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

CUDAHY CITY
COUNCIL CHAMBERS
5240 Santa Ana Street
Cudahy, CA 90201
Phone: (323) 773-5143
Fax: (323) 771-2072

AGENDA

A REGULAR MEETING
OF THE CUDAHY CITY COUNCIL
And JOINT MEETING Of The
CITY OF CUDAHY AS SUCCESSOR AGENCY
TO THE CUDAHY DEVELOPMENT COMMISSION
Tuesday, May 19, 2015 – 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.

Pursuant to Government Code Section 54953(b), this meeting will include a teleconference location at Holiday Inn Express & Suites Delafield Hotel 3030 Golf Road, Delafield, WI 53018. Council Member Sanchez will be participating via teleconference. The public will have the opportunity to address the City Council at this teleconference location pursuant to Government Code Section 54954.3. All votes during the teleconferencing session will be conducted by roll call vote. The teleconference location will be accessible to the public and the agenda will be posted at the teleconference location 72 hours before 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

5. ORAL COMMUNICATIONS

(Mayor: This is the time set aside for citizens to address the City Council/Agency on matters relating to City Business. Anyone wishing to speak, please fill out the form located at the Council Chambers entrance and submit it to the City Clerk when approaching the podium. **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.)

6. CITY COUNCIL COMMENTS

(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. 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: It is Recommended that the City Council/Agency Approve the Waiver of Full Reading of Resolutions and Ordinances.

9. 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.) (COUNCIL/AGENCY)

A. Consideration to Approve the City Demands and Payroll Including Cash and Investment Report for the Month of March 2015

Presented by Finance Director

CONSENT CALENDAR ITEM 9 Continued

Recommendation: Approve the Demands and Payroll in the Amount of $1,420,997.05 Including Cash and Investment Report by Fund for the Month of March 2015

B. Consideration to Approve the Local Agency Investment Fund (LAIF) Report for the Month of March 2015

Presented by Finance Director

Recommendation: Approve the Local Agency Investment Fund (LAIF) Report for the Month of March 2015 in the amount of $6,167,111.90

C. Consideration to Approve a Second Amendment of the Community Development Block Grant Contract (CDBG) with Dapeer, Rosenblit, Litvak, LLP. For Prosecutor Services

Presented by Acting Community Development Director

Recommendation: Approve the Second Amendment to the CDBG Contract with Dapeer, Rosenblit, Litvak, LLP for Prosecution Services for One Year, in an Amount Not-To-Exceed $50,000, Funded by CDBG

D. Consideration to Approve First Amendment of the Community Development Block Grant (CDBG) Contract with Juvenile Assistance Diversion Effort (JADE) for Youth Counseling Services

Presented by Acting Community Development Director

Recommendation: Approve the First Amendment to the CDBG Contract with JADE for Youth Counseling Services, in an Amount Not-To-Exceed $21,730 for One Year, Funded by CDBG

E. Consideration to Approve a First Amendment to the Professional Services Agreement with Avant Garde, Inc., for Labor Compliance Services

Presented by Acting Community Development Director

Recommendation: Approve the First Amendment to the Professional Services Agreement (PSA) with Avant Garde, Inc. for the Bedwell Hall Re-Roofing Project in an Amount Not-To-Exceed $532.50, Funded by CDBG

F. Consideration to Approve a Professional Services Agreement with Twining, Inc., for Materials Testing Services for the Cudahy Citywide Street Improvement Project - Prop 1B

Presented by Assistant City Engineer

Recommendation: Approve a Professional Services Agreement with Twining, Inc., for Materials Testing Services in the Amount of $7,575 from Prop 1B Funds

CONSENT CALENDAR ITEM 9 Continued

G. Consideration to Adopt Resolution No. 15-18 to Restate the Rules for Placing Items on the City Council Agendas and Establish an Agenda Structure

Presented by Deputy City Clerk

Recommendation: Adopt Resolution No. 15-18, to Restate the Rules for Placing Items on the City Council Agendas and Establish an Agenda Structure

H. Consideration to Approve First Amendment of Professional Services Agreement with Paragon Partners, LTD. for Residential Tenant Relocation Services for the Clara Park Expansion Project Phase III

Presented by Acting Community Development Director

Recommendation: Approve the First Amendment to the Professional Services Agreement (PSA) with Paragon Partners, LTD for Residential Tenant Relocation Services Required in Order to Expedite the Clara Park Expansion Project Phase III in Order to Complete the Project and Submit All Reimbursement Requests Before April 30, 2015 in an Amount Not-To-Exceed $5,500 Funded by the General Fund

I. Consideration to Approve an Amendment to the previously approved Asset Transfer Agreement between the Cudahy Economic Corporation and Cudahy Successor Agency dated January 29, 2015

Presented by Assistant City Attorney

Recommendation: Approve the proposed Amendment to permit the immediate transfer of real property assets that are in the Cudahy Economic Corporation's possession to the Cudahy Successor Agency without requiring approval from the Oversight Board and Department of Finance ("DOF") in light of DOF's April 23, 2015 letter to the Successor Agency that it would not take a position concerning the Asset Transfer Agreement

J. Consideration to Approve the Non Real Property Asset Transfer Agreement dated May 19, 2015

Presented by Assistant City Attorney

Recommendation: Approve the Non Real Property Asset Transfer Agreement to permit the immediate transfer of non-real property assets that are in the Cudahy Economic Corporation's possession to the Cudahy Successor Agency without requiring the approval of the Oversight Board and Department of Finance ("DOF") in light of DOF's April 23, 2015 letter to the Successor Agency that it would not take a position concerning the Asset Transfer Agreement

10. CITY COUNCIL BUSINESS SESSION

A. Consideration to Adopt Resolution No. 15-19, Authorizing Participation in the Municipal Insurance Purchasing Cooperative Joint Powers Authority (MIC)

Presented by City Manager

Recommendation:

i. Approve Participation in the Municipal Insurance Purchasing Cooperative Joint Powers Authority (MIC) for the City's General Liability, Workers' Compensation, Property and Other Insurance Needs; and

ii. Adopt Resolution 15-19, Authorizing Membership in MIC and Appointing Two Representatives as the Official Representatives to the MIC JPA; and

iii. Approve the Municipal Insurance Purchasing Cooperative Joint Exercise of Powers Agreement.

B. Consideration of Adopt Ordinance No. 647 by Second Reading Amending Cudahy Municipal Code Section 5.08.070 to Allow Charitable Bingo Games

Presented by Deputy City Clerk

Recommendation: Adopt Ordinance No. 647, Allowing Charitable Bingo Games in the City, by a Second Reading of the Title Only

11. COUNCIL DISCUSSION

A. Discussion on Citations/Fee Increase (Sanchez)

B. Discussion on Czar Position to Evaluate/Overhaul City Sports Programs (Garcia)

C. Discussion on Rental Property License Permit and Outstanding Fees (Sanchez)

D. Discussion on Reassignment of Council Members and Committees/Boards (Hernandez)

12. 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

13. CLOSED SESSION

A. Closed Session Pursuant to Government Code Section 54956.9(d)(1) – Conference with Legal Counsel to Discuss Existing Litigation Case Name: Barranco v. City of Cudahy Case Number: CV 14-09132JAK (AGRx), United States District Court, Central District of California

B. Closed Session Pursuant to Government Code Section 54957.6(a) – Conference with Labor Negotiator Regarding Represented Employees City's Designated Representative(s) for Negotiations: Jose Pulido, City Manager and Oliver Yee, Special Counsel Employee Organization: Cudahy Miscellaneous Employees Association (CMEA)

C. Pursuant to Government Code Section 54956.9(d) (2) and 54956.9(e) (1) – Conference with Legal Counsel to Discuss Matter Involving Potential Litigation and/or Significant Exposure to Litigation – [Two (2) Matters] - This matter will be heard jointly by the Cudahy City Council and the Cudahy City Council in its capacity as Successor Agency to the Cudahy Redevelopment Agency

RECONVENE TO OPEN SESSION

14. CLOSED SESSION ANNOUNCEMENT

15. ADJOURNMENT

Cudahy City Council/Agency will adjourn to a Regular and Joint Meeting as Successor Agency to the Cudahy Development Commission on Monday, June 8, 2015 at 6:30 p.m.

I Victor H. Ferrer, 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 14th Day of May 2015

Victor H. Ferrer
Deputy City Clerk

Item Number

9A

STAFF REPORT

Date: May 19, 2015

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

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

Subject: **Consideration to Approve the Demands and Payroll Including Cash and Investment Report by Fund for the Month of March 2015**

RECOMMENDATION

The City Council is requested to approve the Demands and Payroll in the amount of $1,420,997.05 including Cash and Investment Report by Fund for the month of March 2015.

BACKGROUND

1. On July 13, 1993, Ordinance 476 was adopted and codified as Cudahy Municipal Code Section 3.04.080 indicates, "Except as otherwise provided, no warrant shall be drawn or evidence of indebtedness issued unless there shall be at the time sufficient money in the treasury legally applicable to the payment of the same."

2. On March 2015, the following demands and payroll have been audited by the Finance Department:

Demands	$1,229,143.51	(Attachment A)
Payroll Warrants	$119,444.82	(Attachment B)
	$ 69,508.47	(Attachment B)

ANALYSIS

The attached Check Register Report (Attachment A), Payroll Warrants including payroll taxes and insurance premiums (Attachment B), and Cash and Investment Report by Fund March 2015 (Attachment C) indicate that the Cash and Investment balance was sufficient to apply to the disbursements for the month of March 2015.

Cudahy Municipal Code Section 3.04.070 indicates, "...Budgeted demands paid by warrant prior to audit by the council shall be presented to the council for ratification and approval..."

CONCULSION

The Finance Director certifies to the accuracy and availability of funds for payment. A Demand/Warrant Register has been submitted to the City Council for approval in accordance with Cudahy Municipal Code Section 3.04.070.

FINANCIAL IMPACT

The Cash and Investment Report by Fund (Attachment C) indicates how the total disbursements of $1,420,997.05 were distributed to the funds of the City.

ATTACHMENTS

A. Check Register Report
B. Payroll Warrants including payroll taxes and insurance premiums
C. Cash and Investment Report by Fund March 2015

Check Register Report

City of Cudahy

BANK: WELLS FARGO BANK

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38250	03/04/2015	10009	AAA BACKFLOW DEVICE TESTING,	360.00	360.00
		Printed	TEST BACKFLOW DEVICES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26511	001-4410-6712.000	360.00	0.00	360.00
			Check Amount	360.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38251	03/04/2015	9966	AT & T LONG DISTANCE SERVICE	80.14	80.14
		Printed	LONG DISTANCE PHONE SERVICE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26509	001-4020-6390.000	80.14	0.00	80.14
			Check Amount	80.14

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38252	03/04/2015	8021	AT & T MOBILITY	571.02	571.02
		Printed	CELLULAR SERVICES JAN 7-FEB 6	0.00	

Ref#	GL Number	Gross	Discount	Amount
26515	001-4020-6390.000	426.18	0.00	426.18
26515	201-4425-6390.000	71.99	0.00	71.99
26515	001-4011-6390.000	72.85	0.00	72.85
			Check Amount	571.02

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38253	03/04/2015	8350	CALIFORNIA ASSOCIATION OF	75.00	75.00
		Printed	2015 CACEO MEMBERSHIP DUES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26510	510-4230-6386.000	75.00	0.00	75.00
			Check Amount	75.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38254	03/04/2015	10046	CAMINO REAL CHEVROLET	535.34	535.34
		Printed	SERVICED VEH #16	0.00	

Ref#	GL Number	Gross	Discount	Amount
26526	001-4410-6394.000	535.34	0.00	535.34
			Check Amount	535.34

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38255	03/04/2015	6045	CONTRERAS GARDEN SUPPLY	369.00	369.00
		Printed	PURCHASED WEED WACKER	0.00	

Ref#	GL Number	Gross	Discount	Amount
26523	001-4410-6770.000	369.00	0.00	369.00
			Check Amount	369.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38256	03/04/2015	5552	CUDAHY AUTO CENTER	988.55	988.55
		Printed	SERVICE MUNI VEH # 1379348	0.00	

Ref#	GL Number	Gross	Discount	Amount
26507	001-4530-6394.000	988.55	0.00	988.55
			Check Amount	988.55

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38257	03/04/2015	10018	ESTRADA HILDA	2,000.00	2,000.00
		Printed	INTERPRETER FEB 17 & 25, 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26504	001-4020-6720.000	800.00	0.00	800.00
26505	001-4020-6720.000	1,200.00	0.00	1,200.00
			Check Amount	2,000.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38258	03/04/2015	0569	FEDERAL EXPRESS SERVICES	125.69	125.69
		Printed	FEDEX EXPRESS SHIPMENT CHARGE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26517	001-4020-6385.000	88.31	0.00	88.31
26518	001-4020-6385.000	37.38	0.00	37.38
			Check Amount	125.69

38259	03/04/2015	9980	FERRER VICTOR	41.00	41.00
		Printed	FEES: BOND FOR NOTARY PUBLIC	0.00	

Ref#	GL Number	Gross	Discount	Amount
26516	001-4008-6740.000	41.00	0.00	41.00
			Check Amount	41.00

38260	03/04/2015	2724	HOME DEPOT CREDIT SERVICES	1,149.79	1,149.79
		Printed	HARDWARE AND SUPPLIES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26502	001-4410-6140.000	86.13	0.00	86.13
26502	201-4425-6150.000	38.79	0.00	38.79
26502	001-4020-6010.000	577.47	0.00	577.47
26502	001-4410-6389.000	447.40	0.00	447.40
			Check Amount	1,149.79

38261	03/04/2015	10106	HR DYNAMICS & PERFORMANCE MGNT	16,861.05	16,861.05
		Printed	H. R. CONSULTANT FEB16-28 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26522	610-4930-6720.000	4,845.00	0.00	4,845.00
26522	610-4930-6391.000	1,870.00	0.00	1,870.00
26524	001-4015-6720.000	4,633.65	0.00	4,633.65
26525	001-4015-6720.000	5,512.40	0.00	5,512.40
			Check Amount	16,861.05

38262	03/04/2015	8057	KONICA MINOLTA BUSINESS	222.54	222.54
		Printed	MONTHLY SERV DIGITAL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26519	001-4020-6370.000	222.54	0.00	222.54
			Check Amount	222.54

38263	03/04/2015	0197	LA COUNTY SHERIFF'S DEPARTMENT	297,802.53	297,802.53
		Printed	LAW ENFORCEMENT DECEMBER	0.00	

Ref#	GL Number	Gross	Discount	Amount
26527	001-4501-6763.000	297,802.53	0.00	297,802.53
			Check Amount	297,802.53

38264	03/04/2015	9970	OLIVAREZ MADRUGA, P.C.	33,256.64	33,256.64
		Printed	LEGAL SERVICES OCTOBER 2014	0.00	

Ref#	GL Number	Gross	Discount	Amount
26514	610-4930-6391.000	604.50	0.00	604.50
26514	280-7008-6755.000	507.00	0.00	507.00
26514	610-4930-6755.000	1,003.00	0.00	1,003.00
26514	001-4005-6755.000	7,673.40	0.00	7,673.40
26514	610-4930-6764.000	4,073.24	0.00	4,073.24

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	26514	001-4005-6720.000	19,395.50	0.00 / 19,395.50	
				Check Amount 33,256.64	
38265	03/04/2015	5129	OSUNA SINALOA AUTO GLASS	73.16	73.16
		Printed	REMOVE WINDOW TINT CODE VEH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26520	001-4530-6394.000	36.58	0.00	36.58
26521	001-4530-6394.000	36.58	0.00	36.58
			Check Amount	73.16

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38266	03/04/2015	9717	PCAM, LLC	15,241.86	15,241.86
		Printed	SHUTTLE SERVICE DECEMBER 2014	0.00	

Ref#	GL Number	Gross	Discount	Amount
26506	251-4740-6780.000	15,241.86	0.00	15,241.86
			Check Amount	15,241.86

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38267	03/04/2015	0070	SOUTHERN CALIFORNIA EDISON	6,472.02	6,472.02
		Printed	ELECTRICITY BILLS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26508	201-4420-6318.000	1,192.71	0.00	1,192.71
26508	001-4020-6318.000	5,279.31	0.00	5,279.31
			Check Amount	6,472.02

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38268	03/04/2015	10139	TEAM EXPRESS	4,000.00	4,000.00
		Printed	BASKETBALL JERSEYS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26503	001-4350-6250.000	4,000.00	0.00	4,000.00
			Check Amount	4,000.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38269	03/04/2015	9626	THE BANCORP BANK	1,154.24	1,154.24
		Printed	2012 FORD FUSION HYBRID 2 VEH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26529	257-4780-6393.000	1,154.24	0.00	1,154.24
			Check Amount	1,154.24

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38270	03/04/2015	2859	UNDERGROUND SERVICE ALERT-SC	12.00	12.00
		Printed	DIG ALERT TICKETS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26528	201-4425-6735.000	12.00	0.00	12.00
			Check Amount	12.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38271	03/04/2015	9951	WILLDAN	1,130.00	1,130.00
		Printed	BUILDING SERV AUG25 - SEP26	0.00	

Ref#	GL Number	Gross	Discount	Amount
26512	001-4212-6720.000	570.00	0.00	570.00
26513	001-4212-6720.000	560.00	0.00	560.00
			Check Amount	1,130.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38272	03/11/2015	4550	235- PRAXAIR DISTRIBUTION INC.	42.43	42.43
		Printed	CYLINDER RENTAL	0.00	

Ref#	GL Number	Gross	Discount	Amount

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	26570	201-4425-6150.000	42.43	0.00	42.43
				Check Amount	42.43
38273	03/11/2015	1778	ALL CITY MANAGEMENT	2,041.06	2,041.06
		Printed	CROSSING GUARD FEB 1 - 14,2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26538	001-4520-6730.000	2,041.06	0.00	2,041.06
			Check Amount	2,041.06

38274	03/11/2015	9603	ALLY	482.90	482.90
		Printed	2010 GMC SIERRA TRUCK	0.00	

Ref#	GL Number	Gross	Discount	Amount
26559	257-4780-6393.000	482.90	0.00	482.90
			Check Amount	482.90

38275	03/11/2015	7995	AMERICAN CITY PEST CONTROL	484.00	484.00
		Printed	PEST CONTROL FEBRUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26533	001-4020-6720.000	101.00	0.00	101.00
26534	001-4020-6720.000	101.00	0.00	101.00
26535	001-4020-6720.000	117.00	0.00	117.00
26536	001-4020-6720.000	101.00	0.00	101.00
26537	001-4020-6720.000	64.00	0.00	64.00
			Check Amount	484.00

38276	03/11/2015	6096	CLEAN SOURCE INC	562.62	562.62
		Printed	SERVICE/REPAIR POWER EAGLE800	0.00	

Ref#	GL Number	Gross	Discount	Amount
26560	001-4020-6010.000	24.70	0.00	24.70
26569	001-4410-6770.000	537.92	0.00	537.92
			Check Amount	562.62

38277	03/11/2015	5189	COMMUNITY DEVELOPMENT COMM	500.00	500.00
		Printed	CDBG PROGRAM INCOME BARRAGON	0.00	

Ref#	GL Number	Gross	Discount	Amount
26554	510-0000-4550.000	500.00	0.00	500.00
			Check Amount	500.00

38278	03/11/2015	2289	CONSOLIDATED DISPOSAL	17,995.85	17,995.85
		Printed	REFUSE ASSESSMENT FEBRUARY2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26577	730-0000-2007.000	17,995.85	0.00	17,995.85
			Check Amount	17,995.85

38279	03/11/2015	0186	COUNTY OF LOS ANGELES	4,768.87	4,768.87
		Printed	ANIMAL CARE & CONTROL JANUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26539	001-4510-6703.000	4,768.87	0.00	4,768.87
			Check Amount	4,768.87

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38280	03/11/2015	5552	CUDAHY AUTO CENTER	532.08	532.08
		Printed	MAINT VEH#12; FUEL PUMP SERVIC	0.00	

Ref#	GL Number	Gross	Discount	Amount
26544	001-4410-6394.000	532.08	0.00	532.08
			Check Amount	532.08

