
Date: _____

FUEL CREATIVE GROUP, A S CORPORATION:

By: 
Brent Rector, Principal

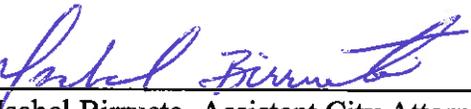
Date: 2/6/15

ATTEST:

By: 
Victor H. Ferrer, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By: 
Isabel Birrueta, Assistant City Attorney

Date: _____

EXHIBIT “A”

(Scope of Work)

City Branding – Expected Time of Completion: 6-8 Weeks

Tagline (\$2,000) – FUEL will present at least five different taglines options. The client may choose a direction for feedback and refine the tagline up to three more times to completion.

Logo (\$10,000) – FUEL will create a minimum of five conceptual sketches for the identity to be associated with the chosen tagline for Cudahy. Once the client has chosen a single design direction for the identity, FUEL will provide up to three proofs of identity design. Final deliverable is the approved logo in various file formats and versions delivered to the client.

Brand Guidelines (\$4,000) – FUEL will create a multi-page brand guideline document to demonstrate how to use the logo/tagline correctly. This document will highlight all versions of the logo, associated brand color, approved fonts, and application suggestions.

On-Site Visit/Presentation (\$1,600 per visit) – If needed, FUEL will travel to Cudahy for the day to meet with staff / board / council and present options.

Magazine Publication – Expected Time of Completion: 6-8 Weeks

First Issue of 8 Page City Magazine 8.5”X11” (\$9,312) – FUEL will create three conceptual sketches of the magazine cover from which the client may choose a direction. Once the client has chosen a direction for the magazine cover, FUEL will refine the magazine cover sketch and show a sketch of one spread based on the chosen cover design. Then, FUEL will use client-provided content to design up to three proofs of the City magazine. Final, high-resolution, print-ready file will be submitted to the City and the clients chose print vendor.

Production of Each Additional Quarterly 8-Page Issue (\$6,312) – FUEL will use client-provided content to design up to three proofs of the City magazine. Final, high-resolution, print-ready file will be submitted to the City and the clients chose print vendor.

TOTAL: \$31,624 - \$33,224

**ATTACHMENT 2
PROPOSAL TO AUGMENT EXHIBIT "A" OF MASTER AGREEMENT**



CUDAHY PROPOSAL: 2016-2017 UNO DESIGN AND PRODUCTION

FROM	TO	DATE
Nicolette Countryman Project Manager 916.669.1591 nicolette@fuelcreativegroup.com	Jose Pulido City Manager, Cudahy	February 17, 2016

BODY

Hi Jose,

Thank you for reaching out to FUEL to design the UNO Magazine for 2016-2017. Please find our outlined costs for the production of each issue, including variable issue sizes.

Should you have any further questions regarding this proposal, please do not hesitate to reach out to me. Thank you for your time!

Sincerely,

A handwritten signature in black ink that reads "Nicolette Countryman".

Nicolette Countryman
Project Manager



TRANSMITTAL PAGE #

BODY

2	<p>UNO – 32 PAGES \$9000</p> <p>FUEL will create a 32–page issue of UNO utilizing the established look and feel. FUEL will design a cover, 3 features (includes infographic), and 6 ads that will be incorporated into the publication.</p> <p>FUEL will provide up to three proofs of UNO.</p> <p>Final deliverable will be a high–resolution PDF uploaded to the client’s chosen print vendor’s FTP site, as well as a web–optimized version delivered to the client.</p>
	<p>UNO – 36 PAGES/6 ADS \$9875</p> <p>FUEL will create a 36–page issue of UNO utilizing the established look and feel. FUEL will design a cover, 4 features (includes infographic), and 6 ads that will be incorporated into the publication.</p> <p>FUEL will provide up to three proofs of UNO.</p> <p>Final deliverable will be a high–resolution PDF uploaded to the client’s chosen print vendor’s FTP site, as well as a web–optimized version delivered to the client.</p>
	<p>UNO – 36 PAGES/8 ADS \$10625</p> <p>FUEL will create a 36–page issue of UNO utilizing the established look and feel. FUEL will design a cover, 4 features (includes infographic), and 8 ads that will be incorporated into the publication.</p> <p>FUEL will provide up to three proofs of UNO.</p> <p>Final deliverable will be a high–resolution PDF uploaded to the client’s chosen print vendor’s FTP site, as well as a web–optimized version delivered to the client.</p>
	<p>UNO – 36 PAGES/10 ADS \$11250</p> <p>FUEL will create a 36–page issue of UNO utilizing the established look and feel. FUEL will design a cover, 4 features (includes infographic), and 10 ads that will be incorporated into the publication.</p> <p>FUEL will provide up to three proofs of UNO.</p> <p>Final deliverable will be a high–resolution PDF uploaded to the client’s chosen print vendor’s FTP site, as well as a web–optimized version delivered to the client.</p>
	<p>UNO – 40 PAGES/6 ADS \$10500</p> <p>FUEL will create a 36–page issue of UNO utilizing the established look and feel. FUEL will design a cover, 4 features (includes infographic), and 6 ads that will be incorporated into the publication.</p> <p>FUEL will provide up to three proofs of UNO.</p>



TRANSMITTAL PAGE #

BODY

3

Final deliverable will be a high-resolution PDF uploaded to the client's chosen print vendor's FTP site, as well as a web-optimized version delivered to the client.

UNO - 40 PAGES/8 ADS

\$11250

FUEL will create a 36-page issue of UNO utilizing the established look and feel. FUEL will design a cover, 4 features (includes infographic), and 8 ads that will be incorporated into the publication.

FUEL will provide up to three proofs of UNO.

Final deliverable will be a high-resolution PDF uploaded to the client's chosen print vendor's FTP site, as well as a web-optimized version delivered to the client.

UNO - 40 PAGES/10 ADS

\$11875

FUEL will create a 36-page issue of UNO utilizing the established look and feel. FUEL will design a cover, 4 features (includes infographic), and 10 ads that will be incorporated into the publication.

FUEL will provide up to three proofs of UNO.

Final deliverable will be a high-resolution PDF uploaded to the client's chosen print vendor's FTP site, as well as a web-optimized version delivered to the client.

If you approve of this cost, please sign and return to FUEL via fax to 916.290.0425 or email to nicolette@fuelcreativegroup.com.

APPROVED BY: PRINTED NAME

DATE

APPROVED BY: SIGNATURE

DATE



Item Number
10H

STAFF REPORT

Date: January 20, 2015
To: Honorable Mayor/Chair and City Council/Agency Members
From: Jose E. Pulido, City Manager/Executive Director
Subject: **PROFESSIONAL SERVICES AGREEMENT WITH FUEL CREATIVE GROUP FOR CITY BRANDING AND CITY NEWSLETTER**

RECOMMENDATION

The City Council is requested to approve a professional services agreement with FUEL Creative Group for City branding options and City newsletter at a cost not to exceed \$32,000 with a term of February 2015 through June 30, 2016.

BACKGROUND

1. On July 12, 2014, the City Council held a Strategic Planning Session which identified the need to develop a new City image and a better means of communicating with the public.
2. On October 24, 2014 the City Council approved the Fiscal Year (FY) 2014-15 City Budget which included funding for the City newsletter.
3. On November 4, 2014, the City Council approved the FY 2014-15 City Budget One Time appropriations which included funding for the City rebranding.
4. On January 2, 2015, the City Manager contacted FUEL Creative Group regarding the City's need for branding and newsletter design professional services.
5. On January 8, 2015, the City Manager had a teleconference call with Brent Rector who is the Art Director and Principal for this firm to discuss the City's need for: rebranding; new quarterly magazine; and website development.
6. On January 14, 2015, FUEL Creative Group provided the City Manager with a proposal

for the City branding and newsletter design services.

ANALYSIS

In many communities across the country, quarterly city publications serve as a valuable tool of information for city announcements for projects, programs and activities. FUEL Creative Group has extensive and award winning experience in graphic design, branding, and magazine publications. Their municipal clients include the cities of Sacramento, Roseville, Rancho Cordova, San Fernando, Temple City as well as the State of California Travel and Tourism Commission. Google, NBC, the Sacramento Press and Prosper Magazine are among those in their corporate portfolio.

Under this proposed professional services agreement, FUEL Creative Group will rebrand the City and produce the City's upcoming quarterly magazine for the remainder of FY 2014-15 (i.e., February 1st to June 30th) and on into FY 2015-16 (i.e., July 1, 2015 to June 30, 2016). The combined design efforts will yield a unique branded title, new bi-lingual magazine format with an initial eight page count – the page count is subject to change as staff works to development more content for the magazine in subsequent quarterly newsletters. During FY 2015-16, City staff would work to minimize the impact to the General Fund by leveraging other funding sources such as grants or local service providers (i.e., Southern California Edison, Republic Services, and Southern California Gas Company).

CONCLUSION

The City Council is requested to approve a professional services agreement with FUEL Creative Group for City rebranding and quarterly magazine design services both of which were identified by the City Council to the City Manager as being high priorities for this community.

FINANCIAL IMPACT

As part of the Fiscal Year (FY) 2014-15 City Budget and One Time Appropriations, the City Council approved \$17,000 in the City Manager's Budget and \$15,000 from the One Time Appropriations for City branding. The City has budgeted a total of \$32,000 and the cost of the City Branding and Magazine total of \$33,224, consequently the City will have to make an adjustment to the budget to fund the remaining \$1,224. Although if the City opts out from the "On-Site Visit" that is being proposed, there would be a surplus of \$376.

ATTACHMENTS

- A. Professional Services Agreement

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Item Number 12A

STAFF REPORT

Date: February 22, 2016

To: Honorable Mayor / Chair and City Council / Agency Members

From: Jose E. Pulido, City Manager/Executive Director
By: Steven Dobrenen, Finance Director

Subject: **Adoption of a Proposed Resolution Amending the City of Cudahy Fiscal Year (FY) 2015-16 Budget**

RECOMMENDATION

The City Council is requested to:

1. Receive the Fiscal Year (FY) 2015-16 Mid-Year Budget review and related reports; and
2. Adopt a proposed resolution approving the amendment to the FY 2015-16 City Budget in the amount of \$273,909 for the General Fund, \$310,000 for the Gas Tax fund, \$100,000 for the Other Grants Fund, \$317,000 for the Proposition 1B Local Street Improvement (Proposition 1B) Fund, \$79,000 for the Proposition C fund, \$160,000 for the Measure R Fund, \$20,000 for the California Beverage Container fund, and \$5,000 for the Housing Fund.