38281	03/11/2015	10073	DOBRENEN STEVEN	219.50	219.50
		Printed	PER DIEM CSMF CONFERENCE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26541	001-4151-6392.000	96.00	0.00	96.00
26542	001-4151-6392.000	123.50	0.00	123.50
			Check Amount	219.50

38282	03/11/2015	9998	DOWNEY SIGN & LIGHTING	1,096.64	1,096.64
		Printed	EMERGENCY CALL -REMOVED LOT	0.00	

Ref#	GL Number	Gross	Discount	Amount
26562	001-4020-6010.000	276.74	0.00	276.74
26563	001-4020-6010.000	190.00	0.00	190.00
26564	001-4020-6010.000	302.90	0.00	302.90
26565	001-4020-6010.000	327.00	0.00	327.00
			Check Amount	1,096.64

38283	03/11/2015	9721	EXSTATIC PRINTING	1,600.00	1,600.00
		Printed	BASKETBALL JERSEYS SILK SCREEN	0.00	

Ref#	GL Number	Gross	Discount	Amount
26547	001-4350-6250.000	1,600.00	0.00	1,600.00
			Check Amount	1,600.00

38284	03/11/2015	9983	FIESTA TAXI COOPERATIVE, INC.	2,979.56	2,979.56
		Printed	DIAL A RIDE SERVICES JANUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26572	252-4750-6780.000	2,979.56	0.00	2,979.56
			Check Amount	2,979.56

38285	03/11/2015	6087	FIRST AMERICAN DATA TREE	99.00	99.00
		Printed	SERVICE RENDERED FEBRUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26556	001-4215-6080.000	99.00	0.00	99.00
			Check Amount	99.00

38286	03/11/2015	10065	GIGLIOTTI CHIARA	3,137.48	3,137.48
		Printed	STORAGE/RELOCATION COST	0.00	

Ref#	GL Number	Gross	Discount	Amount
26581	280-7018-6725.000	3,137.48	0.00	3,137.48
			Check Amount	3,137.48

38287	03/11/2015	0126-1	GOLDEN STATE WATER COMPANY	31.15	31.15
		Printed	WATER SERVICE JAN 22 - FEB 20	0.00	

Ref#	GL Number	Gross	Discount	Amount
26543	001-4020-6395.000	31.15	0.00	31.15

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
			Check Amount	31.15	
38288	03/11/2015	7057	GOVERNMENT FINANCE	225.00	225.00
		Printed	MEMBERSHIP RENEWAL MAR15-FEB16	0.00	

Ref#	GL Number	Gross	Discount	Amount
26575	001-4151-6386.000	225.00	0.00	225.00

			Check Amount	225.00
38289	03/11/2015	2139-2	HDL COREN & CONE	1,250.00	1,250.00
		Printed	PROPERTY TAX JAN - MAR2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26558	001-4151-6720.000	1,250.00	0.00	1,250.00

			Check Amount	1,250.00
38290	03/11/2015	2139	HINDERLITER DELLAMAS & ASST	1,874.86	1,874.86
		Printed	SALES TAX 1ST QUATER 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26532	001-4151-6720.000	1,874.86	0.00	1,874.86

			Check Amount	1,874.86
38291	03/11/2015	9687	HOLIDAY GOO	344.79	344.79
		Printed	CANDY FILLED EGGS FOR	0.00	

Ref#	GL Number	Gross	Discount	Amount
26553	001-4350-6585.000	344.79	0.00	344.79

			Check Amount	344.79
38292	03/11/2015	9468-2	INTERNAL REVENUE SERVICE	1,074.66	1,074.66
		Printed	ASSESSMENT - COLLECTION	0.00	

Ref#	GL Number	Gross	Discount	Amount
26579	001-4151-6710.000	677.34	0.00	677.34
26580	001-4151-6710.000	397.32	0.00	397.32

			Check Amount	1,074.66
38293	03/11/2015	9723	IT SYSTEMHOUSE, INC.	3,200.00	3,200.00
		Printed	IT OUTSOURCING SERV FEBRUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26557	001-4020-6720.000	3,200.00	0.00	3,200.00

			Check Amount	3,200.00
38294	03/11/2015	2378	ITL, INC.	348.68	348.68
		Printed	FUEL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26540	001-4410-6040.000	84.99	0.00	84.99
26540	001-4530-6040.000	150.20	0.00	150.20
26540	201-4425-6040.000	113.49	0.00	113.49

			Check Amount	348.68
38295	03/11/2015	4553	J. V. PRINTING	45.78	45.78
		Printed	BUS CARDS COUNCILMAN SANCHEZ	0.00	

Ref#	GL Number	Gross	Discount	Amount
26566	001-4020-6970.000	45.78	0.00	45.78

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
			Check Amount	45.78	
38296	03/11/2015	9425	JK CONSTRUCTION	745.00	745.00
		Printed	7722 ATLANTIC #12 - THICKIT	0.00	

Ref#	GL Number	Gross	Discount	Amount
26555	510-4620-6767.000	745.00	0.00	745.00

			Check Amount	745.00	
38297	03/11/2015	1824	KNOTT'S BERRY FARM	1,425.00	1,425.00
		Printed	COMMUNITY EXCURSION MAY 23RD	0.00	

Ref#	GL Number	Gross	Discount	Amount
26550	252-4770-6510.000	1,425.00	0.00	1,425.00

			Check Amount	1,425.00	
38298	03/11/2015	9668	KONICA MINOLTA BUSINESS	236.38	236.38
		Printed	KONICA MINOLTA COPIER LEASE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26567	001-4020-6014.000	236.38	0.00	236.38

			Check Amount	236.38	
38299	03/11/2015	8133	L.A. GALAXY	1,155.00	1,155.00
		Printed	COMMUNITY EXCURSION JUNE 20TH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26548	252-4770-6510.000	1,155.00	0.00	1,155.00

			Check Amount	1,155.00	
38300	03/11/2015	4340	LOS ANGELES DODGERS	906.00	906.00
		Printed	COMMUNITY EXCURSION MAY 15TH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26549	252-4770-6510.000	906.00	0.00	906.00

			Check Amount	906.00	
38301	03/11/2015	10300	MARIA IBARRA	211.00	211.00
		Printed	REIMBURSE -EDUCATION INCENTIVE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26545	001-4155-6392.000	211.00	0.00	211.00

			Check Amount	211.00	
38302	03/11/2015	1338-1	METROPOLITAN TRANSPORTATION	5,354.00	5,354.00
		Printed	TAP JANUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26574	251-4760-6550.000	5,354.00	0.00	5,354.00

			Check Amount	5,354.00	
38303	03/11/2015	5187	OCCUPATIONAL HEALTH SERVICES	567.00	567.00
		Printed	PRE-EMPLOYMENT HEALTH EXAMS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26578	001-4015-6320.000	567.00	0.00	567.00

			Check Amount	567.00	

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38304	03/11/2015	5571	PARAGON PARTNERS	8,012.48	8,012.48
		Printed	RELOCATION SERVICE CLARA	0.00	

Ref#	GL Number	Gross	Discount	Amount
26551	280-7008-6720.000	8,012.48	0.00	8,012.48
			Check Amount	8,012.48

38305	03/11/2015	10181	PLAYGROUND SAFETY ANALYSTS	475.00	475.00
		Printed	1 PLAYGROUND AUDIT FEB 20TH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26568	001-4410-6389.000	475.00	0.00	475.00
			Check Amount	475.00

38306	03/11/2015	9737	REGIONAL TAP SERVICE CENTER	120.00	120.00
		Printed	REGULAR BUS PASS FEBRUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26573	251-4760-6550.000	120.00	0.00	120.00
			Check Amount	120.00

38307	03/11/2015	10178	STANLEY STEEMER	1,546.75	1,546.75
		Printed	CLEANED CARPET @ CUDAHY LIBRAR	0.00	

Ref#	GL Number	Gross	Discount	Amount
26530	001-4020-6010.000	840.00	0.00	840.00
26531	001-4020-6010.000	706.75	0.00	706.75
			Check Amount	1,546.75

38308	03/11/2015	9991	TRANSTECH	2,839.92	2,839.92
		Printed	PLAN CHECK DECEMBER-JANUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26546	001-4212-6720.000	1,509.92	0.00	1,509.92
26552	280-7008-6720.000	1,330.00	0.00	1,330.00
			Check Amount	2,839.92

38309	03/11/2015	2859	UNDERGROUND SERVICE ALERT-SC	93.00	93.00
		Printed	DIG ALERT TICKETS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26571	201-4425-6735.000	93.00	0.00	93.00
			Check Amount	93.00

38310	03/11/2015	5169	VASQUEZ & COMPANY	34,158.75	34,158.75
		Printed	PROFESSIONAL SERVICES AUDIT	0.00	

Ref#	GL Number	Gross	Discount	Amount
26576	001-4151-6710.000	34,158.75	0.00	34,158.75
			Check Amount	34,158.75

38311	03/11/2015	0552	BELL PLUMBING & HEATING	325.00	325.00
		Printed	LUGO PARK -HYDROJETTED SEWER	0.00	

Ref#	GL Number	Gross	Discount	Amount
26582	001-4020-6010.000	325.00	0.00	325.00
			Check Amount	325.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38312	03/18/2015	1778	ALL CITY MANAGEMENT	1,806.84	1,806.84
		Printed	CROSSING GUARD FEB 15 - 28	0.00	

Ref#	GL Number	Gross	Discount	Amount
26608	001-4520-6730.000	1,806.84	0.00	1,806.84
			Check Amount	1,806.84

38313	03/18/2015	8022	AMERICAN TRANSPORTATION	1,145.28	1,145.28
		Printed	COM EXCURSION FEBRUARY 14 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26621	252-4770-6780.000	1,145.28	0.00	1,145.28
			Check Amount	1,145.28

38314	03/18/2015	0057-1	AT & T INTERNET SERVICES	98.00	98.00
		Printed	CLARA PARK INTERNET 134653270	0.00	

Ref#	GL Number	Gross	Discount	Amount
26585	001-4020-6396.000	54.00	0.00	54.00
26586	001-4020-6396.000	44.00	0.00	44.00
			Check Amount	98.00

38315	03/18/2015	9966	AT & T LONG DISTANCE SERVICE	142.13	142.13
		Printed	LONG DISTANCE PHONE SERVICE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26595	001-4020-6390.000	142.13	0.00	142.13
			Check Amount	142.13

38316	03/18/2015	0057-2	AT & T PHONE SERVICE	2,010.66	2,010.66
		Printed	LANDLINE PHONE JAN 25 - FEB 27	0.00	

Ref#	GL Number	Gross	Discount	Amount
26589	001-4020-6390.000	2,010.66	0.00	2,010.66
			Check Amount	2,010.66

38317	03/18/2015	0552	BELL PLUMBING & HEATING	519.48	519.48
		Printed	REPAIRED DRINKING FOUNTAIN	0.00	

Ref#	GL Number	Gross	Discount	Amount
26611	001-4020-6010.000	519.48	0.00	519.48
			Check Amount	519.48

38318	03/18/2015	7019	BUSINESS CARD	3,981.22	3,981.22
		Printed	CREDIT CARD FEBRUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26583	001-4015-6392.000	237.60	0.00	237.60
26583	280-7018-6725.000	3,020.00	0.00	3,020.00
26583	001-4642-6515.000	91.98	0.00	91.98
26583	001-4020-6080.000	148.14	0.00	148.14
26583	001-4020-6375.000	108.50	0.00	108.50
26583	001-4020-6396.000	375.00	0.00	375.00
			Check Amount	3,981.22

38319	03/18/2015	0136	CITY OF SOUTH GATE	75.00	75.00
		Printed	SIGNAL MAINTENANCE MARCH 2015	0.00	

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount

Ref#	GL Number	Gross	Discount	Amount
26605	201-4420-6771.000	75.00	0.00	75.00
			Check Amount	75.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38320	03/18/2015	4813	CRAFCO INC.	2,773.44	2,773.44
		Printed	HIGH PERFORMANCE ASPHALT PATCH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26607	201-4425-6150.000	2,773.44	0.00	2,773.44
			Check Amount	2,773.44

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38321	03/18/2015	10005	DAPEER, ROSENBLIT & LITVAK	4,025.59	4,025.59
		Printed	PROFESSIONAL SERVICES FEBRUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26601	510-4230-6755.000	392.09	0.00	392.09
26602	510-4230-6755.000	3,633.50	0.00	3,633.50
			Check Amount	4,025.59

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38322	03/18/2015	10179	EMPIRE CLEANING SUPPLY	2,107.36	2,107.36
		Printed	CUSTODIAL SUPPLIES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26598	001-4020-6010.000	2,107.36	0.00	2,107.36
			Check Amount	2,107.36

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38323	03/18/2015	10145	FRED PRYOR SEMINARS	79.00	79.00
		Printed	ONE DAY SEMINAR "EXCEL"	0.00	

Ref#	GL Number	Gross	Discount	Amount
26613	001-4151-6392.000	79.00	0.00	79.00
			Check Amount	79.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38324	03/18/2015	10187	FUEL CREATIVE GROUP	5,500.00	5,500.00
		Printed	PROFESSIONAL SERVICES JANUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26627	001-4011-6720.000	5,500.00	0.00	5,500.00
			Check Amount	5,500.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38325	03/18/2015	0126-1	GOLDEN STATE WATER COMPANY	1,706.97	1,706.97
		Printed	WATER SERVICE JAN 26 - FEB 24	0.00	

Ref#	GL Number	Gross	Discount	Amount
26596	001-4020-6395.000	1,706.97	0.00	1,706.97
			Check Amount	1,706.97

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38326	03/18/2015	10053	HAULAWAY STORAGE CONTAINERS	74.20	74.20
		Printed	21FT STORAGE CONTAINER FEBRUAR	0.00	

Ref#	GL Number	Gross	Discount	Amount
26604	001-4020-6970.000	74.20	0.00	74.20
			Check Amount	74.20

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38327	03/18/2015	10150	HIRSCH & ASSOCIATES, INC.	2,040.00	2,040.00
		Printed	CLARA PARK EXPANSION PROJECT	0.00	

Ref#	GL Number	Gross	Discount	Amount

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	26619	280-7008-6720.000	2,040.00	0.00	2,040.00
				Check Amount	2,040.00
38328	03/18/2015	10106	HR DYNAMICS & PERFORMANCE MGNT	12,217.40	12,217.40
		Printed	CONSULTING SERV MAR 1 - MAR 14	0.00	

Ref#	GL Number	Gross	Discount	Amount
26584	001-4015-6720.000	5,417.40	0.00	5,417.40
26597	610-4930-6720.000	5,780.00	0.00	5,780.00
26597	610-4930-6391.000	1,020.00	0.00	1,020.00
			Check Amount	12,217.40

38329	03/18/2015	5710	JADE FAMILY SERVICES	4,402.32	4,402.32
		Printed	PARENTING CLASSES FEBRUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26623	510-4643-6720.000	2,112.82	0.00	2,112.82
26624	510-4643-6720.000	2,289.50	0.00	2,289.50
			Check Amount	4,402.32

38330	03/18/2015	6038	LGP EQUIPMENT RENTALS	244.95	244.95
		Printed	19FT SCISSOR LIFT RENTAL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26606	001-4020-6010.000	244.95	0.00	244.95
			Check Amount	244.95

38331	03/18/2015	10185	NATIONAL SEMINAR TRAINING	199.00	199.00
		Printed	ONE DAY SEMINAR "PAYROLL 2015"	0.00	

Ref#	GL Number	Gross	Discount	Amount
26625	001-4151-6392.000	199.00	0.00	199.00
			Check Amount	199.00

38332	03/18/2015	8247	NETWORK INNOVATION ASSOCIATES	278.00	278.00
		Printed	SATELLITE NETWORK APRIL 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26603	001-4020-6742.000	278.00	0.00	278.00
			Check Amount	278.00

38333	03/18/2015	1978-1	OFFICE DEPOT CREDIT PLAN	184.18	184.18
		Printed	OFFICE SUPPLIES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26600	001-4020-6014.000	22.30	0.00	22.30
26600	001-4020-6080.000	115.33	0.00	115.33
26600	001-4350-6080.000	46.55	0.00	46.55
			Check Amount	184.18

38334	03/18/2015	9970	OLIVAREZ MADRUGA, P.C.	30,396.17	30,396.17
		Printed	LEGAL SERVICES DECEMBER 2014	0.00	

Ref#	GL Number	Gross	Discount	Amount
26618	280-7008-6755.000	117.00	0.00	117.00
26618	610-4930-6391.000	5,008.50	0.00	5,008.50
26618	001-4005-6755.000	5,209.86	0.00	5,209.86
26618	610-4930-6391.000	1,106.50	0.00	1,106.50
26618	001-4005-6720.000	18,954.31	0.00	18,954.31

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
			Check Amount	30,396.17	
38335	03/18/2015	2802	SAM'S CLUB	349.59	349.59
		Printed	SNACKS/KITCHEN SUPPLIES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26599	001-4020-6080.000	98.43	0.00	98.43
26599	001-4350-6585.000	193.86	0.00	193.86
26599	001-4015-6392.000	57.30	0.00	57.30
			Check Amount	349.59

38336	03/18/2015	0069-2	SIEMENS INDUSTRY, INC.	14,515.99	14,515.99
		Printed	TRAFFIC RESPONSE CALLS JANUAR	0.00	

Ref#	GL Number	Gross	Discount	Amount
26614	201-4420-6771.000	10,983.57	0.00	10,983.57
26615	350-4430-6775.000	783.25	0.00	783.25
26616	201-4420-6771.000	674.61	0.00	674.61
26617	201-4420-6771.000	2,074.56	0.00	2,074.56
			Check Amount	14,515.99

38337	03/18/2015	0172	SMART & FINAL FOOD SERVICE	2,052.88	2,052.88
		Printed	KITCHEN SUPPLIES	0.00	

Ref#	GL Number	Gross	Discount	Amount
26622	001-4020-6080.000	15.57	0.00	15.57
26622	001-4642-6515.000	1,745.85	0.00	1,745.85
26622	001-4642-6515.000	291.46	0.00	291.46
			Check Amount	2,052.88

38338	03/18/2015	0070	SOUTHERN CALIFORNIA EDISON	10,213.73	10,213.73
		Printed	ELECTRICITY BILLS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26587	001-4020-6318.000	3,029.63	0.00	3,029.63
26587	201-4420-6318.000	109.59	0.00	109.59
26588	350-4430-6318.000	6,741.73	0.00	6,741.73
26588	001-4020-6318.000	218.30	0.00	218.30
26588	201-4420-6318.000	114.48	0.00	114.48
			Check Amount	10,213.73

38339	03/18/2015	0079	TRACT 180 WATER COMPANY	1,566.63	1,566.63
		Printed	WATER SERV 4840-4844 1/2 CLARA	0.00	

Ref#	GL Number	Gross	Discount	Amount
26591	001-4410-6395.000	1,157.56	0.00	1,157.56
26591	001-4020-6395.000	67.52	0.00	67.52
26591	201-4425-6395.000	74.88	0.00	74.88
26592	280-7018-6725.000	36.71	0.00	36.71
26593	280-7018-6725.000	204.96	0.00	204.96
26594	280-7018-6725.000	25.00	0.00	25.00
			Check Amount	1,566.63

38340	03/18/2015	0078	TRACT 349 MUTUAL WATER CO	222.55	222.55
		Printed	WATER SERVICE DEC 15 - FEB 15	0.00	

Ref#	GL Number	Gross	Discount	Amount
26590	001-4020-6395.000	105.10	0.00	105.10

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	26590	201-4425-6395.000	117.45	0.00	117.45
				Check Amount	222.55
38341	03/18/2015	5169	VASQUEZ & COMPANY	5,000.00	5,000.00
		Printed	PROFESSIONAL SERVICES (CEDC)	0.00	

Ref#	GL Number	Gross	Discount	Amount
26620	610-4930-6764.000	5,000.00	0.00	5,000.00
			Check Amount	5,000.00

38342	03/18/2015	5631	WELLS LOCK & KEY	72.00	72.00
		Printed	LOCK SMITH SERVICE FOR CITY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26612	001-4020-6370.000	72.00	0.00	72.00
			Check Amount	72.00