BACKGROUND

1. On June 29, 2015, the City Council passed Resolution No. 15-30 adopting the FY 2015-16 City Budget.
2. On August 24, 2015, the City council passed Resolution 15-41 adopting a Master Fee and Fine Schedule for FY 2015-16.

ANALYSIS

The FY 2015-16 Mid-Year Budget review process provides the City Council with an opportunity to review and adjust original revenue projections and budgeted appropriations based on six months of activity. Proposed adjustments are a result of changes in revenues projections based on revenues received from July 1, 2015 through December 31, 2015, as well as adjustments in expenditures due to information that was not previously available. It is through staff's significant diligence to ensure responsible spending that has allowed for operating expenditures not to increase. Some of the revenue estimates have not done as well as anticipated, namely sales tax. Revenues that have met budget or are on track to exceed budget are: Motor Vehicle In-Lieu; building permits; street excavation permit; and parking citations. The City continues to monitor revenues closely and to strictly control expenditures. Details of revenues and expenditures are provided below in seven sections.

1. FY 2015-16 GENERAL FUND REVENUES

A revenue analysis has been completed for the FY 2015-16 General Fund revenues. Although some revenues are in line with projections, there are other revenue estimates that require adjustments. The table below summarizes the City's significant General Fund revenues and provides an overview of the recommended changes based on mid-year review by staff.

Revenue Source	2015-16 <u>Budget</u>	2015-16 <u>Revised Projection</u>	Increase <u>(Decrease)</u>	Percent <u>Change</u>
Taxes	\$ 2,794,800	\$ 2,602,300	\$ (192,500)	-7%
Franchise Fees	\$ 214,200	\$ 214,200	\$ -	0%
Intergovernmental Revenues	\$ 2,355,000	\$ 2,479,000	\$ 124,000	5%
Fines & Forfeitures	\$ 434,000	\$ 434,000	\$ -	0%
Building & Safety	\$ 229,750	\$ 229,750	\$ -	0%
Use of Money / Property	\$ 135,500	\$ 135,500	\$ -	0%
Charges for Services - Planning/Engineering	\$ 63,700	\$ 63,700	\$ -	0%
Charges for Services - Miscellaneous	\$ 237,000	\$ 237,000	\$ -	0%
Licenses & Permits	\$ 597,000	\$ 597,000	\$ -	0%
Other	<u>\$ 43,300</u>	<u>\$ 43,300</u>	<u>\$ -</u>	0%
	<u>\$ 7,104,250</u>	<u>\$ 7,035,750</u>	<u>\$ (68,500)</u>	-3%

The total General Fund revenue adjustment is \$68,500. The following are the details of the revenue changes.

Taxes: Sales Tax from Fuel and Service Stations has been declined significantly from the second quarter in FY 2015-16 over the same quarter in FY 2014-15 due to the significant drop

in fuel prices. Based on the prior and current fiscal year’s actual receipts received and the decline in sales tax from fuel sales, an adjustment of \$192,000 is recommended at this time.

Intergovernmental Revenues: Motor Vehicle in-lieu fee (VLF) was established in 1935 as a uniform statewide tax, the VLF is a tax on the ownership of a registered vehicle in place of taxing vehicles as personal property. By law, all revenues from the VLF fund city and county services, but the state legislature controls the tax rate and the allocation among local government. In the 2004 budget agreement, the Legislature permanently reduced the VLF tax rate and eliminated State General Fund backfill to cities and counties. Instead, cities and counties now receive additional transfers of property tax revenues in lieu of VLF. The budgeted in-lieu VLF for FY 2015-16 is \$2,473,000. Based on the first allocation received in January 2016, a budget increase of \$124,000 is recommended.

Fines & Forfeitures: Court Fines are revenues collected from citations written from both the Los Angeles County Sheriff have and authorized City staff. The ten year average range of citations has been 400-650 per month depending on the season and scheduling. In the last 12 months, parking enforcement has averaged approximately 633 citations per month due to a reallocation to staffing resource to enforce parking in the city. As of December 31, 2015 there are citations that have been issued exceeding \$200,000 but not collected. As of December 31, 2015 \$58,900 has been received by the City from individuals who have paid their parking citation. The timing for the payment of those citations is dependent upon the recipients acknowledging the citation and making payment. People often choose to wait until they renew their driver’s license or vehicle registration before they realize they are required to get up-to-date with outstanding citations. The City does not have the internal resources to process citations and appeals and instead relies on an outside service to perform those functions.

Building & Safety: Building and Safety fees are collected for building, electrical, and plumbing permits associated with upgrades to existing structures as well as new constructions. It is anticipated that these fees will meet their target with new fees taking effect on February 11, 2016.

2. FY 2015-16 GENERAL FUND EXPENDITURES

The adoption of the FY 2015-16 City Budget estimated total General Fund operating expenditure of \$7 million. The table below summarizes staff’s recommendation for adjustments to department’s operating expenditures.

<u>Department</u>	<u>2015-16 Budget</u>	<u>2015-16 Revised Projection</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
City Council	\$ 115,133	\$ 135,158	\$ 20,025	17.4%
City Manager(Personnel)	\$ 642,223	\$ 876,656	\$ 234,433	36.5%
City Attorney	\$ 300,000	\$ 300,000	\$ -	0%
City Clerk	\$ 128,028	\$ 99,128	\$ (28,900)	-22.9%

Finance	\$ 478,566	\$ 400,891	\$ (77,675)	-16.6%
Community Development	\$ 857,789	\$ 876,649	\$ 18,860	2.2%
Parks and Recreation	\$ 856,427	\$ 926,488	\$ 70,061	8.2%
Public Safety	\$3,858,589	\$3,847,400	\$ (11,189)	-0.3%
Facility Operations	<u>\$ 985,549</u>	<u>\$1,033,843</u>	<u>\$ 48,294</u>	4.9%
	<u>\$8,222,304</u>	<u>\$8,496,213</u>	<u>\$ 273,909</u>	3.3%

There were increased costs of \$591,320 which were identified by staff during the mid-year budget review. Those costs are being funded by a savings in existing budgeted items and the reallocation of existing budget items representing a savings/reallocation of \$226,239. The net increase before use of fund balance will be \$365,081. As part of the mid-year review there is \$91,172 from the use of fund balance approved as part of the FY 2015-16 budget that has been identified for reallocation to offset the costs being requested as part of the mid-year review. The total General Fund mid-year change to the budget is \$273,909. Additional details for the increases (decreases) can be found in Attachment B.

Resolution No. 15-30 allows the City Manager to amend the budget so long as the total fund appropriations are not increased, accordingly, since the request at mid-year is to increase the appropriations, City Council approval is sought. The following are the details of the adjustments:

The City Council in order to ensure the timely approval of the Successor Agency Long-Range Property Management Plan (LRPMP) as well as on-going implementation of the LRPMP engaged a legislative advocate for \$4,000 a month for a projected cost through March 2016 of \$16,000. There is also an increase in medical insurance premiums in the City Council department due to the addition of family member.

The City requires funding two additional quarters of the One Magazine newsletter \$43,415 for consultants to prepare the content in a photo ready file. The City continues to rebuild the Personnel Department and needs additional funding to complete the project of bringing the City current on human resources matters. It is very important that the City has an experienced Human Resources Consultant available to the City Manager to ensure that the City can manage various human resources issues. An additional appropriation through June 30, 2015 is requested in the amount of \$47,251 to allow HR Dynamics to provide human resources services, with a small amount of services to be provided in the following fiscal year. The California retirement system (CalPERS) completed an actuarial study of all member agencies and invoiced each member based upon the results of the actuarial valuation report. The City of Cudahy was assessed \$182,869 for FY 2015-16 as an initial amount to be paid toward its unfunded pension liability. The General Fund share of that liability is \$128,700 and the State Gas Tax Fund is \$54,169. Similar or increased amounts will be payable each year to CalPERS. This expense will be budgeted in the Personnel Department as it relates to both active and retired individuals who were hired prior to January 1, 2013. Employees who earn vacation time are permitted once a year to sell to the City unused vacation. During the year \$17,610 was purchased from various employees/department. (City Manager, Personnel, Finance, Building regulation, Code Enforcement, Parks Maintenance.) The Memorandum of

Understanding with the Cudahy Employee Association included increases to the rate of pay for its members. The retrospective pay from July 1, 2015 to February 12, 2016 and the increases in rate of pay from that point to June 30, 2016 is approximately \$30,000. Those increases will be charged to the respective departments of each employee. The net increase to the City Manager department which includes Personnel will be \$38,959.

The City Clerks department had a vacant position for two months during FY 2015-16. In September 2015 an interim City Clerk was hired, the individual was not eligible to receive benefits associated to the position of a City Clerk. The interim City Clerk position will be vacated at the end of March 2016 and the position will be filled with a Deputy City Clerk that will result in savings to the original budget. In total those actions will result in a savings of \$43,900. The City Clerk department requires \$15,000 for publication of ordinances and notifications in local newspapers. Some of the required notices are related to conditional use permits that require notification to the public. The fees that are charged the business owners for CUP and entitlements are built into the fees paid for CUP etc. Accordingly, the costs of publishing notices are already reimbursed through fees adopted on August 24, 2015 in the Master Fee and Fine Schedule approved by the City Council. As part of the FY 2014-15 budget all publication costs were centralized into the City Clerk's budget. Governments are not required to make each department self-sufficient nor should such actions be taken without a lengthy study of such matters. Accordingly, the net savings/reductions of expenditures were recognized in the City Clerk department will be \$28,900.

Code Enforcement cost are the non-CDBG costs of the Community Preservation Officer amounting to approximately \$50,000. Formally, 100% of the Community Preservation Officer was dedicated to Code Enforcement activities that were reimbursable from CDBG funds. Savings were realized in Planning of \$17,678 in salary and benefit for not hiring a full-time assistant planner as was budgeted. There was also savings of \$3,500 recognized relating to professional memberships, training, education, and travel that will not be used due to vacancy of the position, bringing the total savings to \$21,178. Public Safety realized savings of \$11,645 the for vacant position of Public Safety & Services Manager which was anticipated to filled on September 1, 2015.

Savings/reductions of expenditure are recognized in the Parks and Recreation Department from reductions/savings of \$72,824 which included \$26,000 and \$46,824 in Recreation and Park Maintenance, respectively. The Recreation savings relate to uniform, recreational supplies, and travel & meeting which will not be needed since the City has awarded a contract to Kids in Sport for recreational activities of the City and savings in Parks Maintenance for various expenses that are not needed since the award of a landscape contract to MCE Corporation (MCE), including \$20,000 for the contract not being awarded until March 2016.