38343	03/18/2015	9951	WILLDAN	3,157.07	3,157.07
		Printed	BUILDING SERV JANUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26609	001-4212-6720.000	2,317.07	0.00	2,317.07
26610	001-4212-6720.000	840.00	0.00	840.00
			Check Amount	3,157.07

38344	03/18/2015	10186	ZHANCHAO XIAO	2,660.00	2,660.00
		Printed	APPLICATION - PERMIT NO 38.353	0.00	

Ref#	GL Number	Gross	Discount	Amount
26626	001-0000-4812.000	2,660.00	0.00	2,660.00
			Check Amount	2,660.00

38345	03/24/2015	7995	AMERICAN CITY PEST CONTROL	484.00	484.00
		Printed	PEST CONTROL MARCH 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26645	001-4020-6720.000	101.00	0.00	101.00
26646	001-4020-6720.000	101.00	0.00	101.00
26647	001-4020-6720.000	117.00	0.00	117.00
26648	001-4020-6720.000	101.00	0.00	101.00
26649	001-4020-6720.000	64.00	0.00	64.00
			Check Amount	484.00

38346	03/24/2015	9738	ARENT FOX LLP	1,127.20	1,127.20
		Printed	LEGAL SERVICES DECEMBER 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26631	001-4930-6391.000	468.00	0.00	468.00
26632	001-4930-6391.000	659.20	0.00	659.20
			Check Amount	1,127.20

38347	03/24/2015	8021	AT & T MOBILITY	571.02	571.02
		Printed	CELLULAR SERVICE FEB 7 - MAR 6	0.00	

Ref#	GL Number	Gross	Discount	Amount
26650	001-4020-6390.000	426.18	0.00	426.18
26650	201-4425-6390.000	71.99	0.00	71.99
26650	001-4011-6390.000	72.85	0.00	72.85

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
			Check Amount	571.02	
38348	03/24/2015	10123	B & V GROUP CORPORATION	45.00	45.00
		Printed	MUNI VEHICLE MAINTENANCE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26659	001-4530-6394.000	25.00	0.00	25.00
26660	001-4530-6394.000	20.00	0.00	20.00

			Check Amount	45.00	
38349	03/24/2015	8399	CABRERA JESSE	308.00	308.00
		Printed	UMPIRE FEBRUARY/MARCH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26637	001-4350-6230.000	308.00	0.00	308.00

			Check Amount	308.00	
38350	03/24/2015	10188	CABRERA RAYMOND	56.00	56.00
		Printed	UMPIRE MARCH 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26669	001-4350-6230.000	56.00	0.00	56.00

			Check Amount	56.00	
38351	03/24/2015	8061	CELEDON'S EXER. EQUIP. SERV.	1,732.39	1,732.39
		Printed	SERVICE DAMAGED FITNESS EQUIP	0.00	

Ref#	GL Number	Gross	Discount	Amount
26636	001-4350-6230.000	990.20	0.00	990.20
26640	001-4350-6230.000	742.19	0.00	742.19

			Check Amount	1,732.39	
38352	03/24/2015	4546	CENTRAL BASIN MUNICIPAL WATER	187.57	187.57
		Printed	RECYCLE WATER SERVICE JANUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26656	001-4020-6395.000	187.57	0.00	187.57

			Check Amount	187.57	
38353	03/24/2015	6096	CLEAN SOURCE INC	493.49	493.49
		Printed	SERVICED CARPET EXTRACTOR	0.00	

Ref#	GL Number	Gross	Discount	Amount
26653	001-4410-6389.000	493.49	0.00	493.49

			Check Amount	493.49	
38354	03/24/2015	9561	COST RECOVERY SYSTEMS	3,600.00	3,600.00
		Printed	STATE MANDATE CLAIMS FY13/14	0.00	

Ref#	GL Number	Gross	Discount	Amount
26635	001-4020-6720.000	3,600.00	0.00	3,600.00

			Check Amount	3,600.00	
38355	03/24/2015	0186	COUNTY OF LOS ANGELES	2,876.32	2,876.32
		Printed	ANIMAL CARE & CONTROL FEBRUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26652	001-4510-6703.000	2,876.32	0.00	2,876.32

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
			Check Amount	2,876.32	
38356	03/24/2015	1206	COUNTY OF LOS ANGELES IND WAST	1,362.17	1,362.17
		Printed	INDUSTRIAL WASTE FEBRUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26654	001-4216-6720.000	1,362.17	0.00	1,362.17
			Check Amount	1,362.17

38357	03/24/2015	5290	CUEVAS GILBERT	119.00	119.00
		Printed	UMPIRE MARCH 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26639	001-4350-6230.000	119.00	0.00	119.00
			Check Amount	119.00

38358	03/24/2015	9508	DELPHIN COMPUTER SUPPLY	195.11	195.11
		Printed	HP 3800 MAGENT TONER Q7583A	0.00	

Ref#	GL Number	Gross	Discount	Amount
26651	510-4230-6080.000	195.11	0.00	195.11
			Check Amount	195.11

38359	03/24/2015	10189	ESCOBAR GUADALUPE	76.00	76.00
		Printed	REFUND FOR PARKING PERMIT	0.00	

Ref#	GL Number	Gross	Discount	Amount
26668	001-0000-4910.000	76.00	0.00	76.00
			Check Amount	76.00

38360	03/24/2015	5139-1	GAONA CHUCK	385.00	385.00
		Printed	UMPIRE FEBRUARY/MARCH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26638	001-4350-6230.000	385.00	0.00	385.00
			Check Amount	385.00

38361	03/24/2015	10190	GARCIA MARIA ANGELICA	250.00	250.00
		Printed	FACE PAINTING EASTER FESTIVAL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26670	001-4350-6585.000	250.00	0.00	250.00
			Check Amount	250.00

38362	03/24/2015	2378	ITL, INC.	1,401.76	1,401.76
		Printed	FUEL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26664	001-4530-6040.000	160.15	0.00	160.15
26664	001-4410-6040.000	125.40	0.00	125.40
26665	001-4530-6040.000	243.00	0.00	243.00
26665	201-4425-6040.000	143.18	0.00	143.18
26665	001-4410-6040.000	159.71	0.00	159.71
26666	001-4530-6040.000	175.99	0.00	175.99
26666	201-4425-6040.000	126.34	0.00	126.34
26666	001-4410-6040.000	267.99	0.00	267.99
			Check Amount	1,401.76

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38363	03/24/2015	4553	J. V. PRINTING	232.17	232.17
		Printed	BUSINESS CARDS -JACK GUERRERO	0.00	

Ref#	GL Number	Gross	Discount	Amount
26643	001-4020-6970.000	200.56	0.00	200.56
26658	001-4020-6970.000	31.61	0.00	31.61
			Check Amount	232.17

38364	03/24/2015	10165	JOSE ISLAS, MARTHA MARMOLEJO	8,260.08	8,260.08
		Printed	CLARA EXPANSION PARK	0.00	

Ref#	GL Number	Gross	Discount	Amount
26642	280-7018-6725.000	8,260.08	0.00	8,260.08
			Check Amount	8,260.08

38365	03/24/2015	8057	KONICA MINOLTA BUSINESS	179.65	179.65
		Printed	MONTHLY SERV DIGITAL FEBRUARY	0.00	

Ref#	GL Number	Gross	Discount	Amount
26655	001-4020-6014.000	179.65	0.00	179.65
			Check Amount	179.65

38366	03/24/2015	0197	LA COUNTY SHERIFF'S DEPARTMENT	283,421.28	283,421.28
		Printed	LAW ENFORCEMENT JANUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26630	001-4501-6763.000	283,421.28	0.00	283,421.28
			Check Amount	283,421.28

38367	03/24/2015	1338-1	METROPOLITAN TRANSPORTATION	1,851.93	1,851.93
		Printed	TAP SEPTEMBER 2014	0.00	

Ref#	GL Number	Gross	Discount	Amount
26644	251-4760-6550.000	5,014.00	0.00	5,014.00
26644	251-4760-6550.000	-3,162.07	0.00	-3,162.07
			Check Amount	1,851.93

38368	03/24/2015	10191	MORENO DANNY	300.00	300.00
		Printed	BALLON TWISTIN EASTER FESTIVAL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26671	001-4350-6585.000	300.00	0.00	300.00
			Check Amount	300.00

38369	03/24/2015	7014	NATIONWIDE ENVIRONMENTAL	9,117.85	9,117.85
		Printed	STREET & PARK SWEEPING MARCH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26657	201-4425-6778.000	9,117.85	0.00	9,117.85
			Check Amount	9,117.85

38370	03/24/2015	1978	OFFICE DEPOT BUSINESS	245.34	245.34
		Printed	COPY PAPER	0.00	

Ref#	GL Number	Gross	Discount	Amount
26661	280-7008-6720.000	137.27	0.00	137.27
26662	001-4020-6080.000	1.83	0.00	1.83
26662	001-4020-6014.000	65.38	0.00	65.38

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	26663	001-4020-6014.000	40.86	0.00 / 40.86	
				Check Amount 245.34	
38371	03/24/2015	5765	ORANGE LINE	7,543.00	7,543.00
		Printed	ANNUAL MEMBERSHIP FY2015-2016	0.00	

Ref#	GL Number	Gross	Discount	Amount
26633	252-7032-1196.000	7,543.00	0.00	7,543.00
			Check Amount	7,543.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38372	03/24/2015	10004	TALAMANTES ROBERT	350.00	350.00
		Printed	DJ SERVICE EASTER FESTIVAL	0.00	

Ref#	GL Number	Gross	Discount	Amount
26641	001-4350-6585.000	350.00	0.00	350.00
			Check Amount	350.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38373	03/24/2015	9971	THE CAVANAUGH LAW GROUP, APLC	2,040.60	2,040.60
		Printed	LEGAL SERVICES FEBRUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26634	001-4930-6391.000	2,040.60	0.00	2,040.60
			Check Amount	2,040.60

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38374	03/24/2015	9991	TRANSTECH	1,540.01	1,540.01
		Printed	BUILDING PLAN CHECK	0.00	

Ref#	GL Number	Gross	Discount	Amount
26628	280-7008-6720.000	332.50	0.00	332.50
26629	280-7008-6720.000	1,207.51	0.00	1,207.51
			Check Amount	1,540.01

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38375	03/24/2015	8292	URBAN FUTURES, INC.	2,700.00	2,700.00
		Printed	REAL ESTATE ADVISORY NOV 2014	0.00	

Ref#	GL Number	Gross	Discount	Amount
26667	610-4930-6720.000	2,700.00	0.00	2,700.00
			Check Amount	2,700.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38376	03/27/2015	10192	F.S. CONSTRUCTION	252,652.50	252,652.50
		Printed	CLARA PARK EXPANSION PHASE II	0.00	

Ref#	GL Number	Gross	Discount	Amount
26672	280-7008-6725.000	252,652.50	0.00	252,652.50
			Check Amount	252,652.50

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38377	03/31/2015	10182	APA ENGINEERING, INC.	15,294.00	15,294.00
		Printed	CUDAHY CITYWIDE ST IMPROVEMENT	0.00	

Ref#	GL Number	Gross	Discount	Amount
26678	240-7080-6745.000	8,913.34	0.00	8,913.34
26678	240-7082-6745.000	3,240.80	0.00	3,240.80
26678	240-7081-6745.000	3,139.86	0.00	3,139.86
			Check Amount	15,294.00

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
38378	03/31/2015	0057-2	AT & T PHONE SERVICE	515.44	515.44
		Printed	LANDLINE PHONE FEB 8 - MAR 7	0.00	

Ref#	GL Number	Gross	Discount	Amount

Check Number	Check Date / Void/Stop Date	Vendor# / Status	Vendor Name / Check Description	Gross / Discount	Amount
	26676	001-4020-6390.000	515.44	0.00	515.44
				Check Amount	515.44
38379	03/31/2015	10106	HR DYNAMICS & PERFORMANCE MGNT	12,581.68	12,581.68
		Printed	H.R.CONSULTANT MAR 15 - MAR28	0.00	

Ref#	GL Number	Gross	Discount	Amount
26673	001-4001-6720.000	170.00	0.00	170.00
26673	001-4930-6391.000	765.00	0.00	765.00
26673	610-4930-6720.000	4,845.00	0.00	4,845.00
26674	001-4015-6720.000	6,801.68	0.00	6,801.68
			Check Amount	12,581.68

38380	03/31/2015	1338-1	METROPOLITAN TRANSPORTATION	5,241.00	5,241.00
		Printed	TAP FEBRUARY 2015	0.00	

Ref#	GL Number	Gross	Discount	Amount
26681	251-4760-6550.000	5,241.00	0.00	5,241.00
			Check Amount	5,241.00

38381	03/31/2015	0095	PETTY CASH	257.75	257.75
		Printed	PETTY CASH REIMBURSEMENT	0.00	

Ref#	GL Number	Gross	Discount	Amount
26680	001-4230-6080.000	5.00	0.00	5.00
26680	201-4425-6150.000	17.43	0.00	17.43
26680	001-4020-6010.000	56.70	0.00	56.70
26680	001-4215-6080.000	17.70	0.00	17.70
26680	001-4015-6320.000	10.00	0.00	10.00
26680	001-4350-6585.000	31.17	0.00	31.17
26680	001-4410-6140.000	119.75	0.00	119.75
			Check Amount	257.75

38382	03/31/2015	0070	SOUTHERN CALIFORNIA EDISON	6,853.83	6,853.83
		Printed	ELECTRICITY BILLS	0.00	

Ref#	GL Number	Gross	Discount	Amount
26677	201-4420-6318.000	1,206.06	0.00	1,206.06
26677	001-4020-6318.000	5,647.77	0.00	5,647.77
			Check Amount	6,853.83

38383	03/31/2015	9626	THE BANCORP BANK	1,154.24	1,154.24
		Printed	2012 FORD FUSION HYBRID 2 VEH	0.00	

Ref#	GL Number	Gross	Discount	Amount
26679	257-4780-6393.000	1,154.24	0.00	1,154.24
			Check Amount	1,154.24

38384	03/31/2015	0071	THE GAS COMPANY	94.74	94.74
		Printed	NATURAL GAS - 7810 OTIS AVE	0.00	

Ref#	GL Number	Gross	Discount	Amount
26675	001-4020-6380.000	94.74	0.00	94.74
			Check Amount	94.74

Total Checks:	**135**	**Bank Total(excluding void checks):**	**1,229,143.51**
Total Checks:	**135**	**Grand Total(excluding void checks):**	**1,229,143.51**

CITY OF CUDAHY

Payroll Warrants including payroll taxes and insurance premiums:

	March 5, 2015	March 19, 2015
Issued Warrants Number	19327 - 19391	19392 - 19443
Voided Warrants		
Issued Warrants Amounts	$ 8,676.07	$ 3,800.58
Direct Deposits (a)	53,353.88	54,301.02
CalPERS Direct Deposit (b)	29,720.98	
CalPERS Direct Deposit (c)	17,293.46	
Payroll taxes (d)	10,400.43	11,406.87
Total Amount	$ 119,444.82	$ 69,508.47
Note (a) - Employees / Council Members / Commissioners		
Note (b) - Payments for CalPERS medical insurance		
Note (c) - Payments for CalPERS retirement contributions		
Note (d) - Federal and State payroll taxes		

CITY OF CUDAHY

Cash and Investment Report by Fund March 2015

		February 2015	Receipts	Disbursements	March 2015
001	General Fund	3,871,490.02	205,294.22	928,588.38	3,148,195.86
040	Drug Assets Seizure Fund	34,991.51			34,991.51
201	State Gas Tax	1,171,405.44	58,426.17	46,572.26	1,183,259.35
240	Prop 1 B - Local Street Improv.	441,991.44		15,294.00	426,697.44
251	Prop C	235,975.26	33,380.12	28,989.11	240,366.27
252	Prop A	719,546.57	36,820.13	16,334.16	740,032.54
253	Measure R	554,376.79	23,184.42	6,400.29	571,160.92
257	AQMD	29,662.73	6,800.19	2,791.38	33,671.54
260	Used Oil	13,575.28			13,575.28
261	California Beverage Container	6,719.84			6,719.84
265	Recycling Grant	14,216.10			14,216.10
270	C.O.P.S	187,977.19	8,953.27		196,930.46
280	County Park Bond	(135,678.38)	87,968.00	282,420.49	(330,130.87)
300	CAL Home	74,841.53			74,841.53
350	Street Lighting Fund	48,047.56	1,497.10	7,524.98	42,019.68
510	CDBG	(92,863.09)	39,763.00	25,859.76	(78,959.85)
515	Federal STPL	-	357,629.00		357,629.00
610	Successor Agency	1,684,633.89	2,635.00	813,914.39	873,354.50
710	Youth Foundation	51,410.28	255.00		51,665.28
720	Senior's Account	132.80			132.80
730	Refuse Assessment	17,995.85		17,995.85	-
		8,930,448.61	862,605.62	2,192,685.05	7,600,369.18
	LAIF- CITY	6,167,111.90			6,167,111.90
	Wells Fargo	2,763,336.77	862,605.62	2,192,685.05	1,433,257.34
	TOTAL	8,930,448.67	862,605.62	2,192,685.05	7,600,369.24

Total cash disbursements per March Demand and Payroll Reports	
AP disbursements	1,229,143.51
Payroll - March 5, 2015	119,444.82
Payroll - March 19, 2015	69,508.47
Add: Total Bank charges in March 2015	783.08
Add: Credit card charges - conference lodging and tenant relocation	2,117.17
Add: Successor Agency - ROPS distributions	771,688.00
Total Cash Disbursements per March Cash & Investment Report	2,192,685.05

Item Number
9B

STAFF REPORT

Date: May 19, 2015

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

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

Subject: **Consideration to Approve the Local Agency Investment Fund (LAIF) for the Month of March 2015**

RECOMMENDATION

The City Council is requested to approve the Local Agency Investment Fund (LAIF) Report for the month of March 2015 in the amount of $6,167,111.90.

BACKGROUND

1. In 1955, the Pooled Money Investment Account (PMIA) started. LAIF became part of the PMIA. The oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee. The PMIB members consist of the State Treasurer, Director of Finance, and State Controller.

2. In 1977, LAIF was created as a voluntary program by Section 16429.1 et seq. of the California Government Code. The program was intended to be used as an investment alternative for California's local governments and special districts. The LAIF continues today under Treasurer John Chiang's administration.

3. On March 1, 2015, the balance in LAIF was $6,167,111.90 (Attachment A)

4. On March 31, 2015, the balance in LAIF was $6,167,111.90 (Attachment A)

ANALYSIS

The voluntary program offers local agencies the opportunity to participate in a major portfolio, which invests hundreds of millions of dollars, using the investment expertise of the State Treasurer's Office investment staff at no additional cost to the taxpayer.

All securities are purchased under the authority of Government Code Section 16430 and

16480.4. The State Treasurer's Office takes delivery of all securities purchased on a delivery versus payment basis using a third party custodian.

Cudahy Municipal Code Section 3.04.080 indicates, "Except as otherwise provided, no warrant shall be drawn or evidence of indebtedness issued unless there shall be at the time sufficient money in the treasure legally applicable to the payment of the same."

The report in Attachment A in conjunction with the Demands and Payroll for the Month of March 2015 including Investment Report by Fund for the Month of March 2015 demonstrate the sufficiency of fund available to pay demands and payroll as required by Cudahy Municipal Code Section 3.04.080.

CONCLUSION

Once Council approves the March 2015 LAIF then the LAIF ending balance may be relied upon when determining whether or not there is sufficient fund available to pay demand and payroll as required by Cudahy Municipal Code Section 3.04.080.

FINANCIAL IMPACT

None

ATTACHMENTS

A. Local Agency Investment Fund

LOCAL AGENCY INVESTMENT FUND

General Account - City #98-19-225

Beginning Balance as of:	**March 01, 2015**	**$6,167,111.90**
Ending Balance as of	**March 31, 2015**	**$6,167,111.90**
		==========

Item Number
9C

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/Executive Director
By: Michael Allen, Acting Community Development Director

Subject: **Consideration to Approve a Second Amendment to the Community Development Block Grant Contract (CDBG) with Dapeer, Rosenblit, Litvak, LLP. For Prosecutor Services**

RECOMMENDATION

The City Council is requested to approve the Second Amendment to the CDBG Contract with Dapeer, Rosenblit, Litvak, LLP for prosecution services for one year, in an amount not-to-exceed $50,000, funded by CDBG.