An additional \$59,420 is required for the period March 1, 2016 to June 30, 2016 for the Contractor, Kids-in-Sports (\$41,420) to provide recreational programs to the residents of Cudahy and for the staffing of City facilities (\$18,000) not covered by the Kids-in-Sports program (Senior Center, Fitness Center, and gymnasium).

Facility Operations has savings of \$39,500 consisting of \$15,000 for amounts shifted to CDBG

for the food distribution and savings from entering into a contract with MCE for facilities maintenance of \$24,500. The savings in the amount of \$24,500 include cost of pest control, air conditioner maintenance, playground audits and general repairs and monies not used for installations of flag poles, lights on Atlantic Avenue. Increased costs are \$108,966 in Facilities Operation consisting of \$32,400 for a facilities maintenance contract from March 1, 2016 to June 30, 2016, cleaning and other supplies of \$11,187 through February 2016, restroom repair of \$10,489, \$9,500 Grant Writing, \$45,400 for eight months of the Ricoh Production Machine, magazine paper, and postage. The net increase to the Facilities Operations department will be \$69,466.

3. FUND BALANCE ANALYSIS

The Unaudited Fund Balance at June 30, 2015 is projected to be \$4,022,155. Based upon the revenues and expenditures of the City's General fund through December 31, 2015 being \$1,547,867 and \$2,865,229, respectively, the projected Unaudited Fund Balance at December 31, 2015 would be \$2,561,692.

Per Resolution No. 15-31 adopted on June 29, 2015, the City commits to maintaining the reserves of General Fund annual operating expenditures at an amount of no less than \$2 million.

4. REVENUE SUMMARY REPORT

Attachment D is a summary of actual revenues for the period of July 1, 2015 to December 31, 2015. By the end of the second quarter the percentage of revenue received is generally 50% except for those types of revenues that are revived annually such as business licenses, animal licenses, parking permits and franchise fees. Further, the major revenues, such as sales tax and VLF, are not received equally over a 12 month period, thus providing a skewed percentage of actual receipts collected to date.

5. EXPENDITURES SUMMARY REPORT

Attachment E is a summary of actual expenditures for the period of July 1, 2015 to December 31, 2015. By the end of the second quarter the percentage expended is generally 50%. As is the City's policy, expenditures are kept to a minimum. The programs that are contracted with Los Angeles County are generally a month or two behind due to the County's timing in invoicing the City.

6. PROJECTS FUNDED FROM RESERVES

Many projects this year were funded by the Reserves (Attachment F) in accordance with the adopted Budget Reserve Policy. There will be \$70,000 reduction in the Finance department by delaying the \$60,000 outsourcing of the creation of a remediation plan and \$10,000 for an indirect cost study and business license cost study. The \$21,172 is being released from reserves since the amount was not needed to pay a retrospective insurance charge by CalJPIA

since the City intends to true up with CalJPIA over a longer period of time. Accordingly, \$91,172 can be reallocated to projects that are needed to complete Fiscal Year 2015-16.

Based upon the net increase in costs described elsewhere in this report, \$273,909 will be requested to be used from fund balance.

7. PROJECTS FUNDED WITH SPECIAL REVENUE FUNDS

The City will need to make budget adjustments to Special Revenue funds to align the City's budgeted expenditures with that of budgets that have been or will be approved by the granting agencies. The increases (decreases) to appropriations/expenditures are \$310,000 for the Gas Tax Fund for street repairs, \$100,000 to the Other Grants Fund for a communities planning grant, \$317,000 to the Proposition 1B fund for improvements to three streets, \$79,000 to the Proposition C fund for improvements for street improvement, \$160,000 for the Measure R fund for Highway Safety Improvement Program grant and Hartle Avenue project, \$20,000 for the California Beverage Container fund to provide receptacles and education regarding beverage container recycling and litter reduction, and \$5,000 for the Housing fund.

CONCLUSION

Until such time as the City identifies recurring revenue streams the City is implementing best practices of mid-year budget adjustments, leveraging resources and realistically estimating a spending plan for the remainder of the fiscal year.

In light of the shortfall in revenues, the City is being fiscally prudent by requesting a mid-year adjustment to the General Fund at this time rather than waiting to year end. Thus far, the City has made significant progress towards modernizing its operations by: adopting an updated Master Fee Schedule to improve cost recovery; contracting out services including facility and parks/landscaping maintenance to realize cost savings; and partnering with local non-profits to enhance programs for youth while seeking to enhance cost recovery and savings. These collective actions were taken with a goal of achieving a result of a balanced operating budget by year end.

FINANCIAL IMPACT

The City needs to make budget adjustments to the General Fund of \$273,909 from available fund balance, including a release of previously approved use of fund balance. Adjustments to the Special Revenue funds will be in the amount of \$991,050.

If the City Council approves the FY 2015-16 Mid-Year Budget adjustments, the FY 2015-16 General Fund fund balance as identified on Attachment C will be \$2,591,692, complying with the Budget Reserve Policy of \$2,000,000.

ATTACHMENTS

- A. FY 2015-16 Mid-Year General Fund Revenue Adjustments
- B. FY 2015-16 Mid-Year General Fund Operating Adjustments
- C. FY 2015-16 Fund Balance Analysis
- D. Revenue Summary Report – Quarter Ending December 31, 2015
- E. Expenditures Summary Report – Quarter Ended December 31, 2015
- F. Projects Funded from Reserves
- G. Proposed Resolution to Amend the FY 2015-16 Budget with Exhibit A

City of Cudahy
 FY 2015-16 Mid-Year General Fund Revenue Adjustments

General Fund	Original <u>Budget</u>	Change in <u>Estimates</u>	Revised <u>Budget</u>
4110.000 Sals Tax	\$ 1,373,500	(192,500)	1,181,000
4610.000 Motor Vehicle In-LIEU	<u>2,349,000</u>	<u>124,000</u>	<u>2,473,000</u>
Total	<u>\$ 3,722,500</u>	<u>(68,500)</u>	<u>3,654,000</u>

City of Cudahy
FY 2015-16 Mid-Year General Fund City Manager Adjustments

	Original Budget	Change in Estimates	Release of Use of Fund Balance	Revised Budget	
Fund: 001 - General Fund					
Dept: 4001 City Council	115,133	20,025		135,158	Legislative advocate hired for 4 months and increase in insurance premiums
Dept: 4011 City Manager	321,863	38,959		360,822	Consultants for Quarterly Magazine (2 additional quarters)
Dept: 4008 City Clerk	128,028	(28,900)		99,128	Reorganization of position in Clerk's department not increase for publishing ordinances and other notices
Dept: 4015 Personnel	320,360	195,474		515,834	Payment toward unfunded retirement obligation and continued rebuilding of Personnel Department
Dept: 4155 Finance	148,879	(3,908)	(70,000)	74,971	Moving budget for unfunded retirement payments to Personnel Department
Dept: 4160 Business License	67,066	(3,767)		63,299	Moving budget for unfunded retirement payments to Personnel Department
Dept: 4350 Recreation	639,020	33,420		672,440	Net increase after outsourcing youth recreational programs
Dept: 4410 Parks Maintenance	217,407	36,641		254,048	Net increase after outsourcing parks and landscaping maintenance
Dept: 4210 Community Development Dept.	0	(1,032)		(1,032)	Moving budget for unfunded retirement payments to Personnel Department
Dept: 4215 Planning	487,620	(21,178)		466,442	Net saving for vacant position through June 30, 2016.
Dept: 4212 Building Regulation	179,500	(7,126)		172,374	Moving budget for unfunded retirement payments to Personnel Department
Dept: 4501 Police Services	3,703,194	(11,645)		3,691,549	Vacant positions through March 31, 2015. The Positions remain budgeted for April 1, 2015 to June 30, 2015
Dept: 4230 Code Enforcement	0	50,419		50,419	Activities relating to community preservation that are not reimbursable from grant funded sources
Dept: 4530 Municipal Enforcement	89,195	456		89,651	Miscellaneous expense
Dept: 4216 Engineering	190,669	(2,223)		188,446	Moving budget for unfunded retirement payments to Personnel Department
Dept: 4020 City Hall Operations	985,549	69,466	(21,172)	1,033,843	See notes below.
Total	<u>\$ 8,222,304</u>	<u>365,081</u>	<u>(91,172)</u>	<u>8,496,213</u>	

Notes:

City Hall Operations also known as Facility Operations has two significant type of activity. The first is the outsourcing of facility maintenance which will result in savings relating to maintenance and servicing type items.

The second activity of Facilities operations is the proposed leasing and servicing contract related to a production machine that will be used to produce the City's quarterly magazine as well as other printing needs of the City.

Included in the Personnel department are costs associated with the recently passed Memorandum of Understanding with the Cudahy Employee Association. Those cost will be allocated to the respective departments at a future date.

City of Cudahy
FY 2015-16 Fund Balance Analysis

	<u>FY 2015-16 Adopted Budget</u>	<u>Budget Amendments and Adjustments</u>	<u>FY 2015-16 Mid-Year Budget Review</u>
Total Fund Balance July 1, 2015	<u>4,022,155</u>	<u>-</u>	<u>4,022,155</u>
Revenues	7,104,250	(68,500)	7,035,750
Estimated Expenditures	<u>(8,222,304)</u>	<u>(273,909)</u>	<u>(8,496,213)</u>
Surplus/Deficit	<u>(1,118,054)</u>	<u>(342,409)</u>	<u>(1,460,463)</u>
Estimated Fund Balance June 30, 2015	<u>\$ 2,904,101</u>		<u>2,561,692</u>

City of Cudahy
Revenue Summary Report
Quarter Ended - December 31, 2015

	2014-15 <u>Budget</u>	2014-15 <u>Year to Date</u> Jul - Dec	2015-16 <u>Budget</u>	2015-16 <u>Year to Date</u> Jul - Dec
Taxes	\$ 2,968,397	1,014,464	2,602,300	790,338
Franchise Fees	175,000	48,051	214,200	48,426
Intergovernmental Revenues	2,583,000	16,231	2,479,000	16,594
Fines & Forfeitures	137,000	64,784	434,000	72,537
Building & Safety	131,500	69,968	229,750	98,154
Use of Money / Property	130,500	94,359	135,500	90,376
Charges for Services - Planning/Engineering	55,700	23,197	63,700	47,690
Charges for Services - Miscellaneous	172,000	83,800	237,000	74,755
Licenses & Permits	493,700	330,798	597,000	278,588
Other	579,800	376,530	43,300	30,409
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total General Fund Revenue	<u>\$ 7,426,597</u>	<u>2,122,182</u>	<u>7,035,750</u>	<u>1,547,867</u>