BACKGROUND

1. On March 5, 2013, the City entered into a contract with Dapeer, Rosenblit, Litvak, LLP for City prosecution services, set to expire June 30, 2014.

2. On June 3, 2014, City Council approved First Amendment to the Master Agreement for a one year extension, from July 1, 2014 to June 30, 2015.

3. On October 21, 2014, City Council approved a one-time allocation of $25,000 for the preparation of zoning code amendments to be completed by the City Prosecutor's office.

4. On January 20, 2015, the City Council allocated $175,000 towards Community Development Block Grant project, Code Enforcement.

5. On June 30, 2015, the First Amendment will expire resulting in a month-to-month continuation of services.

ANALYSIS

As part of the City's participation in the US Housing and Urban Development (HUD) CDBG program, which is administered by the Los Angeles County Community Development Commission (CDC), the City receives a yearly allocation of funds towards the implementation of a variety of projects. CDBG funded projects includes the Citywide Code Enforcement Program, which includes the services of a City Prosecutor. The City's Code Enforcement Program performs enforcement of municipal and other government codes as they pertain to property maintenance and zoning ordinances. Housing standards, land use, illegal construction, and related health and safety problems are the main focus of Code Enforcement activities.

The scope of services for City Prosecutor services includes investigation and prosecution of violations of City ordinances. Additionally, services include reviewing police or other City reports and request for criminal prosecution, making determinations on whether to file a criminal complaint, preparing and serving complaints, representing City at arraignments, interviewing witnesses, performing necessary legal research in connection with prosecution, recommending changes and amendments to Cudahy Municipal Code to facilitate enforcement and advising department directors and law enforcement personnel on criminal procedures. Currently all services aforementioned herein have been provided to meet and exceed the City's expectations.

CONCLUSION

If approved by City Council, the Second Amendment to Dapeer, Rosenblit, Litvak, LLP will commence July 1, 2015 and expire June 30, 2016. Upon expiration, the City will publish a Request For Proposals (RFP) for city prosecution services, as the existing contract may only be amended twice per the Master Agreement with Dapeer, Rosenblit, Litvak, LLP.

If the Second Amendment is not approved, the existing contract will continue on a month to month basis, while the City moves forward with a RFP consistent with the policies and procedures of HUD/CDBG.

FINANCIAL IMPACT

The Second Amendment is set not-to-exceed $50,000 and will be funded by CDBG. Council approved the allocation of $175,000 of CDBG funds towards the implementation of the Code Enforcement Program at the January 20, 2015 City Council meeting.

ATTACHMENTS

A. Amendment No. 2 to Community Development Block Grant Contract with Dapeer, Rosenblit, Litvak, LLP.
B. Amendment No. 1 to Community Development Block Grant Contract with Dapeer, Rosenblit, Litvak, LLP.

2015

SECOND AMENDMENT

TO COMMUNITY BLOCK GRANT CONTRACT

(Engagement: City Prosecution Services)

(Parties: Dapeer, Rosenblit, Litvak, LLP and City of Cudahy)

THIS SECOND AMENDMENT TO THE COMMUNITY BLOCK GRANT CONTRACT (the "Second Amendment") to that certain document entitled "Community Block Grant Services Contract" (the "Master Agreement") executed as of February 5, 2013, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and Dapeer, Rosenblit, Litvak, LLP (hereinafter, "Consultant") is made and entered into this 19th day of May 2015. For the purposes of this Second Amendment, 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 SECOND AMENDMENT is made and entered into with respect to the following facts:

WHEREAS, the City has entered into a Contract with the County of Los Angeles Community Development Commission (CDC), to execute the City's Community Development Block Grant (CDBG) Program, which includes this project; and

WHEREAS, City desires to continue engaging Consultant to prosecute violations of state, county and city ordinances in support of said program; and

WHEREAS, the principal members of Consultant are attorneys duly licensed under the laws of the State of California and experienced in providing prosecutorial services; and

WHEREAS, Operating Agency desires to continue to participate in said program and is qualified by reason of experience, preparation, organization, staffing, and facilities to provide services; and

WHEREAS, the City is willing to continue to utilize a portion of its CDBG funds for this program.

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. Section 3 (Time of Performance) is amended in its part to read as follows: The term of the Master Agreement is hereby extended for an additional period commencing from July 1, 2015 and expiring on June 30, 2016 (the "Term"). 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.

2. Section 4 (Compensation and Method of Payment) is amended to reflect the addition of FIFTY THOUSAND DOLLARS ($50,000.00) for the services provided under the Scope of Work, (hereinafter, the "Not-to Exceed Sum"). 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's 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 Master Agreement.

3. Except as otherwise set forth in this Second Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. This Second 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.

6. The provisions of this Second Amendment shall be deemed a part of the Master Agreement and except as otherwise provided under this Second 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 Second Amendment and the provisions of the Master Agreement, the provisions of this Second Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

7. This Second Amendment shall be executed in three counterparts, with one such fully executed counterpart returned to Consultant upon execution.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS THEREOF, the Parties hereto have caused this Second Amendment to the Master Agreement to be executed on the day and year first appearing above.

CITY:
City of Cudahy,
a municipal corporation

By:_____
Cristian Markovich, Mayor

APPROVED AS TO FORM:

By: _____
Isabel Birrueta, City Attorney

CONSULTANT:
Dapeer, Rosenblit, Litvak, LLP

By: _____

Print:_____

Title:_____

Item Number

9D

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/Executive Director
By: Michael Allen, Acting Community Development Director

Subject: **Consideration to Approve First Amendment of the Community Development Block Grant (CDBG) Contract with Juvenile Assistance Diversion Effort (JADE) for Youth Counseling Services**

RECOMMENDATION

The City Council is requested to approve the First Amendment to the CDBG Contract with JADE for youth counseling services, in an amount not-to-exceed $21,730 for one year, funded by CDBG.

BACKGROUND

1. On September 2, 1997, the City entered into a contract with JADE, a non-profit, to provide youth counseling services to Cudahy residents.

2. On May 6, 2014, City Council adopted Resolution No. 14-20 approving Community Development Block Grant Projects/Programs for Fiscal Year 2015-2016, including the continuation of Parenting Classes/Project JADE.

3. On July 15, 2014, pursuant to CDBG Bulletin No. 06-0021 (enabling cities to contract with sub-recipients without using a competitive procurement process) the City entered into a Contract for Professional Services with JADE for youth counseling services, set to expire June 30, 2015.

4. On January 20, 2015, City Council allocated $21,730 towards CDBG Project, Parenting Classes/JADE.

5. On June 30, 2015, the existing contract will expire resulting in a month to month continuation of services.

ANALYSIS

As part of the City's participation in the US Housing and Urban Development (HUD) CDBG program, which is administered by the Los Angeles County Community Development Commission (CDC), the City receives a yearly allocation of funds towards the implementation of a variety of projects. CDBG funded projects includes Parenting Classes/Youth Counseling Services (Project JADE), which requires the services of a sub-recipient to implement the program.

Project JADE administers a parenting program that supplements a juvenile diversion program from students K-12 who attend Elizabeth Learning Center and Park Avenue Elementary, both located within the City. Activities include classroom sessions for parents coping with children with existing behavioral issues, gang affiliation, drug abuse, and one-on-one counseling sessions for parents and youth on an as-needed basis. Services are currently provided at Elizabeth Learning Center at 4811 Elizabeth Street, Cudahy CA 90201, and Project JADE at 10324 California Avenue, South Gate, CA 90280.

Project JADE has been serving the Cudahy community since 1997, providing parenting and youth counseling services. Pursuant to CDBG Bulletin No. 06-0021 sub-recipients may be contracted without using a competitive procurement process. There are no regulatory requirements governing how a sub-recipient is chosen. JADE is a local non-profit organization who has served the community for nearly two decades, all services mentioned here have been provided to meet and exceed the City's expectations.

CONCLUSION

If approved by City Council, the First Amendment with JADE will commence July 1, 2015 and expire June 30, 2016.

If the First Amendment is not approved, the existing contract will continue on a month-to-month basis, while the City moves forward with a Request For Proposals (RFP) consistent with the policies and procedures of HUD/CDBG.

FINANCIAL IMPACT

The First Amendment is set not-to-exceed $21,730 and will be funded by CDBG. City Council

approved the allocation of $21,730 of CDBG funds towards the implementation of the Parenting Classes Program at the January 20, 2015 City Council meeting.

ATTACHMENTS

A. First Amendment to Community Development Block Grant Contract with JADE.

2015

FIRST AMENDMENT

TO COMMUNITY BLOCK GRANT CONTRACT

(Engagement: Parenting Classes/Youth Counseling Services)

(Parties: JADE and City of Cudahy)

THIS FIRST AMENDMENT TO THE COMMUNITY BLOCK GRANT CONTRACT (the "Amendment") to that certain document entitled "Community Block Grant Services Contract" (the "Master Agreement") executed as of July 15, 2014, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and Project JADE (hereinafter, "Operating Agency") is made and entered into this 19th day of May 2015. For the purposes of this Agreement, City and Operating Agency may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or Operating Agency interchangeably.

RECITALS

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

WHEREAS, the City has entered into a Contract with the County of Los Angeles Community Development Commission (CDC), to execute the City's Community Development Block Grant (CDBG) Program, which includes this project; and

WHEREAS, Operating Agency desires to continue to participate in said program and is qualified by reason of experience, preparation, organization, staffing, and facilities to provide services; and

WHEREAS, the City desires these services for Cudahy youth and their families and desires to contract with Operating Agency to provide such services; and

WHEREAS, the City is willing to continue to utilize a portion of its CDBG funds for this program.

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. Section 3 (Time of Performance) is amended in its part to read as follows: The term of the Master Agreement is hereby extended for an additional period commencing from July 1, 2015 and expiring on June 30, 2016 (the "Term"). 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.

2. Section 4 (Compensation and Method of Payment) is amended to reflect the addition of TWENTY ONE THOUSAND SEVEN HUNDRED THIRTY DOLLARS ($21,730.00) for the services provided under the Scope of Work, (hereinafter, the "Not-to Exceed Sum"). In the event Operating Agency'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 Operating Agency's performance pending City's 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 Master Agreement.

3. Section 27 (INSURANCE) of the Master Agreement is amended to extend the insurance requirements over the new Term reflected above. Section 27 shall provide as follows:

> The Operating Agency agrees to maintain in full force and effect during the term of this Contract comprehensive general liability insurance with limits of not less than those established for such contracts by the Los Angeles County Community Development Commission or in an amount otherwise established by the City Manager of City. Such insurance shall indemnify the City from all liability from loss, damage, or injury to persons or to property arising from negligence by Operating Agency in the performance of services under this Contract.
>
> Such insurance shall be primary to any other similar insurance and shall name the City of Cudahy, its officers, agents and employees, as additional insureds. The insurance policy shall contain a provision that prohibits cancellation, modification, or lapse without thirty (30) days' prior written notice to the City. Such insurance policy shall include a severability of interests clause substantially similar to the following: "The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability."
>
> Operating Agency agrees to provide worker's compensation insurance in accordance with the provisions of the California Labor Code. Further, Operating Agency agrees to include a provision substantially similar to this paragraph in any subcontract executed under this Contract.
>
> The insurance certificate evidencing such insurance shall be submitted to the City for review within thirty (30) days of the effective date hereof and thereafter the City shall have the right to approve or disapprove any insurance procured by Operating Agency under the standards of this section.

Procurement of insurance by Operating Agency shall not be construed as a limitation of Operating Agency's liability or as performance of Operating Agency's duties to indemnify, hold harmless, and defend under this Contract.

4. Section 36 (Reports and Records) has been amended to read as follows:

REPORTS AND RECORDS. Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by City. Operating Agency shall maintain, and permit on-site inspections of, such property, personnel, financial, and other records and accounts as are considered necessary by City to assure proper accounting for all Contract funds. Operating Agency shall submit a cost allocation plan to support any allocated costs, a copy of Operating Agency General Ledger for the City's contract, and supporting documentation, including timecards and payroll records from the City of Cudahy, with the monthly billings. Operating Agency will ensure that its employees and board members furnish such information, which, in the judgment of City representatives, may be relevant to a question of compliance with contractual conditions with City, or with the effectiveness, legality, and achievements of the program. Operating Agency agrees to keep available and maintain these records during the contract period and thereafter for a period of five (5) years from when the pending matters are closed. The Operating Agency shall submit monthly reports to the City specifying program income earned.

5. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. This 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.

6. The provisions of this 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 Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

7. This Amendment shall be executed in three counterparts, with one such fully executed counterpart returned to Operating Agency upon execution.

[SIGNATURE PAGE TO FOLLOW]

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

CITY:
City of Cudahy,
a municipal corporation

By:_____
Cristian Markovich, Mayor

APPROVED AS TO FORM:

By: _____
Isabel Birrueta, City Attorney

OPERATING AGENCY:
PROJECT JADE:

By: _____

Print:_____

Title:_____

CITY OF CUDAHY
COMMUNITY DEVELOPMENT BLOCK GRANT CONTRACT
(Engagement: Parenting Classes/Youth Counseling Services)
(Parties: City of Cudahy and JADE)

THIS CONTRACT is made and entered into this **15th** day of July **2014**, by and between the City of Cudahy, hereinafter referred to as "City," and Project JADE (Juvenile Assistance Diversion Effort), hereinafter referred to as the "Operating Agency." For the purposes of this Agreement, City and Operating Agency may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to City or Operating Agency interchangeably.

RECITALS

WHEREAS, the City has entered into a Contract with the County of Los Angeles Community Development Commission (CDC), to execute the City's Community Development Block Grant (CDBG) Program, which includes this project; and

WHEREAS, Operating Agency desires to participate in said program and is qualified by reason of experience, preparation, organization, staffing, and facilities to provide services; and

WHEREAS, the City desires these services for Cudahy youth and their families and desires to contract with Operating Agency to provide such services; and

WHEREAS, the City is willing to utilize a portion of its CDBG funds for this program.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth and mutual benefits to be derived therefrom, the parties agree as follows:

1. CONTRACT. This Contract consists of this document and the following attachments: **Exhibit A,** Proposal **Exhibit B**, Budget, **Exhibit C**, Reimbursement Invoice, **Exhibit D**, Activity Report, **Exhibit E**, Lobbyist Certification, **Exhibit F**, Certificate of Insurance, and **Exhibit G**, Proof of Non-Profit Status.

2. SCOPE OF SERVICES. The Operating Agency agrees to perform all of the services set forth in the Project Proposal, Exhibit A to this Contract, a copy of which is attached hereto and incorporated herein by this reference.

3. TIME OF PERFORMANCE. Said services of Operating Agency are to commence on the date first above written, and shall be completed no later than **June 30, 2015.** The term of this contract may be extended for up to one (1) additional year based on the satisfactory performance of the Operating Agency as determined by the City. Nothing in this subsection shall operate to prohibit or otherwise restrict the City's

right to terminate this Agreement at any time for convenience or for cause as provided herein.

4. COMPENSATION AND METHOD OF PAYMENT. For performance of such services, the City shall reimburse Operating Agency for eligible costs incurred. Total compensation to Operating Agency shall not exceed TWENTY ONE THOUSAND SEVEN HUNDRED THIRTY DOLLARS **($21,730.00)**, which shall constitute full and complete compensation for the Operating Agency's services under this Contract. Operating Agency shall submit to the City, on a monthly basis, on or before the fifteenth calendar day of each month, an approved Reimbursement Invoice (Exhibit C) and monthly Activity Report (Exhibit D). Payment to Operating Agency shall be made within thirty (30) days from the date of submission of properly detailed invoice (e.g. completed time cards).

5. BUDGET SECTION. No more than the amounts specified in the Budget, Exhibit B of this Contract, which is attached hereto and incorporated herein by this reference, will be allowed without prior written approval of the City.

6. COMPLIANCE WITH LAWS. All parties agree to be bound by applicable Federal, State, and local laws, ordinances, regulations and directives as they pertain to the performance of this Contract.

7. PROGRAM EVALUATION AND REVIEW. Operating Agency shall make available for inspection its performance, financial, and all other records pertaining to performance of this Contract to authorized City personnel, and allow said City personnel to inspect and monitor its facilities and program operations, including the interview of Operating Agency staff and program participants, as required by the City. Operating Agency agrees to submit all data that are necessary to complete the Quarterly Performance Reports and monitor program accountability and progress in accordance with HUD requirements, in the format and at the time designated by the City Manager or his designee. This includes cumulative quarterly summary Activity Reports, due on or before the tenth calendar day of the following month (i.e., October 10, January 10, April 10, and July 10).

8. ACCOUNTING. The Operating Agency must establish and maintain on a current basis an adequate accrual accounting system in accordance with generally accepted accounting principles and standards.

9. AFFIRMATIVE ACTION. The Operating Agency shall make every effort to ensure that all projects funded wholly or in part by CDBG funds shall provide equal employment and career advancement opportunities for minorities and women. In addition, the Operating Agency shall make every effort to employ lower income residents of the project area and shall keep a record of the positions that have been created directly as a result of this project.

10. CHANGES. The City may, from time to time, request changes in the scope of services of the Operating Agency to be performed hereunder. Such changes, including any increase or decrease in the amount of the Operating Agency's compensation, which are agreed upon by and between the City and the Operating Agency, shall be incorporated into this Contract by written amendments. The Operating Agency shall have at least thirty (30) days to implement any such change in the scope of services.

11. CHANGES IN GRANT ALLOCATION. The City reserves the right to reduce the grant allocation when the City's fiscal monitoring indicates that the Operating Agency's rate of expenditure will result in unspent funds at the end of the program year. Changes in the grant allocation will be made after consultation with the Operating Agency.

12. REQUEST FOR FINAL PAYMENT. The City reserves the right to withhold ten percent (10%) of the contract amount on a completed project until a Certificate of Compliance is issued by the City Manager or his designee.

13. JOINT FUNDING. For projects in which there are sources of funds in addition to CDBG funds, Operating Agency shall provide proof of such funding. The City shall not pay for any services provided by Operating Agency, which are funded by other sources. All restrictions and requirements provided for in this Contract, relative to accounting, budgeting, and reporting, apply to the total project regardless of funding sources.

14. FEDERAL REQUIREMENTS. During the performance of this Contract, the Operating Agency agrees to comply with the following Federal provisions:

A. Executive Order 11246

a. During the performance of this Contract, the Operating Agency agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, color or national origin. The Operating Agency will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

b. The Operating Agency agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Operating Agency setting forth the provisions of this nondiscrimination clause.

c. The Operating Agency will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

d. The Operating Agency will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor.

e. The Operating Agency will furnish all information and reports required by Executive Order 11246 of September 24,1965, and by the rules regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to its books, records and accounts by the City and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.

f. In the event of the Operating Agency's noncompliance with the equal opportunity clauses of the Contract or with any of such rules, regulations or orders the Contract may be canceled, terminated or suspended in whole or in part and the Operating Agency may be declared ineligible for further government contracts in accordance with procedures authorized in Executive Order 11246 of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in Executive Order 11246 of September 24, 1965, or by rule, regulation or order of the Secretary of Labor, or as otherwise provided by law.

g. The Operating Agency will include the provisions of paragraph (a) through (f) in every subcontract or purchase order unless exempted by rules, regulations or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order 11246 of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Operating Agency will take such action with respect to any subcontract or purchase order as the City may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided however, that in the event the Operating Agency becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the City, the Operating Agency may request the United States to enter into such litigation to protect the interest of the United States.

B. Section 3

a. The work to be performed under this Contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 et seq. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

b. The parties to the Contract will comply with the provisions of said Section 3 and regulation issued pursuant thereto by the Secretary of Housing and Urban Development as set forth in 24 CFR 135, and all applicable rules and orders of the Department issued thereunder prior to the execution of the Contract. The parties to this

Contract certify and agree that they are under no contractual or other disability, which would prevent them from complying with these requirements.

c. Compliance with the provisions of Section 3, the regulation set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued hereunder prior to the execution of the Contract, shall be a condition of the Federal financial assistance provided to the project binding upon the applicant or assigns. Failure to fulfill these requirements shall subject the applicant or recipient, its contractors and subcontractors, its successors and assigns to those sanctions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

d. Contractors and subcontractors subject to the requirements of Section 3 are required to prepare written affirmative action plan in accordance with the provisions of Sections 135.65 and 135.70, 24 CFR Part 135.

C. Civil Rights Act of 1964

a. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

D. Section 109 of the Housing and Community Development Act of 1974

a. No person shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

E. Age Discrimination Act of 1975

a. Prohibition against discrimination on the basis of age.

F. Section 504 of the Rehabilitation Act of 1973

a. Prohibition against discrimination with respect to an otherwise qualified handicapped individual.

15. NOTICES. Any notice required or permitted pursuant to this Contract shall be given by personal service or deposit of the same in the United States mail, postage prepaid and addressed to the parties as follows:

Operating Agency: Daniel Trigueros
Project JADE
10324 California Avenue

South Gate, California 90280

The City: Michael Allen, Acting City Manager
c/o Carrie Gallagher, Interim City Clerk
City Hall
5220 Santa Ana Street
Cudahy, California 90201

Notices hereunder shall be deemed received as of the time of personal service, or in the case of service by means of the United States mail, on the third calendar day following mailing.

16. ASSIGNMENT. This Contract is not assignable by Operating Agency without the express written consent of the City. Any attempt by Operating Agency to assign any performance of the terms of this Contract shall be null and void and shall constitute a material breach of this Contract.

17. TERMINATION OF CONTRACT FOR CAUSE. If, through any cause, Operating Agency shall fail to fulfill in a timely and proper manner all obligations under this Contract, or if Operating Agency shall violate any of the covenants, agreements, or stipulations of this Contract, the City shall thereupon have the right to terminate this Contract by giving written notice to Operating Agency of such termination, and specifying the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by Operating Agency under this Contract, except confidential records of client sessions, shall, at the option of the City, become its property, and Operating Agency shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, Operating Agency shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of the Contract by Operating Agency, and the City may withhold any payments to Operating Agency for the purpose of set-off until such time as the exact amount of damages due the City from Operating Agency is determined.

18. TERMINATION FOR CONVENIENCE BY THE CITY OR OPERATING AGENCY. This contract may be terminated by either of the parties hereto at any time by giving at least thirty (30) days notice in writing to the other party. City may immediately terminate this Contract upon the termination, suspension, discontinuation or substantial reduction in CDBG funding for the Contract activity or if for any reason the timely completion of the work under this Contract is rendered improbable, infeasible or impossible. In such event, Operating Agency shall be compensated for all services rendered and all necessarily incurred costs performed in good faith in accordance with the terms of this Contract that have not been previously reimbursed, to the date of said termination to the extent CDBG funds are available.

19. INDEMNIFICATION.

A. The Operating Agency agrees to indemnify, defend and save harmless City, its agents, officers, and employees from and against any and all liability or expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with the Operating Agency's operations, or its services hereunder, including any workers' compensation suits, liability or expense arising from or connected with services performed on behalf of Operating Agency by any person pursuant to this Contract.

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

C. The obligations of Operating Agency under this Article will not be limited by the provisions of any workers' compensation act or similar act. Operating Agency 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.

D. Operating Agency 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 Operating Agency in the performance of this Agreement. In the event Operating Agency fails to obtain such indemnity obligations from others as required herein, Operating Agency 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 Operating Agency's subcontractors or any other person or entity involved by, for, with or on behalf of Operating Agency in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.

E. City does not, and shall not, waive any rights that it may possess against Operating Agency 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.

F. 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.

20. CONFLICT OF INTEREST. The Operating Agency, its agents and employees shall comply with all applicable Federal, State, County, and local laws and regulations governing conflict of interest. To this end, Operating Agency will make available to its agents and employees copies of all applicable Federal, State, County, and local laws and regulations governing conflict of interest. Operating Agency shall furnish to the City, prior to execution of this Contract, a written list of all current or proposed subgrantees/subcontractors, vendors or personal service providers, including subsidiaries of the Operating Agency, which will receive $10,000 or more during the term of this Contract. Such a list shall include the names, addresses, telephone numbers and identification of principal party(ies) and a description of services to be provided. During the term of this Contract, Operating Agency shall notify the County in writing of any change in the list of subgrantees/subcontractors, vendors, personal service providers or subsidiaries of the Operating Agency within fifteen (15) days of any change.

21. DISCRIMINATION. No person shall, on the grounds of race, sex, creed, color, religion, or national origin, be excluded from participation in, be refused the benefits of, or otherwise be subjected to discrimination in any activities, program or employment supported by this Contract.

22. AUDIT EXCEPTIONS BY STATE AND FEDERAL AGENCIES. Operating Agency agrees that in the event the program established hereunder is subjected to audit exceptions by appropriate State and Federal audit agencies, it shall be responsible for complying with such exceptions and paying the City the full amount of City's liability to the funding agency resulting from such audit exceptions.

23. INDEPENDENT CONTRACTOR. Both parties hereto in the performance of this Contract will be acting in an independent capacity and not as agents, employees, partners, joint ventures or associates of one another. The employees or agents of one party shall not be deemed or construed to be the agents or employees of the other party for any purpose whatsoever, including workers' compensation liability. Operating Agency shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from or connected with services performed on behalf of the Operating Agency pursuant to this Contract.

24. AMENDMENTS: VARIATIONS. This writing, with attachments expressly referenced and incorporated herein, embodies the whole of the agreement of the parties hereto. There are no oral agreements not contained herein. Except as herein provided, addition to or variation of the terms of this Contract shall not be valid unless made in the

form of a written amendment of this Contract formally approved and executed by both parties.

25. MONITORING AND EVALUATION. The City will monitor, evaluate and provide guidance to the Operating Agency in the performance of this Contract. Authorized representatives of the City, Community Development Commission of Los Angeles County, and HUD shall have the right of access to all activities and facilities operated by the Operating Agency under this Contract. Facilities include all files, records, and other documents related to the performance of this Contract. Activities include attendance at staff, board of directors, advisory committee and advisory board meetings, and observation of ongoing program functions. The Operating Agency will insure the cooperation of its staff and board members in such efforts. The City Manager or his designee will conduct periodic program progress reviews. These reviews will focus on the extent to which planned program has been implemented, measurable goals achieved, effectiveness of program management, and impact of the program.

26. AUDITS. The Operating Agency's program will be audited in accordance with the City's policy and funding source guidelines. Federal, State or local funding source agencies may also conduct audits. The City or its authorized representatives shall, at all times, have access, for the purpose of audit or inspection, to any and all books, documents, papers, records, property, and premises of the Operating Agency. The Operating Agency's staff will cooperate fully with authorized auditors when they conduct audits and examinations of the Operating Agency's program. If indications of misappropriation or misapplication of the funds of this Contract cause the City to require a special audit, the cost of the audit will be encumbered and deducted from this Contract's budget. Should the City subsequently determine that the special audit was not warranted the encumbered amount would be restored to the Contract budget.

27. INSURANCE. The Operating Agency agrees to maintain in full force and effect during the term of this Contract comprehensive general liability insurance with limits of not less than those established for such contracts by the Los Angeles County Community Development Commission or in an amount otherwise established by the City Manager of City. Such insurance shall indemnify the City from all liability from loss, damage, or injury to persons or to property arising from negligence by Operating Agency in the performance of services under this Contract.

Such insurance shall be primary to any other similar insurance and shall name the City of Cudahy, its officers, agents and employees, as additional insureds. The insurance policy shall contain a provision that prohibits cancellation, modification, or lapse without thirty (30) days' prior written notice to the City. Such insurance policy shall include a severability of interests clause substantially similar to the following: "The insurance afforded by this policy applies separately to each insured against whom a claim or suit is made or suit is brought, except with respect to the limit of the insurer's liability."

Operating Agency agrees to provide worker's compensation insurance in accordance with the provisions of the California Labor Code. Further, Operating Agency agrees to

include a provision substantially similar to this paragraph in any subcontract executed under this Contract.

The insurance certificate evidencing such insurance shall be submitted to the City for review within thirty (30) days of the effective date hereof and thereafter the City shall have the right to approve or disapprove any insurance procured by Operating Agency under the standards of this section.

Procurement of insurance by Operating Agency shall not be construed as a limitation of Operating Agency's liability or as performance of Operating Agency's duties to indemnify, hold harmless, and defend under this Contract."

28. FAILURE TO PROCURE INSURANCE. Failure on the part of Operating Agency to procure or maintain required insurance shall constitute a material breach of contract under which City may immediately terminate this Contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by City shall be repaid by the Operating Agency to City upon demand or City may offset the cost of the premiums against any monies due to the Operating Agency from City.

29. FINANCIAL PHASE OUT PERIOD. The Operating Agency agrees to complete all necessary financial phase out procedures required by the City Manager or his designee, within a period of not more than sixty (60) calendar days from the expiration date of this Contract. This time period will be referred to as the financial phase out period. The City is not liable to provide reimbursement for any expenses or costs associated with this Contract after the expiration of the financial phase out period. After the expiration of the financial phase out period, those funds not paid to the Operating Agency under this Contract, if any, may be immediately reprogrammed by City into other eligible activities in the City. The City Manager, or his designee, shall request a final financial audit for activities performed under this Contract at the expiration of the financial phase out period.

30. PERSONNEL. Operating Agency shall comply with the following:

A. Operating Agency has, or will secure at its own expense, all personnel required in performing the services under this Contract. Such personnel shall not be employees of, or have any contractual relationship with the City;

B. All of the services required hereunder will be performed by Operating Agency or under its supervision and all personnel engaged in the work shall be fully qualified and shall be authorized or permitted under State and local law to perform such services; and

C. None of the work or services covered by this Contract shall be subcontracted without the prior written approval of the City. Any work or services subcontracted

hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Contract.

31. PERSONNEL POLICIES. City may review Operating Agency's personnel policies and may make available to Operating Agency personnel policies developed by City. City personnel policies are optional with Operating Agency, unless City verifies personnel management problems during Contract period, in which instance City Manager may require use of City-developed personnel practices, including use of a City Personnel Policies Manual, as a condition of continued funding or future contract awards. Personnel policies include, but are not limited to, staff size and levels, salaries, supervisory-subordinate ratios, consultant fees, fringe benefits and other related matters.

32. NEPOTISM. Operating Agency shall not hire nor permit the hiring of any person to fill a position funded through this Contract if a member of that person's immediate family is employed in an administrative capacity by Operating Agency. For the purposes of this section, the term "immediate family" means spouse, child, mother, father, brother, sister, brother-in-law, sister-in-law, father-in-law, mother-in-law, aunt, uncle, niece, nephew, stepparent and stepchild. The term "administrative capacity" means having selection, hiring, supervisory or management responsibilities, including serving on the governing body of Operating Agency.

33. RELIGIOUS AND POLITICAL ACTIVITIES. Operating Agency agrees that funds under this Contract will be used exclusively for performance of the work required under this Contract, and that no funds made available under this Contract shall be used to promote religious or political activities. Further, Operating Agency agrees that it will not perform, nor permit to be performed, any religious or political activities in connection with the performance of this Contract.

34. OUTSIDE EMPLOYMENT. In its written personnel policies, Operating Agency shall include the following provisions governing outside employment of its employees:

A. Such employment shall not interfere with the efficient performance of the employee's duties in the program of this Contract;

B. Such employment shall not involve a conflict of interest or an appearance of conflict with the employee's duties in the program of this Contract;

C. Such employment shall not involve the performance of duties which the employee should perform as part of his employment in the program of this Contract; and

D. Such employment shall not occur during the employee's regular or assigned working hours in the program of this Contract, unless, during the entire day on which such employment occurs, the employee is on vacation, compensatory leave or leave without pay.

Operating Agency shall establish effective procedures to enforce these provisions and must provide specific procedures regarding outside employment of its full-time personnel whose duties are not readily confined to a standard workday or workweek. These personnel include, but are not limited to, Executive Directors, neighborhood workers, and other employees whose responsibilities may require them to be available for duty during evenings or on weekends.

35. ALTERNATIVE FINANCIAL MANAGEMENT SERVICES. City may make available to Operating Agency a financial management service, which includes, but is not limited to, certain designated record keeping, reporting, petty cash, and lesser fiscal functions. This service is optional with Operating Agency, unless City verifies fiscal management problems during the Contract period, in which case City may mandate use of the financial management service as a condition of continued funding or future contract awards. City may deduct its cost for this service from Operating Agency's total grant.

36. REPORTS AND RECORDS. Operating Agency agrees to prepare and submit financial, program progress, monitoring, evaluation and other reports as required by City. Operating Agency shall maintain, and permit on-site inspections of, such property, personnel, financial, and other records and accounts as are considered necessary by City to assure proper accounting for all Contract funds. Operating Agency shall submit a cost allocation plan to support any allocated costs, a copy of Operating Agency General Ledger for the City's contract, and supporting documentation, including timecards and payroll records from the City of South Gate, with the monthly billings. Operating Agency will ensure that its employees and board members furnish such information, which, in the judgment of City representatives, may be relevant to a question of compliance with contractual conditions with City, or with the effectiveness, legality, and achievements of the program. Operating Agency agrees to keep available and maintain these records during the contract period and thereafter for a period of three (3) years from when the pending matters are closed. The Operating Agency shall submit monthly reports to the City specifying program income earned.

37. FINDINGS CONFIDENTIAL. All of the personal client case files, prepared or assembled by Operating Agency under this Contract are confidential and Operating Agency agrees that they shall not be made available to any individual or organization without the prior written approval of the client, or client's legal guardian. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input recorded data, written information, and other like information either created by or provided to Operating Agency in connection with the performance of this Agreement shall be held confidentially by Operating Agency. Such materials shall not, without the prior written consent of City, be used by Operating Agency for any purposes other than the performance of the services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the services. Nothing furnished to Operating Agency which is otherwise known to Operating Agency or is generally known, or has become known, to the related industry shall be deemed confidential. Operating Agency shall not use City's name or insignia, photographs, or

any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of City.

38. COPYRIGHT. No report, maps, or other documents produced in whole or in part, under this Contract shall be the subject of an application for copyright by or on behalf of Operating Agency.

39. EXPENDITURES. Expenditures made by Operating Agency in the operation of this Contract shall be in strict compliance and conformity with the Budget set forth in Exhibit B, unless prior written approval for an exception is obtained from the City Manager or his designee.

40. SEVERABILITY. In the event that any portion of this document is found to be illegal, unenforceable, or inapplicable, such portions of this contract may be deleted or modified and will not affect the remainder of the Contract.

41. COUNTERPARTS. This Contract may be executed in any number of counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument.

42. SUCCESSORS AND ASSIGNS. Every provision of this Contract shall be binding upon the parties hereto and upon their respective successors and upon any person to whom rights under this Contract are assigned pursuant to Paragraph 16 of this Contract.

43. LITIGATION. Should any dispute under this Contract lead to litigation, the prevailing party shall be entitled to reasonable attorneys' fees for the prosecution of the action

44. 6.9 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.

IN WITNESS WHEREOF, the governing bodies of the parties hereto have authorized this Contract and have caused said Contract to be executed by their respective chief executive officers and attested by the executive officers' clerks thereof as of the day, month, and year first above written.

CITY OF CUDAHY

Michael Allen, ACTING CITY MANAGER

PROJECT JADE

Daniel Trigueros, DIRECTOR

ATTEST:

Carrie A. Gallagher, INTERIM CITY CLERK

APPROVED AS TO FORM

Isabel Birrueta, City Attorney

JUVEASS-01 COCONNOR

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/20/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Charity One Insurance Agency, Inc.
680 East Alosta Avenue, Suite 104
Azusa, CA 91702

CONTACT NAME:
PHONE (A/C, No, Ext): (626) 815-1550 FAX (A/C, No): (626) 815-1552
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Philadelphia Indemnity Insurance Company	18058
INSURER B : New York Marine and General Insurance Company	16608
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Juvenile Assistance Diversion Effort
DBA JADE Family Services
10324 California Ave.
South Gate, CA 90280

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE X OCCUR	X		PHPK1172843	07/01/2014	07/01/2015	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 100,000
							MED EXP (Any one person)	$ 5,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
	ANY AUTO	X		PHPK1172843	07/01/2014	07/01/2015	BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS / X NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
A	UMBRELLA LIAB X OCCUR						EACH OCCURRENCE	$ 1,000,000
	X EXCESS LIAB CLAIMS-MADE	X		PHUB458813	07/01/2014	07/01/2015	AGGREGATE	$
	DED X RETENTION $ 10,000							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y/N (Mandatory in NH)	N/A		WC201400006680	07/15/2014	07/15/2015	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000
A	Professional Liabili	X		PHPK1172843	07/01/2014	07/01/2015	$2 Mill Agg/Occ	1,000,000
A	Sexual Misconduct	X		PHPK1172843	07/01/2014	07/01/2015	$1 Mill Agg/Occ	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
CERTIFICATE HOLDER IS HEREBY NAMED AS AN ADDITIONAL INSURED WITH RESPECTS TO CLAIMS ARISING OUT OF THE NAMED INSURED'S OPERATIONS.

RE: COMMUNITY DEVEOLOPMENT BLOCK GRANT (CDBG)
PROGRAM YEAR 2014-15

CERTIFICATE HOLDER

City of Cudahy
City Clerks Office
5220 Santa Ana Street
Cudahy, CA 90201

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Lisa Delgado

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INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

JUL 21 2008

Date:

JUVENILE ASSISTANCE DIVERSION
EFFORT
8650 CALIFORNIA AVE
SOUTH GATE, CA 90280

Employer Identification Number:
95-4401825
DLN:
17053134740020
Contact Person:
STEPHANIE L JONES ID# 31395
Contact Telephone Number:
(877) 829-5500
Our Letter Dated:
February of 1993
Addendum Applies:
No

Dear Applicant:

This modifies our letter of the above date in which we stated that you would be treated as an organization that is not a private foundation until the expiration of your advance ruling period.

Your exempt status under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3) is still in effect. Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Code because you are an organization of the type described in section 509(a)(1) and 170(b)(1)(A)(vi).

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he or she acquired knowledge that the Internal Revenue Service had given notice that you would no longer be classified as a section 509(a)(1) organization.

You are required to make your annual information return, Form 990 or Form 990-EZ, available for public inspection for three years after the later of the due date of the return or the date the return is filed. You are also required to make available for public inspection your exemption application, any supporting documents, and your exemption letter. Copies of these documents are also required to be provided to any individual upon written or in person request without charge other than reasonable fees for copying and postage. You may fulfill this requirement by placing these documents on the Internet. Penalties may be imposed for failure to comply with these requirements. Additional information is available in Publication 557, Tax-Exempt Status for Your Organization, or you may call our toll free number shown above.

If we have indicated in the heading of this letter that an addendum applies, the addendum enclosed is an integral part of this letter.

JUVENILE ASSISTANCE DIVERSION

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown above.

Sincerely yours,

Steven T. Miller

Steven T. Miller
Director, Exempt Organizations

Item Number
9E

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/Executive Director
By: Michael Allen, Acting Community Development Director

Subject: **Consideration to Approve a First Amendment to the Professional Services Agreement with Avant Garde, Inc., for Labor Compliance Services**

RECOMMENDATION

The City Council is requested to approve the First Amendment to the Professional Services Agreement (PSA) with Avant Garde, Inc. for the Bedwell Hall Re-Roofing Project in an amount not-to-exceed $532.50, funded by CDBG.

BACKGROUND

1. On February 8, 2013, the City Council approved the designation of CDBG funding toward the Bedwell Hall Re-Roofing Project. Funding was designated toward this project to remediate the deteriorating condition of the existing system, which has led to issues including severe water leaks and mold.

2. On March 3, 2014, the City received clearance from the CDBG Grants Management Unit to commence drawing down funds for the Bedwell Hall Re-Roofing Project.

3. On March 14, 2014, the Engineering Department noticed a Request for Proposals (RFP) for Labor Compliance Services. The Los Angeles County Community Development Commission (CDC) adheres to very specific Federal regulations concerning construction projects. Those regulations include prevailing wage and Section 3 requirements. Labor Compliance regulations are specific and must be followed appropriately. City Staff determined it would be beneficial to contract a consultant for professional services to oversee this portion of the project and ensure accuracy in carrying out the construction phase of the project.