City of Cudahy
Expenditure Summary Report
Quarter Ending - December 31, 2015

	2014-15 Budget	2014-15 Year to Date Jul - Dec	2015-16 Budget	2015-16 Year to Date Jul - Dec	Expended %
City Council					
Dept: 4001 City Council	\$ 155,810	69,133	115,133	63,934	56%
City Manager					
Dept: 4011 City Manager	\$ 300,386	108,517	321,863	149,287	46%
Dept: 4015 Personnel	\$ 199,342	84,229	320,361	225,527	70%
	<u>499,728</u>	<u>192,746</u>	<u>642,224</u>	<u>374,815</u>	58%
City Attorney					
Dept: 4005 City Attorney	\$ 300,000	80,082	300,000	115,069	38%
Dept: 4800 Litigation	\$ -	-	-	-	
	<u>300,000</u>	<u>80,082</u>	<u>300,000</u>	<u>115,069</u>	38%
City Clerk					
Dept: 4008 City Clerk	192,945	51,272	128,027	32,134	25%
Finance					
Dept: 4151 Finance Administration	\$ 213,904	84,788	226,277	66,004	29%
Dept: 4155 Finance	\$ 118,355	80,246	148,880	65,210	44%
Dept: 4018 Purchasing	\$ 33,499	15,289	36,344	17,987	49%
Dept: 4160 Business License	\$ 69,356	38,991	67,067	34,317	51%
	<u>435,114</u>	<u>219,314</u>	<u>478,568</u>	<u>183,517</u>	38%
Community Development					
Dept: 4210 Community Development Dept.	\$ -	85,581	-	790	
Dept: 4215 Planning	\$ 263,708	17,099	487,620	32,321	7%
Dept: 4212 Building Regulation	\$ 179,235	66,955	179,500	89,246	50%
Dept: 4230 Code Enforcement	\$ 59,388	36,331	-	27,107	
Dept: 4216 Engineering	\$ 238,080	66,929	190,671	106,852	56%
	<u>767,303</u>	<u>281,729</u>	<u>857,791</u>	<u>256,316</u>	30%
Parks and Recreation					
Dept: 4310 Community Promotion	\$ -	(481)	-	-	
Dept: 4350 Recreation	\$ 575,720	209,545	264,020	165,655	63%
Dept: 4410 Parks Maintenance	\$ 387,557	115,096	217,407	139,679	64%
Dept: 4360 Lugo Fitness Center	\$ -	-	-	-	
Dept: 7090 Lugo Park Renovation	375,000	-	375,000	-	0
	<u>1,338,277</u>	<u>324,161</u>	<u>856,427</u>	<u>305,334</u>	40%
Public Safety					
Dept: 4501 Police Services	\$ 3,471,147	1,155,563	3,703,194	907,819	25%
Dept: 4502 Volunteers Patrol/Neighborhood	\$ 600	763	-	283	
Dept: 4520 Crossing Guards	\$ 36,200	15,325	36,200	14,422	40%
Dept: 4510 Animal Regulation	\$ 30,000	32,280	30,000	16,523	55%
Dept: 4530 Municipal Enforcement	\$ 135,633	58,545	89,195	33,275	37%
	<u>3,673,580</u>	<u>1,262,476</u>	<u>3,858,589</u>	<u>972,322</u>	25%
Facility Operations					
Dept: 4025 Building Maintenance	-	32,041	-	-	
Dept: 4020 City Hall Operations	753,207	384,658	985,549	561,788	57%
	<u>753,207</u>	<u>416,699</u>	<u>985,549</u>	<u>561,788</u>	57%
Total General Fund	<u>\$ 8,115,964</u>	<u>2,897,610</u>	<u>8,222,308</u>	<u>2,865,229</u>	35%

City of Cudahy
FY 2015-16 Projects Funded from Reserves

<u>Acct #</u>	<u>Description</u>	<u>Budget</u>	<u>Increase (Decrease)</u>	<u>Revised Budget</u>	<u>Actual</u>	<u>Remaining</u>
Dept. 4011 City Manager						
6720	Emergency Preparedness Plan and Trainign	\$ 45,000		45,000		45,000
	Economic Development Strategy	40,000		40,000	31,960	8,040
Dept. 4151 Finance Administration						
6720	State Controllers recommendation to develop a remedial plan	60,000	(60,000)	-		-
	Indirect cost study - Business License Cost Study	10,000	(10,000)	-		-
Dept. 4020 Facility Operations						
6060	Clara park Kitchen Hood (Not in Compliance)	10,000		10,000	1,500	8,500
6420	CJPIA Retro - General Liability	11,759		11,759	11,759	-
6490	CJPIA Retro - Workers compensation	49,402	(21,172)	28,230	28,230	-
	Mozy Back Up Service	10,300		10,300		10,300
6910	Del DR4100 Disk Based 9TB Device and Symantec backup Exec 2014	15,000		15,000	14,034	966
	Network Switches	1,000		1,000	1,000	-
Dept. 4215 Planning						
6720	General Plan Update	400,000		400,000	14,452	385,548
Dept. 4350 Recreation						
6210	Incremental increase to fund Salaries and Benefits	90,594	-	90,594	84,594	6,000
	Lugo Park Soccer Field and Restroom Rehabilitation Project	375,000	-	375,000	-	375,000
Total		\$ 1,118,055	\$ (91,172)	\$ 1,026,883	187,529	839,354

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CUDAHY, CALIFORNIA, AMENDING THE APPROVED
FISCAL YEAR 2015-2016 CITY OF CUDAHY BUDGET**

WHEREAS, the City of Cudahy (“City”) wishes to amend the Approved Fiscal Year 2015-2016 City of Cudahy Budget (hereinafter, the “Budget”); and

WHEREAS, the City Council of the City of Cudahy (“City”) passed Resolution 15-30 adopting the Fiscal Year 2015-2016 budget.