4. On June 11, 2014, the City of Cudahy's Engineering Department held a bid opening for a Professional Services Contract for Labor Compliance Services. Three proposals were received by the following vendors:

Company Name	Bid Amount
Avant Garde	$3,035
PCM	$6,800
SJC3	$3,000

The Labor Compliance contract was awarded to the lowest responsible bidder Avant Garde in the amount of $3,035.00. Although, Avant Garde was slightly higher in cost than SJC3 Consulting, they were the only vendor who displayed a sufficient amount of experience in the area of Labor Compliance for CDBG Projects.

5. In October 2014, Labor Compliance Consultant, Avant Garde completed the review of the City's Draft RFP for Construction Services generated by City CDBG and Engineering Staff.

6. On October 25, 2014, the Engineering Department properly posted/published a Notice to Contractors for a formal RFP in the Press Telegram for construction services needed to replace the existing roofing system and Bedwell Hall.

7. On November 7, 2014, at 2:00 PM, the City Clerk's Office held a public bid opening for the Bedwell Hall Re-Roofing Project (CDBG) at Cudahy City Hall, 5220 Santa Ana Street. Five bids were received from the following contractors:

Name of Company	Bid Amount
Tecta America Southern, CA Inc.	$205,000
Best Contracting Services	$227,000
Adco Roofing, Inc.	$266,624
Commercial Roofing System, Inc.	$151,980
Chapman Coast Roof Co, Inc.	$193,439

8. On November 21, 2014, Labor Compliance Consultant, Avant Garde submitted a Memorandum to the Community Development Department following an analytical review of the five bids submitted. It was determined that Commercial Roofing Systems was the only contractor within the Maximum Acceptable Section 3 Reasonable Bid Amount and also Section 3 Responsive. Based on these findings, Avant Garde recommended that the City of Cudahy award the contract to Commercial Roofing Systems in the amount of $151,980.00.

9. On May 6, 2015, Avant Garde, Inc. submitted a request for additional funding in the amount of $532.50 due to additional time needed to complete tasks not included in the initial cost estimate.

ANALYSIS

As part of the Bedwell Hall Re-Roofing Project, the City procured the services of Avant Garde, Inc. to provide technical assistance for the administration and implementation of the project. Avant Garde, Inc. provided oversight compliance with all Federal, State, and local laws and policies, conducted a pre-construction meeting, and performed ongoing and timely monitoring reviews of the weekly Certified Payroll Reports for compliance.

An additional budget allocation/amendment of $532.50 is necessary due to change orders and services not included in the initial scope of work as outlined below:

- Payroll Review and Coordination including three change orders
- File Preparation for File Review
- File Review Meeting Attendance

CONCLUSION

If approved by City Council, the First Amendment with Avant Garde Inc. will allow the City to successfully close out labor compliance services and the Bedwell Hall Re-Roofing Project.

FINANCIAL IMPACT

The First Amendment is set not-to-exceed $532.50 and will be funded by CDBG. There will be no impact on the General Fund.

ATTACHMENTS

A. First Amendment to Professional Services Agreement with Avant Garde, Inc.
B. Letter of Correspondence Requesting Additional Funds

2015

FIRST AMENDMENT

TO PROFESSIONAL SERVICES AGREEMENT

(Engagement: Labor Compliance Services)

(Parties: Avant-Garde and City of Cudahy)

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "Amendment") to that certain document entitled "Professional Consultant Service and Labor Compliance for Community Block Grant Re-Roof Project" (the "Master Agreement") executed as of June 10, 2014, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and Avant-Garde (hereinafter, "Consultant") is made and entered into this 19th day of May, 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

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

WHEREAS, on or about June 10, 2014, 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 to adjust the Compensation amount reflected in Section 1.3; and

WHEREAS, the proposed contract is permissible under Section 6.19 of the Master Agreement; and

WHEREAS, the execution of this Amendment was approved by the Cudahy City Council at its Regular Meeting of May 19, 2015, under Agenda Item No.9E.

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. Section 1.3 (Compensation) is amended in part to reflect the addition of FIVE HUNDRED THIRTY TWO DOLLARS AND FIFTY CENTS ($532.50) for the services

provided under the Scope of Work, (hereinafter, the "Revised Not-to Exceed Sum"). In the event Consultant's charges are projected to exceed the Revised Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, City may suspend Consultant's performance pending City's approval of any anticipated expenditures in excess of the Revised Not-to-Exceed Sum or any other City-approved amendment to the compensation terms of this Master Agreement.

2. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. This 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.

3. The provisions of this 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 Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

4. This Amendment shall be executed in three counterparts, with one such fully executed counterpart returned to Consultant upon execution.

[SIGNATURE PAGE TO FOLLOW]

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

CITY:
City of Cudahy,
a municipal corporation

By:_____
Jose E. Pulido, City Manager

APPROVED AS TO FORM:

By: _____
Isabel Birrueta, City Attorney

Consultant:
Avant-Garde

By: _____

Print:_____

Title:_____

Exhibit "A"
(See the attached Master Agreement)

AVANT GARDE

May 4, 2015

Michael Allen, Acting Director
Community Development
City of Cudahy
5220 Santa Ana St.
Cudahy, CA 90201

Subject: **Additional Fee Proposal for Labor Compliance Services for CDBG-funded Bedwell Hall Re-Roofing Project**

Dear Mr. Allen:

On April 11, 2014, Avant Garde submitted a proposal to provide contract and labor compliance services for the above referenced project. To date, we have billed our complete budget amount of $3,025.00 for services rendered. We are requesting an additional amount of $532.50 to complete the following tasks.

1. Additional time for project time extension for Program Coordinator @ $75:
    - Payroll Review and Coordination including change order work = 3.6
    - File Preparation for File Review = 1.5 hours
    - File Review Meeting Attendance = 2.0 hours

We appreciate your time and consideration of this request. If you have any questions, or if I can be of further assistance, please feel free to contact me at 909-797-6586.

Sincerely,

Lissette Calleros

Lissette Calleros
Vice President

Acceptance of Proposal:

_____
City Representative

3670 W. Temple Avenue, Ste 278, Pomona, CA 91768
tel: 909-979-6586 • fax: 909-979-6587 • www.avant-garde-inc.com

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2014
PROFESSIONAL SERVICES AGREEMENT
(Engagement: Professional Consultant Services and Labor Compliance for CDBG Re-Roof Project)
(Parties: Avant-Garde and the City of Cudahy)

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 10th day of June, 2014 (hereinafter, the "Effective Date"), by and between the CITY OF CUDAHY, a municipal corporation ("CITY") and AVANT GARDE (hereinafter, "CONSULTANT"). For the purposes of this Agreement the CITY and CONSULTANT may be referred to collectively by the capitalized term "Parties." The capitalized term "Party" may refer to the 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: Professional Consultant Services and Labor Compliance Services; and

WHEREAS, CITY's in-house personnel are 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 This Agreement shall have a term of one (1) year (hereinafter, the "Term") commencing from the Effective Date and terminating on June 10, 2015, unless earlier terminated as provided elsewhere in this Agreement. This Agreement may be extended subject to the same terms and conditions set forth herein for a maximum of two (2) three month extension terms, in the sole and absolute discretion of City, provided City issues written notice of its intent to so extend the Agreement no less than thirty (30) calendar days prior to the expiration of the Initial Term or any subsequent extension term. Nothing in this subsection shall operate to prohibit or otherwise restrict the City's right to terminate this Agreement at any time for convenience or for cause as provided herein.

1.3 COMPENSATION:

CONSULTANT's total compensation during the Term of this Agreement or any extension term shall not exceed the budgeted aggregate sum of **THREE THOUSAND THIRTY FIVE DOLLARS ($3,035)** (hereinafter, the "Not-to-Exceed Sum"). The Parties agree that the Not-to-Exceed Sum includes compensation for all labor, materials, tools, supplies, equipment, business licenses and such other incidental and customary work necessary to competently perform and fully complete the Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. All related costs, travel expenses, fees in the development of the Work shall be burdened by the Consultant and not be reimbursable to the City. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the Not-to-Exceed Sum unless the availability of funds for the added expenditure is first reviewed by the Finance Department of the City and unless such added expenditure is specifically approved in advance and in writing by the City.

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 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 five (5) 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 the Community Development Director (hereinafter, the "CITY Representatives") to act as its representatives for the performance of this Agreement. The Superintendent 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 Lissette Calleros, Company Principal/Project Manager 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 or her designee shall supervise and direct the performance of the Work, using his or her 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 Los Angeles County Community Development Commission, 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 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; (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 of involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) 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:

Upon written notice to CONSULTANT, the CITY may immediately terminate this Agreement in whole or in part;

i. Upon written notice to CONSULTANT, the CITY may extend the time of performance;

ii. 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

iii. 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 COMPLIANCE WITH FEDERAL REGULATIONS

This Agreement is subject to and incorporates the terms of Subpart K of the CDBG Regulations and all other applicable Federal Standards Provision, inclusive of the following:

Executive Order 11246 requires that during the performance of this Agreement, CONSULTANT agrees not to discriminate against any employee or applicant for employment because of race, religion, sex, color or national origin. CONSULTANT will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer, rates of pay or other forms of compensation, and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the CONSULTANT setting forth the provisions of this nondiscrimination clause.

Section 3 of the Housing and Community Development Act of 1968, as amended, 12 U.S.C. 1701 et seq., requires that, to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the project area and contracts for work in connection with the project be awarded to business concerns which are located in or owned in substantial part by persons residing in the area of the project.

Title VI of the Civil Rights Act of 1964 provides that no person shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving federal financial assistance.

Section 109, Title I of the Housing and Community Development Act of 1974 provides that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program of activity funded in whole or in part with funds made available under this title.

Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual, as provided in Section 504 of the Rehabilitation Act of 1973, shall also apply.

6.5 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:
AVANT-GARDE
3670 W. Temple Ave. #278
Pomona, CA 91768
Attn: Lissette Calleros
Phone: (909) 979-6586
Fax: (909) 979-6580
Email: lcalleros@agi.com.co

CITY:
City of Cudahy
Community Development Division
5220 Santa Ana Street
Cudahy, CA 90201
Attn: Michael Allen
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.

6.6 LOBBYING CERTIFICATION

A. Federal Requirements:

The CONSULTANT CERTIFIES THAT:

i. No Federal appropriated funds have been paid or will be paid, by or on behalf of the CONSULTANT, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, in the making of any cooperative agreement, or in the extension, continuation renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

ii. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, Member of Congress, an officer of employee of employee of any agency, Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the CONSULTANT shall complete and submit Standard Form-LLL, "Disclosures Form to Report Lobbying", in accordance with its instructions.

iii. The CONSULTANT shall require that the language of this certification be included in all subcontracts and that all subcontractors shall certify and disclose accordingly.

B. County of Los Angeles Requirement

The CONSULTANT certifies that:

i. It is understood that each person/entity/firm who applies for a Community Development Commission contract, and as part of that process, shall certify that they are familiar with the requirements of Los Angeles County Chapter 2.160, (Los Angeles County Ordinance 93-0031) and;

ii. That all persons/entities/firms acting on behalf of the above named firm have and will comply with the County Code, and;

iii. That any person/entity/firm who seeks a contract with Community Development Commission shall be disqualified therefrom and denied the contract and, shall be liable in civil action, if any lobbyist, lobbying firm, lobbyist employer or any other person or entity acting on behalf

of the above named firm fails to comply with the provisions of the County Code.

6.7 COOPERATION; FURTHER ACTS: The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as are reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.

6.8 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.

6.9 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.

6.10 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.

6.11 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.

6.12 COMPLIANCE WITH LAWS: All parties agree to be bound by applicable federal, state, and local laws, ordinances, regulations and directives as they pertain to the performance of the Agreement.

6.13 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.

6.14 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.

6.15 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.

6.16 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.

6.17 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.

6.18 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.

6.19 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.

6.20 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.

6.21 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.

6.22 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 6.19, above.

6.23 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 6.19, 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, the Parties hereto have caused this Agreement to be executed the day and year first appearing in this Agreement, above.

CITY OF CUDAHY

By: _____
Michael Allen, Acting City Manager

Date 6/4/14

APPROVED AS TO FORM:

By: _____

Date: _____

AVANT-GARDE

By: _____

Name: Ana Marie Lenboe

Title: President

Date: 6-11-2014

EXHIBIT "A"

(SCOPE OF SERVICES)

(SEE THE ATTACHED)

Scope of Services and Responsibilities

The City is seeking proposals for professional contract and labor compliance services including but not limited to the following items:

- Provide technical assistance for the administration and implementation of the City's CDBG projects.
- Provide labor and contract compliance services including David-Bacon and Section 3 monitoring for construction projects.
- Prepare Annual Program Planning Summaries, Exhibit documents, project descriptions, and budgets.
- Prepare and process amendments for on-going and continuing projects.
- Prepare and complete Community Development Commission and U. S. Department of Housing and Urban Development reports and documents.
- Coordinate with staff and gather all necessary documentation for Community Development Commission program monitoring and audit preparation.
- Provide CDBG financial management assistance.
- Act as the City's liaison and representative to the Community Development Commission.
- Ensure compliance will all applicable federal, state and local laws and policies.
- Review the Agreement to implement and CDBG contract and labor compliance requirements with the project team
- Assist and advise City staff in the preparation of contract and labor requirements sections for the construction Bid Document
- Determine the specific labor standards parameters applicable for the construction project
- Implement and monitor Equal Employment (EEO) (If applicable)
- Ensure that the Federal Wage Decision is incorporated in project specifications and contract
- Ensure that the Federal Wage Decision is current at Bid Opening or other appropriate date
- Verify the contractor's eligibility to contract with Federal and State agencies
- Conduct the pre-construction meeting and inform contractors of wage and reporting obligations
- Conduct Employee Interviews
- Perform ongoing and timely monitoring reviews of the weekly Certified Payroll Reports and related submissions for compliance
- Notify the prime contractor in writing of any labor discrepancies or suspected violations and define the corrective actions to be taken including restitution payments
- Identify violations and investigate complaints of underpayment to workers
- Prepare the Notice of Labor Standards Administration and Enforcement File
- Prepare various reports for contract and labor compliance including but not limited to the Contract and Subcontract Activity Report, Semi-Annual Labor standards Enforcement Report an Section 3 Report
- Review the final project file and conduct the final review meeting with CDC

IMPLEMENTATION SCHEDULE

Bedwell Hall Roofing Project

Milestone	Target Date (Month-Day-Year)	Comments
Submit Bid Document to CDC for Review	May 12, 2014	
Invitation for Bids - Public Notice	June 9, 2014	Noticed for 14 days. To include: Federally-assisted construction project; HUD Section 3 construction contract.
Section 3 Pre-Bid Meeting	June 26, 2014	Section 3 qualified construction project must conduct a MANDATORY pre-bid meeting or job-walk to explain the Section 3 goals and requirements.
Bid Opening	July 18, 2014	Conduct public bid opening and minutes. Federal wages are locked 10 days prior to bid opening. Bid review worksheet Sec 3 Business Concern Sec 3 Bid Eval to CDBG for review Must be awarded with in 90 days.
Contract Award	July 25, 2014	
Construction Completed	Ocober 10, 2014	Project is programed to be compelted within a 6-8 eek period.

Not-To-Exceed Time and Materials Proposal

City of Cudahy

Labor Compliance

CDBG Bedwall Hall Re-roofing Project

AVANT GARDE

TASKS		Program Manager	Sr. Program Coordinator	Program Coordinator		Total Hours	Total Cost
	Billing Rate	$ 110.00	$ 85.00	$ 75.00			
1	Project Definition and Program Development-Project Kick Off	2		2		4	$ 370
2	Review of project specifications to ensure compliance with federal requirements documents			4		4	$ 300
3	Pre-bid meeting attendance and coordination, Bid Document & Contract Evaluation	1		4		5	$ 410
4	Pre-Construction Mtg Attendance & Coordination; collect documents and submit reporting to CDC	1		6		7	$ 560
5	Conduct Field Interviews during duration of project and coordinte cosntruction scheudle with Inspector			3		3	$ 225
6	Review of Certified Payrolls and Coordination Activities	0.5		10		10.5	$ 805
7	Project Close Out ; file review with CDC	0.5		4		4.5	$ 355
	Totals:	5		33		38	$ 3,025

Client#: 13803 ADVANAVAN

ACORD™ CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 6/13/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Dealey, Renton & Associates
199 S Los Robles Ave Ste 540
Pasadena, CA 91101
Lic #0020739

CONTACT NAME: Marie Swaney
PHONE (A/C, No, Ext): 626 844-3070 FAX (A/C, No):
E-MAIL ADDRESS: mswaney@insdra.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Hartford Casualty Insurance Co.	29424
INSURER B : Hartford Fire Ins. Co.	19682
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Advanced Avant-Garde, Inc.
3760 W. Temple Ave., Suite #278
Pomona, CA 91768
909 979-6586

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY	X	X	57SBARG1491	07/01/2013	07/01/2014	EACH OCCURRENCE	$1,000,000
	X COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$1,000,000
	CLAIMS-MADE X OCCUR						MED EXP (Any one person)	$10,000
	x Contractual Liab						PERSONAL & ADV INJURY	$1,000,000
							GENERAL AGGREGATE	$2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$2,000,000
								$
A	AUTOMOBILE LIABILITY	X	X	57SBARG1491	07/01/2013	07/01/2014	COMBINED SINGLE LIMIT (Ea accident)	$1,000,000
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS / X NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
	X No OwnedAuto							$
A	X UMBRELLA LIAB X OCCUR	X	X	57SBARG1491	07/01/2013	07/01/2014	EACH OCCURRENCE	$2,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$2,000,000
	DED X RETENTION $10,000							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			57WECRQ8292	07/01/2013	07/01/2014	X WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? Y / N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					E.L. EACH ACCIDENT	$1,000,000
							E.L. DISEASE - EA EMPLOYEE	$1,000,000
							E.L. DISEASE - POLICY LIMIT	$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Cancellation Notice: 30 day/10 day for non-pay of premium will be mailed to the cert holder. General Liability policy excludes claims arising out of the performance of professional services. Hired/non-owned auto is included in the General Liability limits. Umbrella Policy is follow-form to underlying: GL/AUTO/Employers Liability Policies.

RE: all operations -- Los Angeles County Community Development Commission, the CITY and CITYs elected and (See Attached Descriptions)

CERTIFICATE HOLDER

City of Cudahy
Attn: Michael Allen
5220 Santa Ana St
Cudahy, CA 90201
909-979-6582

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Marie Swaney

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DESCRIPTIONS (Continued from Page 1)

appointed officials, officers, employees, agents, and volunteers are named as an additional insured as respects general & hired/non-owned auto liability for claims arising from the operations of the named insured.

Insured:	Advanced Avant-Garde, Inc.
Insurer:	Hartford Casualty Insurance Co.
Policy Number:	57SBARG1491
Policy Effective Date:	07/01/2013
Additional Insured:	City of Cudahy

RE: all operations -- Los Angeles County Community Development Commission, the CITY and CITYs elected and appointed officials, officers, employees, agents, and volunteers

EXCERPTS FROM: Hartford Form SS 00 08 04 05

BUSINESS LIABILITY COVERAGE FORM

C. WHO IS AN INSURED

6. Additional Insureds When Required By Written Contract, Written Agreement Or Permit

The person(s) or organization(s) identified in Paragraphs a. through f. below are additional insureds when you have agreed, in a written contract, written agreement or because of a permit issued by a state or political subdivision, that such person or organization be added as an additional insured on your policy, provided the injury or damage occurs subsequent to the execution of the contract or agreement, or the issuance of the permit. A person or organization is an additional insured under this provision only for that period of time required by the contract, agreement or permit.

f. **Any Other Party**

(1) Any other person or organization who is not an insured under Paragraphs a. through e. above, but only with respect to liability for "bodily injury, "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(a) In the performance of your ongoing operations;

(b) In connection with your premises owned by or rented to you; or

(c) In connection with "your work" and included within the "products- completed operations hazard, but only if

(i) The written contract or written agreement requires you to provide such coverage to such additional insured; and

(ii) This Coverage Part provides coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard.

(2) With respect to the insurance afforded to these additional insureds, this insurance does not apply to: "Bodily injury, "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including: inspection, or engineering

E.5. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom a claim is made or "suit" is brought.

E.7.b.(7).(b) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract, written agreement or permit that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

E.8.b. Waiver Of Rights Of Recovery (Waiver Of Subrogation)

If the insured has waived any rights of recovery against any person or organization for all or part of any payment, including Supplementary Payments, we have made under this Coverage Part, we also waive that right, provided the insured waived their rights of recovery against such person or organization in a contract, agreement or permit that was executed prior to the injury or damage.

EXCERPT FROM Hartford Form SS 04 38 06 01

HIRED AUTO AND NON-OWNED AUTO

B. With respect to the operation of a "non-owned auto", WHO IS AN INSURED is replaced by the following: The following are "insureds":

d. Anyone liable for the conduct of an "insured", but only to the extent of that liability.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 06/16/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER

Hiscox Inc. d/b/a/ Hiscox Insurance Agency in CA
520 Madison Avenue
32nd Floor
New York, NY 10022

CONTACT NAME:
PHONE (A/C, No, Ext): (888) 202-3007 FAX (A/C, No):
E-MAIL ADDRESS: contact@hiscox.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: Hiscox Insurance Company Inc	10200
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

INSURED

Avant Garde, Inc.
3670 W Temple Ave
Suite 278
POMONA CA 91768

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	GENERAL LIABILITY						EACH OCCURRENCE	$
	COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
	CLAIMS-MADE / OCCUR						MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
	GEN'L AGGREGATE LIMIT APPLIES PER: POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	ALL OWNED AUTOS / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS / NON-OWNED AUTOS						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATU-TORY LIMITS / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N N/A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability	N	N	UDC-1338930-EO-14	03/29/2014	03/29/2015	Each Claim:	$ 1,000,000
							Aggregate:	$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

City of Cudahy
5220 Santa Ana Street
Cudahy, CA 90201

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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Item Number
9F

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/ Executive Director
By: Michael Allen, Community Development Director
Aaron Hernandez-Torres, PE, Assistant City Engineer

Subject: **Consideration to Approve a Professional Services Agreement with Twining, Inc., for Materials Testing Services for the Cudahy Citywide Street Improvement Project - Prop 1B**

RECOMMENDATION

The City Council is requested to approve a Professional Services Agreement with Twining, Inc., for Materials Testing Services in the amount of $7,575 from Prop 1B Funds.

BACKGROUND

1. On June 5, 2012, City Council authorized the appropriation of $384,592.26 that was allocated to the City by Proposition 1B. The monies are to be utilized for improving local streets and roads.

2. On November 4, 2014, a Professional Services Agreement was approved with APA Engineering Inc., for the development and preparation of plans and specifications for the aforementioned streets and infrastructure work.

3. On March 2015, the Engineering Department developed the *City of Cudahy Quality Assurance Program (QAP)*, which is in compliance with the California Department of Transportation (Caltrans) regulations.

4. On April 2015, the Engineering Department solicited bid proposals from its shortlisted Materials Testing Consultants for Quality Assurance Testing Services by issuing the Request for Proposals (RFP) for Materials Testing Services for the Citywide (Prop 1B) Street Improvement Project.

5. On April 20, 2015, in response to the RFP, two proposals were received by the Deputy City Clerk, ranging in cost from $7,575 to $14,289. Twining, Inc., submitted a proposal in the

amount of $7,575, which is the lowest proposal.

ANALYSIS

The Engineering Department developed the *City of Cudahy Quality Assurance Program (QAP)* on March 2015 in order to comply with the California Department of Transportation (Caltrans) Quality Assurance requirements for State and Federal Funded Projects. Caltrans Division of Engineering Services found the QAP to be in compliance with the California State Transportation Agency regulations.

The purpose of the QAP is to insure the materials incorporated into the construction projects are in conformance with the contract specifications.

The scope of work of this project consists of providing Quality Assurance Testing Services (Materials Testing Services) for the Citywide Proposition 1B Street Improvement Project, which includes the following local streets: **1)** Fostoria Street/ River Road/ Cecelia Street/ Crafton Avenue & Ferndale Avenue Loop; **2)** Alamo Street and **3)** Walker Avenue.

The detailed scope of services under this contract includes the following phases:

A) Project coordination, management, technical support, and distribution of test data and reports;

B) Field technician services for observation and sampling during subgrade preparation, aggregate base placement and during AC and ARHM placement;

C) Field technician services for periodic sampling and testing of concrete, including checking temperature, slump and casting a set of concrete cylinders; and

D) Laboratory testing, including proctor density, AC maximum density, AHRM maximum density, extraction and gradation, and compressive strength testing of concrete sampled in the field.

The project has been properly engineered with plans and specifications developed. The project was properly bid and two proposals for Materials Testing Services were received ranging in cost from $7,575 to $14,289.

Company/ Firm	Proposal Amount
Twining, Inc	$7,575
Ninyo & Moore	$14,289

Twining, Inc., submitted a bid proposal in the amount of $7,575, which is the lowest proposal.

CONCLUSION

Approval of the Professional Services Agreement will keep the City in compliance with

Caltrans Quality Assurance requirements for State and Federal Funded Projects. In addition, approval of the plan and associated agreement will insure the materials incorporated into the construction project are in conformance with the construction documents, while delivering quality projects to the residents of Cudahy.

Failure to approve this contract will result in the City's non-compliance with Caltrans regulations for State and Federal Funded Projects.

FINANCIAL IMPACT

The project has been budgeted in the Fiscal Year 2014-15 City Budget for the amount of $384,592.20 from Proposition 1B Program. These funds were allocated for the specific purpose of improving local streets and roads. Accordingly, Materials Testing Services are covered by these monies. The project as developed, meets the Proposition 1B guidelines and the expenditure of the funds deemed appropriate.

ATTACHMENTS

A. Professional Services Agreement – Twining, Inc
B. Bid Proposal – Twining, Inc
C. Material Testing Services RFP Results

2015

PROFESSIONAL SERVICES AGREEMENT

(Engagement: Americans with Disabilities Act Transition Plan Services)

(Parties: Disability Access Consultants – City of Cudahy)

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 21th day of April 2015 (hereinafter, the "Effective Date"), by and between the CITY OF CUDAHY, a municipal corporation ("CITY") and DISABILITY ACCESS CONSULTANTS, (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: Americans with Disabilities Act Transition Plan 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

WHEREAS, the execution of this Agreement was approved by the Cudahy City Council at its Regular Meeting of April 21, 2015, under Agenda Item No._____.

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 that certain document entitled "Proposal for

Accessibility Services" dated March 10, 2015, and 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 **five (5) months** 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 CITY shall in no way entitle CONSULTANT to compensation in excess of the Contract Price, defined below, insofar 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: CONSULTANT shall perform the Services set forth in Section 1.1 above, at the rates of compensation set forth in Exhibit A. CONSULTANT further agrees that the total compensation for the Work performed under this Agreement, inclusive of any extension term, shall not exceed the sum total of EIGHT THOUSAND THREE HUNDRED TWENTY DOLLARS ($8,320.00) (hereinafter, the "Contract Price"), unless such added expenditure is first approved by the CITY acting in

consultation with the City Manager and the Director of the Finance Department. In the event CONSULTANT's charges are projected to exceed the Contract Price 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 Contract Price 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 fifteen (15) calendar days of receipt of each invoice, CITY shall notify CONSULTANT in writing of any disputed amounts included in 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 Barbara Thorpe 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 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) calendars 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, 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 indemnity, 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, expenses and costs not otherwise subject to subsection 4.1, above.

4.3 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.

4.4 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.

4.5 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.

4.6 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.

4.7 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 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 5.2.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 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 5.2.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 of involuntary; (v) CONSULTANT's refusal or failure to perform or observe any covenant, condition, obligation or provision of this Agreement; and/or (vii) 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:	**CITY:**
Disability Access Consultants	City of Cudahy
2243 Feather River Blvd.	5220 Santa Ana Street
Oroville, CA 95965	Cudahy, CA 90201
Phone: 800-743-7067	Attn: Jose E. Pulido
Fax:	City Manager
Email: bthorpe@dac-corp.com	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 CITY for archiving and day-to-day reference by the department responsible for administering the Agreement on 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:_____

DISABILITY ACCESS CONSULTANTS:

By:_____

Name:_____

Title:_____

Date:_____

APPROVED AS TO FORM:

By:_____
Isabel Birrueta, Assistant City Attorney

Date:_____

EXHIBIT A

(Scope of Work)

(See Attached Proposal)

April 27, 2015
Proposal No.: 15-0697

Reference: **City of Cudahy: (PROP 1B) Citywide Street Improvements**

Subject: **Proposal to Provide Quality Assurance Testing Services**

Mr. Aaron Hernandez-Torres, P.E.

5220 Santa Ana Street
Cudahy, CA 90201

TWINING

OFFICE
562.426.3355

FAX
562.426.3355

WEB
twininginc.com

Dear Aaron,

Twining is pleased to present our proposal and cost estimate for quality control services on this very important project. Twining's experience and understanding of the project specification will be a tremendous asset to your project team. We have developed our estimate to be all inclusive, encompassing everything required by the project.

Twining, Inc., is an innovative engineering, materials testing, and inspection company with over 100 years of history. Our accumulated experience, combined with our commitment to value added engineering, makes us the premier provider of quality control services on any project. The size of our firm and the resources we have available will allow us to staff your project with the most qualified personnel.
We are proposing to service this project utilizing our state-of-the-art Long Beach laboratory which provides critical quality control data in a proactive and efficient manner. All of our reports are electronically transmitted to the project team.

We are confident that our firm will provide quality service and security to you as we continue to demonstrate our high level of service and commitment to the successful construction of your projects. If you have any questions or require additional information regarding our submittal, feel free to contact us at (562) 436-3355.

Best Regards,

Thomas J. Reickard
Estimator - Infrastructure Division
TWINING
Direct: (562) 513-1747
Mobile: (231) 580-9401

CITY OF CUDAHY: (PROP 1B) CUDAHY CITYWIDE STREET IMPROVEMENTS PROJECT

Scope of Work for Quality Assurance Testing and Inspection Services
Prepared By Twining Inc. April 27, 2015.
DIR #1000005568

SCOPE AND COST ESTIMATE - CONTRACTOR QUALITY CONTROL

Twining is pleased to have the opportunity to propose to you our unsurpassed Quality Assurance Testing and Inspection Services for the City of Cudahy: (PROP 1B) Cudahy Citywide Street Improvements Project. Our services are directly related to the production schedule of the contractor and the total estimate may increase or decrease based on production. Services are provided as estimates and are inclusive of all field inspection, field testing, laboratory testing, and typical engineering support needed for this project.

SECTION A: Pre-Production Quality Program Implementation and Services

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
Project Engineer/ Manager for Pre-Production Management, Support, Submittals, and Meetings	Estimated hours - **IF NEEDED**	**0**	Hour	$ 130	$ -
				Subtotal:	**$ -**

SECTION B: EARTHWORK & AGGREGATE BASE per "Appendix D of Caltrans QAP" and the Project Special Provisions

This section includes all costs associated with Earthwork and Aggregate Base testing and inspection requirements. All special provision criteria specific to this contract number is also included. Overtime will be billed at 1.35x the regular hourly rate and double time at 1.8x the regular hourly rate. Project Engineer/ Manager time will be billed as needed/ used at $130.00 per hour.

Field and Plant Quality Control Personnel

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
Soils Technician (Weekday/night)	Regular 8-hours, weekday or weeknight shifts	**12**	Regular Hours	$ 99	$ 1,188
Soils Technician (SATURDAY & OT)	Overtime	**0**	O/T Hours	$ 134	$ -
Field Technician/ Inspector (SUNDAY & HOLIDAY)	DOUBLE TIME	**0**	O/T Hours	$ 178	$ -
Project Engineer/ Manager	One hour per 8 hours of Soils Technician time estimated	**1.5**	Hours	$ 130	$ 195
				Subtotal:	**$ 1,383**

EARTHWORK & AGGREGATE BASE: Equipment & Laboratory Testing Services

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
PRODUCTION TESTING					
Maximum Density: Methods A/B/C (ASTM D 1557)	1 per soil type encountered and at Engineer's request: Assuming 1 for the project.	**1**	Each	$ 180	$ 180
Equipment: Nuclear Gauge	Use of Nuclear Gauge for compaction testing	**12**	Hours	$ 6	$ 72
				Subtotal:	**$ 252**

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4/27/2015

SECTION C: ASPHALT RUBBER HOT MIX (ARHM) per "Appendix D of Caltrans QAP" and the Project Special Provisions

This section includes all costs associated with Asphalt Rubber Hot Mix testing and inspection requirements. All special provision criteria specific to this contract number is also included. The following costs are based on an anticipated daily production of approximately **1000** Tons per shift. Overtime will be billed at 1.35x the regular hourly rate and double time at 1.8x the regular hourly rate. Project Engineer/ Manager time will be billed as needed/ used at $130.00 per hour.

Field and Plant Quality Control Personnel

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
Asphalt Technician (Weekday/night)	Regular 8-hours, weekday or weeknight shift	**16**	Regular Hours	$ 93	$ 1,488
Asphalt Technician (SATURDAY & OT)	Overtime	**0**	O/T Hours	$ 126	$ -
Asphalt Technician (SUNDAY & HOLIDAY)	DOUBLE TIME	**0**	O/T Hours	$ 167	$ -
Project Engineer/ Manager	One hour per 8 hours of Soils Technician time estimated	**2**	Shift	$ 130	$ 260
				Subtotal:	**$ 1,748**

ASPHALT RUBBER HOT MIX: Equipment & Laboratory Testing Services

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
PRODUCTION TESTING					
Specific Gravity & Absorption: Coarse, CT 206	1 test at plant prior to start of project and at Engineer's discretion.	**1**	Each	$ 100	$ 100
Specific Gravity & Absorption: Fine, CT 207	1 test at plant prior to start of project and at Engineer's discretion.	**1**	Each	$ 165	$ 165
R-Value: Aggregate Base, CT 301	1 test at plant prior to start of project and at Engineer's discretion.	**1**	Each	$ 305	$ 305
Sand Equivalent: CT 217	1 test at plant prior to start of project and at Engineer's discretion.	**1**	Each	$ 125	$ 125
Durability Index: A/B/C/ or D: CT 229	1 test at plant prior to start of project and at Engineer's discretion.	**1**	Each	$ 210	$ 210
Sieve Analysis (Gradation) Including Wash: CT 202	1 test per 750 Tons	**2**	Each	$ 140	$ 280
Extraction: % Bitumen (Binder Content), CT 382	1 per 1,000 Tons; and at least once per day	**2**	Each	$ 155	$ 310
Cleanness Value: 1" x #4, CT 227	1 test per 500 - 1,000 Tons	**2**	Each	$ 175	$ 350
HVEEM: Lab Tested Maximum Density (Pre-mixed)	1 test per 500 - 1,000 Tons	**2**	Each	$ 200	$ 400
(RICE) Maximum Theorectical Specific Gravity	1 test per 500 - 1,000 Tons	**2**	Each	$ 150	$ 300
Equipment: Nuclear Gauge	Use of Nuclear Gauge for compaction testing	**16**	Hours	$ 6	$ 96
				Subtotal:	**$ 2,641**

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4/27/2015

SECTION D: CONCRETE & CEMENT TREATED BASE per "Appendix D of Caltrans QAP" and the Project Special Provisions

This section includes all costs associated with Concrete and Cement Treated Base testing and inspection requirements. All special provision criteria specific to this contract number is also included. Overtime will be billed at 1.35x the regular hourly rate and double time at 1.8x the regular hourly rate. Project Engineer/ Manager time will be billed as needed/ used at $130.00 per hour.

Field and Plant Quality Control Personnel

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
ACI Concrete Technician (Weekday/night)	Regular 8-hours, weekday or weeknight shift	**12**	Regular Hours	$ 93	$ 1,116
ACI Concrete Technician (SATURDAY & OT)	Overtime	**0**	O/T Hours	$ 126	$ -
ACI Concrete Technician (SUNDAY & HOLIDAY)	DOUBLE TIME	**0**	O/T Hours	$ 167	$ -
Project Engineer/ Manager	One hour per 8 hours of ACI Concrete Technician time estimated	**1.5**	Hours	$ 130	$ 195
				Subtotal:	**$ 1,311**

CONCRETE & CEMENT TREATED BASE: Equipment & Laboratory Testing Services

Proposed Service	Notes and Assumptions	Assumed Quantity			
		Amount	Units	Unit Rate	Price
PRODUCTION TESTING					
Compressive Strength Testing: 6"x12" Cylinders	Fabricate at least 2 cylinders per project; and at least once per every 500 - 1,000 CY. **PRICE INCLUDES SPECIMEN PICKUP**.	**6**	Each	$ 40	$ 240
				Subtotal:	**$ 240**

SECTION E: PROJECT TOTAL COST ESTIMATE

Project Total QC Estimate:	**$ 7,575**

Limitations:

Our services will be provided on a time-and-expense basis in accordance with the rates quoted in this proposal and our Fee Schedule attached.

Overtime, if incurred, will be billed at 1.35X the standard rate for time in excess of 8 hours during one day and for Saturday work. Work in excess of 12 hours and that which is performed on Sundays and holidays will be billed at 1.8X the standard rate. The rates will remain in effect throughout the duration of this project with the exception of which the hourly rate will increase August 2015 by $2.35 and each August thereafter. We have attempted to be realistic in our estimates. Please note that we provide our services in conjunction with the construction schedule. Any change in the number of days or hours per day will impact our budget. We will coordinate our services with your Engineer to efficiently service the project. Please feel free to contact me anytime, including nights and weekends, with any questions or concerns.

Best Regards,

Thomas J. Reickard, Estimator
Twining Inc.
Infrastructure Division
Direct: 562.513.1747
Cell: 231.580.9401

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Schedule of Fees 2014 - 2015

NOTE: Rates will be adjusted annually each July 1st to reflect increased costs.