WHEREAS, Under Section 3 of Resolution 15-30 the City Manager does not have the authority to amend the Approved Fiscal Year 2015-2016 City Budget administratively when the total appropriations results in an increase and accordingly, City Council approval is necessary.

WHEREAS, the amount of the amendment would increase the total appropriations of the General and Special Revenue Funds.

**BASED UPON THE ABOVE RECITALS, THE CITY COUNCIL OF THE CITY
OF CUDAHY, CALIFORNIA, DOES HEREBY FIND, DETERMINE AND RESOLVE
AS FOLLOWS:**

SECTION 1. The authorized budget for the General and Special Revenue Funds of the City are hereby amended as follows:

GENERAL FUND	
EXPENDITURE Increase	\$ 273,909
REVENUE Decrease	\$ 178,500
GAS TAX	
EXPENDITURE Increase	\$ 310,000
OTHER GRANTS	
EXPENDITURE Increase	\$ 100,000
REVENUE Increase	\$ 100,000
PROP 1B Local ST. IMPROVEMENTS	
EXPENDITURE Increase	\$ 317,000
PROPOSITION C	
EXPENDITURE Increase	\$ 79,000
MEASURE R	
EXPENDITURE Increase	\$ 160,000

CALIFORNIA BEVERAGE CONTAINER	
EXPENDITURE Increase	\$ 20,000
REVENUE Increase	\$ 20,000
CAL HOME	
EXPENDITURE Increase	\$ 50
SUCCESSOR AGENCY HOUSING	
EXPENDITURE Increase	\$ 5,000

SECTION 2. The expenditures comprising the increase identified in Section 1 above are described in the Expenses table, attached hereto as Exhibit A.

SECTION 3. The City Council hereby directs the inclusion of Exhibit A in the Fiscal Year 2015-2016 comprehensive budget (the “Approved Fiscal Year 2015-2016 City Budget”). The Approved Fiscal Year 2015-2016 City Budget is an official record of the City and a true and correct copy of the same shall be posted on the City’s Internet website with a hard copy maintained by the City Clerk.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 22nd day of February, 2016.

Cristian Markovich
Mayor

ATTEST:

Laura Valdivia
Interim City Clerk

City of Cudahy
 FY 2015-16 Projects Funded from Reserves

<u>Acct #</u>	<u>Description</u>	<u>Budget</u>	<u>Increase (Decrease)</u>	<u>Revised Budget</u>
<u>Dept. 4011 City Manager</u>				
6720	Emergency Preparedness Plan and Trainign	\$ 45,000		45,000
	Economic Development Strategy	40,000		40,000
<u>Dept. 4151 Finance Administration</u>				
6720	State Controllers recommendation to develop a remedial plan	60,000	(60,000)	-
	Indirect cost study - Business License Cost Study	10,000	(10,000)	-
<u>Dept. 4020 Facility Operations</u>				
6060	Clara park Kitchen Hood (Not in Compliance)	10,000		10,000
6420	CJPIA Retro - General Liability	11,759		11,759
6490	CJPIA Retro - Workers compensation	49,402	(21,172)	28,230
	Mozy Back Up Service	10,300		10,300
6910	Del DR4100 Disk Based 9TB Device and Symantec backup Exec 2014	15,000		15,000
	Network Switches	1,000		1,000
<u>Dept. 4215 Planning</u>				
6720	General Plan Update	400,000		400,000
<u>Dept. 4350 Recreation</u>				
6210	Incremental increase to fund Salaries and Benefits	90,594	-	90,594
	Lugo Park Soccer Field and Restroom Rehabilitation Project	<u>375,000</u>	<u>-</u>	<u>375,000</u>
Total		\$ 1,118,055	\$ (91,172)	\$ 1,026,883

Dept: 4001 City Council

6753	Legislative advocate for Successor Agency and City matters	16,000.00
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Dept: 4008 City Clerk

6310	Publishing expenses of ordinances and other required matters in local newspapers	15,000.00
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Dept: 4015 Personnel

6720	Human resources consultant	47,000.00
5100	Incremental increase included in MOU with Cudahy Employee Association	30,000.00
5141	Initial payment toward Unfunded Retirement Liability	128,700.48

Dept: 4020 City Hall Operations

6014	Ricoh Production Machine - 8 months lease and servicing contract	41,400.00
6720	MCE - Facilities maintenance contract	32,400.00
6010	Restroom Repair	10,489.00
6080	Cleaning supplies needed prior to transition to facilities maintenance contract	2,791.52

Dept: 4350 Recreation

6720	Contract for recreational programs	41,300
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Sub-Total new or increased requests 365,081

Net Change to Use of General Fund Balance per Resolution \$ 273,909

Notes:

Shaded areas are new or increased requests