Proposal No. 15-0697

Personnel Rates: Per Hour Unless Otherwise Noted

Task Code	Engineering and Consulting Personnel	Rate
10026	Senior Principal Advisor/Consultant	$ 245.00
10001	Principal Engineer/Geologist	$ 165.00
10017	Metallurgical Engineer	$ 160.00
70000	Registered Geotechnical Engineer	$ 160.00
10011	Technical Advisor	$ 175.00
10011	Material Scientist, Welding/NDT Consultant	$ 175.00
70003	Registered Geologist/Certified Engineering Geologist	$ 145.00
10003	Senior Engineer/Geologist	$ 145.00
10009	Registered Civil Engineer	$ 140.00
60003	Roofing/Waterproofing Consultant	$ 180.00
10013	Project Engineer/Manager	$ 130.00
30000	Quality Control Manager	$ 115.00
10005	Senior Staff Engineer/Geologist	$ 110.00
10007	Staff Engineer/Geologist	$ 105.00
10015	Quality Control Administrator	$ 95.00
10019	Metallurgical Technician	$ 85.00
90001	CADD Operator/Draftsperson	$ 75.00
70107	Field Supervisor/Safety Manager	$ 110.00
20000	Laboratory Manager	$ 100.00
98000	Laboratory Technician	$ 75.00
90005	Expert Witness Testimony	$ 390.00
91010	Qualified SWPPP Developer	$ 125.00
91000	Qualified SWPPP Practitioner	$ 115.00

Task Code	Field Inspection Personnel	Rate
10101	Concrete/Reinforced Steel Inspector	$ 92.00
10103	Prestressed/Post Tensioned Inspector	$ 92.00
10105	Concrete ICC Inspector	$ 92.00
10109	Drilled-In-Anchor Inspector	$ 92.00
10111	Gunite/Shotcrete Inspector	$ 92.00
10113	Masonry Inspector	$ 92.00
10201	Structural Steel/Welding Inspector	$ 92.00
10203	AWS Certified Welding Inspector	$ 92.00
10207	Fireproofing Inspector	$ 92.00
10501	Lead Inspector	$ 95.00
70109	L.A. Deputy Grading Inspector	$ 95.00
75001	Asphalt Field and Plant Inspector/Technician	$ 93.00
70103	Pile Driving Inspector	$ 93.00
70101	Soils Technician	$ 99.00
10107	Concrete Quality Control (ACI/Caltrans Technician)	$ 93.00
60001	Roofing/Waterproofing Inspector	$ 107.00
10515	Mechanical Inspector	$ 122.00
10519	Electrical Inspector	$ 122.00
10521	Plumbing Inspector	$ 122.00
10523	Building Inspector	$ 122.00
50003	Field Engineering Technician	$ 100.00

Task Code	Shop Inspection Personnel	Rate
10301	Structural Steel Fabrication Inspector	$ 92.00
10309	Batch Plant Quality Control Technician/Inspector	$ 92.00
10325	Glue-Laminated Fabrication Inspector	Quotation
10328	Pre-cast concrete/Pipe Fabrication Inspector	$ 92.00

Task Code	Non-Destructive Testing Personnel	Rate
10401	NDE Ultrasonic Testing Technician	$ 96.00
10403	NDE Magnetic Particle Testing Technician	$ 96.00
10405	NDE Dye Penetrant Testing Technician	$ 96.00
10305	Combination NDE Technician/Welding Inspector	$ 96.00
10409	Radiographic Testing (crew of 2)	$ 275.00

Task Code	Equipment Usage (Daily Unless Otherwise Noted)	Rate
95318	Skidmore	$ 40.00
95309	Torque Wrench, Small	$ 15.00
95312	Torque Wrench, Large	$ 25.00
95315	Torque Multiplier	$ 40.00
95321	Air Meter	$ 20.00
95324	Brass Mold	$ 20.00
95343	Nuclear Gauge (Per Hour)	$ 6.00
95333	Pull Test Equipment	$ 60.00
95348	Concrete/Asphalt Coring Equipment (Per hour)	$ 120.00
95327	Pachometer	$ 55.00
95336	Floor Flatness (Dipstick)	$ 45.00
95330	Schmidt Hammer	$ 20.00
95341	Vapor Emission Test Kits	$ 30.00
95342	Relative Humidity Probe	$ 45.00
95339	V-Meter	$ 100.00
95351	Fireproofing Adhesion/Cohesion (Per Test)	$ 20.00
95300	A Scan Ultrasonic Equipment and Consumables	$ 65.00
95303	Magnetic Particle Equipment and Consumables	$ 30.00
95306	Liquid Penetrant Consumables	$ 25.00
95307	Phased Array Ultrasonic Equipment (Per Hour)	$ 50.00
95347	Ground Penetrating Radar (Per Hour)	$ 50.00
95345	Impact Echo	$ 280.00
95359	California Pavement Profilograph (Per Hour)	$ 115.00
95349	Inertial Profiler (Per Hour)	$ 250.00
95357	Project Dedicated Vehicle	$ 75.00

Task Code	Specimen Pick-Up	Rate
20102	Standard Sample: Concrete Cylinders (Each)	$ 15.00
20101	Standard Sample: Mortar/Grout Cubes and Cores, Fireproofing, Rebar, and Epoxy Prisms (Each)	$ 15.00
20103/ 20104	Oversize Sample: Masonry Prisms, Shotcrete Panels, Flexural Beams (Each)	$ 29.00
20107	Technician for Specimen Pick-Up Not Listed Above (Per Hour, 2-Hour Minimum)	$ 75.00
20109	Technician for Specimen Pick-Up Before 5:00 a.m. or After 5:00 p.m. Monday thru Friday, or All Day Saturday (Per Hour, 2-Hour Minimum Plus Mileage)	$ 87.00

Task Code	Jobsite Trailer, Mobile or On-site Laboratory	Rate
95360	Mobile laboratory for rapid set concrete (per shift not exceeding 12 hours)	$ 375.00
	All others by quotation	

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Task Code	Concrete Tests (Field Made Specimens)	Rate
20201	6" x 12" or 4" x 8" Cylinder: Compression Strength (ASTM C39)	$ 25.00
20203	Density of Structural Lightweight Concrete Equilibrium or Oven Dry Method (ASTM C567)	$ 75.00
20205	Core Compression including Trimming (ASTM C42)	$ 55.00
20207	6" x 6" x 18" Flexural Beams Not Exceeding Referenced Size (ASTM C78, C293 or CTM 523)	$ 70.00
20208	6" x 6" x 30" Flexural Beams (CTM 523)	$ 85.00
20209	Cylinders: Splitting Tensile Strength (ASTM C496)	$ 85.00
20211	Modulus of Elasticity Test (ASTM C469)	$ 140.00
80003	Rapid Chloride Permeability Test: Cylinders or Cores (ASTM C1202)	$ 450.00
80006	Density, Absorption, and Voids in Hardened Concrete (ASTM C642)	$ 350.00
40005	Flexural Toughness (ASTM C1609, Formerly ASTM C1018)	$ 700.00
40009	Coefficient of Thermal Expansion of Concrete (CRD 39, AASHTO T336)	$ 500.00

Task Code	Concrete Specimen Preparation	Rate
20151	Sawing of Specimens (Each)	$ 25.00
20157	Coring of Specimens in Lab (Each)	$ 25.00

Task Code	Laboratory Trial Batch: Concrete, Cement and Mortar	Rate
30217	Compression Test Cylinders Made and Tested in Laboratory (ASTM C192, C35)	$ 45.00
30219	6" x 6" x 18" Flexural Beams Made and Tested in Laboratory (ASTM C192, C78)	$ 85.00
30221	6" x 6" x 30" Flexural Beams Made and Tested in Laboratory (ASTM C192, C293)	$ 95.00
30223	Splitting Tensile Strength Cylinders Made and Tested in Laboratory (ASTM C192, C496)	$ 100.00
30225	Modulus of Elasticity Test Cylinders Made and Tested in Laboratory (ASTM C192, C469)	$ 156.00
30227	Density of Structural Lightweight Concrete Made in the Laboratory, Equilibrium or Oven Dry Method (ASTM C567)	$ 86.00
30201	Laboratory Trial Batch (ASTM C192)	$ 400.00
30203	Laboratory Trial Batch: Packaged Dry Concrete Including Verification of Slump, Air Content, Plastic Unit Weight, Six Cylinders for Compressive Strength (ASTM C387 and C192)	$ 800.00
30205	Drying Shrinkage Up to 28 Days: Three 3" x 3" or 4" x 4" Bars, Five Readings up to 28 Dry Days (ASTM C157)	$ 400.00
30230	Additional Reading, Per Set of Three Bars	$ 45.00
30231	Storage over Ninety (90) Days, Per Set of Three Bars, Per Month	$ 30.00
30207	Setting Time Up to 7 Hours (ASTM C403)	$ 125.00
30209	Bleeding (ASTM C232)	$ 125.00
30229	Concrete Restrained Expansion (ASTM C878)	$ 450.00
30211	Mix, Make and Test Mortar or Grout Specimens for Compressive Strength: Set of 6 (ASTM C109, C942)	$ 400.00
20263	Non-Shrink Grout: Height Change after Final Set (ASTM C1090)	$ 400.00
20265	Non-Shrink Grout: Height Change at Early Age (ASTM C827)	$ 950.00
30232	Cracking Resistance, Set of Three Rings, Laboratory Trial Batching, Test Until Cracking or up to 28 Days (ASTM 1581)	$ 4,000.00
30233	Evaluation of Pre-Packaged Masonry Mortars (ASTM C270)	$ 1,100.00

Task Code	Chemical Analysis and Petrographic Examination of Concrete	Rate
80120	Chemical Analysis for Water Soluble Sulfates (ASTM C114) (includes sample prep)	$ 160.00

Task Code	Chemical Analysis and Petrographic Examination of Concrete, continued	Rate
80126	Chemical Analysis for Water Soluble Chlorides (ASTM C1218) (includes sample prep)	$ 150.00
80123	Chemical Analysis for Acid Soluble Chlorides (ASTM C1152) (includes sample prep)	$ 220.00
80193	Chloride Diffusion Coefficient of Cementitious Mixtures by Bulk Diffusion (ASTM C1556)	$ 2,000.00
80129	Petrographic Examination of Hardened Concrete (ASTM 856)	Quotation

Task Code	Physical and Chemical Analysis of Cement	Rate
80195	Physical Testing and Chemical Analysis of Portland Cement per Standard Requirements (ASTM C150)	$ 1,000.00
80100	Chemical Analysis of Portland Cement per Standard Requirements (ASTM C150)	$ 550.00
80103	Physical Testing of Portland Cement per Standard Requirements (ASTM C150)	$ 550.00
80194	Physical Testing of Type K Cement, Mortar Expansion (ASTM C806)	$ 500.00
80106	Partial Analysis or Specific Physical Tests	Quotation
80110	Sulfates Resistance of Hydraulic Cement (ASTM C1012)	Quotation

Task Code	Physical and Chemical Analysis of Fly Ash	Rate
80140	Chemical Analysis of Fly Ash per Standard Requirements (ASTM C618)	$ 550.00
80143	Physical Testing of Fly Ash per Standard Requirements (ASTM C618)	$ 530.00
80146	Partial Analysis or Specific Physical Tests	Quotation
80147	Chemical Analysis and Physical Testing of Fly Ash per Standard Requirements (ASTM C1618)	$ 1,000.00

Task Code	Physical Testing of Chemical Admixtures for Concrete	Rate
80196	Qualification of Admixture per ASTM C494	Quotation

Task Code	Soils and Aggregate Tests	Rate
30503	Abrasion: LA Rattler (ASTM C131)	$ 185.00
30505	Abrasion: LA Rattler (ASTM C535)	$ 195.00
70301	Atterberg Limits/Plasticity Index (ASTM D4318, CTM204)	$ 150.00
70303	California Bearing Ratio Excluding Maximum Density (ASTM D1883): Soil	$ 550.00
70304	California Bearing Ratio Excluding Maximum Density (ASTM D1883): Cement-Treated Soil	$ 650.00
70305	Chloride and Sulfate Content (CTM 417, CTM 422)	$ 130.00
30403	Clay Lumps and Friable Particles (ASTM C142)	$ 175.00
30321	Cleanness Value: 1" x #4 (CTM 227)	$ 175.00
30322	Cleanness Value: 1.5" x .75" (CTM 227)	$ 275.00
70393	Collapse Potential/Index (ASTM D5333)	$ 175.00
70396	Compressive Strength of Molded Soil-Cement Cylinders (ASTM D1633)	$ 105.00
70309	Consolidation Test: Full Cycle (ASTM 2435, CTM 219)	$ 195.00
70311	Consolidation Test: Time Rate per Load Increment (ASTM D2435, CTM 219)	$ 45.00
70313	Corrosivity Series: Sulfate, CI, pH, Resistivity (CTM 643, 417, and 422)	$ 245.00
70315	Crushed/Fractured Particles (ASTM D5821, CTM 205)	$ 175.00
70317	Direct Shear Test: Remolded and/or Residual (ASTM D3080)	$ 245.00
70319	Direct Shear Test: Undisturbed - Slow [CD] (ASTM D3080)	$ 225.00

TWINING

Task Code	Soils and Aggregate Tests, continued	Rate
70321	Direct Shear Test: Undisturbed - Fast [CU] (ASTM D3080)	$ 195.00
70378	Durability Index: Per Method - A,B,C, or D (CTM 229, ASTM D3744)	$ 210.00
70325	Expansion Index (ASTM D4829, UBC 18-2)	$ 160.00
75004	Fine Aggregate Angularity (AASHTO T304, ASTM C1252, CTM 234)	$ 185.00
30507	Flat and Elongated Particle (ASTM D4791)	$ 225.00
30508	Flat or Elongated Particle (ASTM D4791)	$ 195.00
70331	Maximum Density: Methods A/B/C (ASTM D1557, D698, CTM 216)	$ 180.00
70333	Maximum Density: Check Point (ASTM D1557, D698)	$ 65.00
70335	Maximum Density: AASHTO C [Modified] (AASHTO T-180)	$ 195.00
70337	Moisture Content (ASTM D2216,CTM 226)	$ 25.00
70339	Moisture and Density: Ring Sample (ASTM D2937)	$ 30.00
70341	Moisture and Density: Shelby Tube Sample (ASTM D2937)	$ 40.00
70340	Moisture-Density Relations of Soil-Cement Mixtures Premixed in the Field (ASTM D558)	$ 225.00
70342	Moisture-Density Relations of Soil-Cement Mixtures Mixed in the Lab (ASTM D558)	$ 295.00
30401	Organic Impurities (ASTM C40, CTM 213)	$ 90.00
70343	Permeability (ASTM D5084)	$ 250.00
80001	Potential Reactivity: Chemical Method (ASTM C289)	$ 475.00
70394	Potential Reactivity: Mortar Bar Expansion Method, 14-Day Exposure (ASTM C1260)	$ 700.00
70398	Potential Reactivity: Concrete Bar Expansion, Method (ASTM C1293), 12 month	$ 2,400.00
70399	Potential Reactivity: Concrete Bar Expansion, Method (ASTM C1293), 24 month	$ 2,600.00
70397	Potential Reactivity of Aggregate Combination, 14-Day Exposure, Mortar (ASTM C1567)	$ 900.00
70345	R-Value: Soil (ASTM 2844, CTM 301)	$ 325.00
70347	R-Value: Aggregate Base (ASTM D2844, CTM 301)	$ 355.00
70349	Sand Equivalent (ASTM D2419, CTM 217)	$ 125.00
70351	Sieve #200 Wash Only (ASTM D1140, CTM 202)	$ 90.00
70353	Sieve with Hydrometer: 3/4" Gravel to Clay (ASTM D422, CTM 203)	$ 225.00
70355	Sieve with Hydrometer: Sand to Clay (ASTM D422, CTM 203)	$ 215.00
70357	Sieve Analysis Including Wash (ASTM C136, CTM 202)	$ 140.00
70359	Sieve Analysis Without Wash (ASTM C136, CTM 202)	$ 105.00
70360	Sieve Analysis: Split Sieve (ASTM C136, CTM 202)	$ 215.00
70361	Sieve Analysis Without Wash: With Cobbles (ASTM C136, CTM 202)	$ 210.00
70363	Soundness: Sodium or Magnesium Sulfate, 5 Cycles (ASTM C88)	$ 450.00
70365	Specific Gravity and Absorption: Coarse (ASTM C127, CTM 206)	$ 100.00
70367	Specific Gravity and Absorption: Fine (ASTM C128, CTM 207)	$ 165.00
70369	Swell/Settlement Potential: One Dimensional (ASTM D4546)	$ 105.00
70371	Triaxial	Quotation
70373	Unconfined Compression (ASTM D2166, CTM 221)	$ 135.00
30317	Unit Weight Per Cubic Foot (ASTM C29, CTM 212)	$ 80.00
30319	Voids in Aggregate with Known Specific Gravity (ASTM C29, CTM 212)	$ 80.00

Task Code	Asphalt Concrete Tests	Rate
75033	Bulk Specific Gravity of Compacted Sample or Core: SSD (CTM 308C and ASTM D2726)	$ 45.00
75036	Bulk Specific Gravity of Compacted Sample or Core: Parafin Coated (CTM 308A and ASTM D1188)	$ 70.00
75040	Emulsion Residue, Evaporation (ASTM D244)	$ 150.00
75024	Extraction: % Bitumen (CTM 382, ASTM D6307)	$ 155.00
75027	Extraction: % Bitumen and Gradation (CTM 382, CTM 202, ASTM D6307, ASTM D5444)	$ 200.00
75028	Extraction: % Bitumen, Correction Factor (CTM 382, ASTM D6307)	$ 325.00
75030	Chemical Extraction: % Bitumen and Sieve Analysis (ASTM D2172 Method A or B, ASTM D5444)	$ 245.00
75042	Lab Tested Maximum Density: Hveem, 3 briquettes (CTM 304, CTM 308, ASTM D1561, ASTM D1188)	$ 200.00
75054	Hveem Stabilometer Test with Mixing, 3 briquettes (CTM 304, CTM 366, ASTM D1560, ASTM D1561)	$ 325.00
75057	Hveem Stabilometer Test, Premixed, 3 briquettes (CTM 304, CTM 366, ASTM D1560, ASTM D1561)	$ 200.00
75048	Lab Tested Maximum Density: Marshall, 3 briquettes (ASTM D6926,ASTM D2726)	$ 200.00
75049	Lab Tested Maximum Density: Marshall 6" Specimen, 3 briquettes (ASTM D5581, ASTM D2726)	$ 215.00
75050	Lab Tested Maximum Density: Superpave Gyratory Compacted Briquette, SSD, 1 briquette (ASTM D6925, ASTM D2726)	$ 75.00
75052	Lab Tested Maximum Density: Superpave Gyratory Compacted Briquette, Parafin, 1 briquette (ASTM D6925, ASTM D1188)	$ 85.00
75051	Maximum Theoretical Specific Gravity [RICE] (CTM 309, ASTM D2041)	$ 150.00
75066	Marshall Stability and Flow, Cored Sample, each (ASTM D6927)	$ 75.00
75069	Marshall Stability and Flow, Premixed, 3 briquettes (ASTM D6926, ASTM D6927)	$ 200.00
75072	Marshall Stability and Flow, with Mixing, 3 briquettes (ASTM D6926, ASTM D6927)	$ 325.00
75106	Marshall Stability and Flow, Gyratory Compacted Specimen Pre-Mixed, 3 briquettes (ASTM D6925, ASTM D5581)	$ 225.00
75107	Marshall Stability and Flow 6" Specimen, Premixed, 3 briquettes (ASTM D5581)	$ 215.00
75063	Moisture Content (CTM 370)	$ 85.00
75005	Wet Track Abrasion Test (ASTM D3910)	$ 150.00
75093	Hveem Mix Design (Excluding Aggregate Quality Tests)	$ 3,000.00
75096	Hveem Mix Design, with RAP (Excluding Aggregate Quality Tests, RAP Qualification)	$ 3,300.00
75099	Hveem Mix Design, with Lime (Excluding Aggregate Quality Tests)	$ 3,550.00
75094	Hveem Mix Design Caltrans Untreated Mix (Including Aggregate Quality Tests)	$ 4,200.00
75095	Hveem Mix Design Caltrans Lime Treated Mix (Including Aggregate Quality Tests)	$ 4,300.00
75084	Marshall Mix Design (Excluding Aggregate Quality Tests)	$ 3,000.00
75087	Marshall Mix Design with RAP (Excluding Aggregate Quality Tests)	$ 3,300.00
75090	Marshall Mix Design with Lime (Excluding Aggregate Quality Tests)	$ 3,550.00
75083	Open Grade Asphalt Concrete Mix Design (CTM 368, ASTM D7064)	$ 1,350.00
75109	Superpave Mix Design (Excluding Aggregate Quality Tests)	$ 4,770.00
75113	Superpave Mix Design, with RAP (Excluding Aggregate Quality Tests)	$ 6,090.00
75114	Superpave Mix Design, with Rubber (Excluding Aggregate Quality Tests)	$ 6,200.00
75115	Superpave Mix Design, with Additives (Excluding Aggregate Quality Tests)	$ 5,590.00
75075	Effect of Moisture on Asphalt Paving Mixtures, Pre-Mixed (AASHTO T283, ASTM D4867)	$ 875.00
75078	Effect of Moisture on Asphalt Paving Mixtures, Pre-Mixed, 24-Hour Immersion Pre-Mixed (AASHTO T283, ASTM D4867)	$ 1,150.00
75064	Effect of Moisture on Asphalt Paving Mixtures (AASHTO T283, ASTM D4867)	$ 1,500.00
75065	Effect of Moisture on Asphalt Paving Mixtures, One Freeze Thaw Cycle (AASHTO T283, ASTM D4867)	$ 1,700.00

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Task Code	Asphalt Concrete Tests, continued	Rate
75102	Resistance of Compacted Bituminous Mixtures to Moisture Induced Damage [TSR], Untreated (CTM 371)	$ 1,650.00
75105	Resistance of Compacted Bituminous Mixtures to Moisture Induced Damage [TSR], Lime Treated (CTM 371)	$ 1,800.00
75104	Resistance of Compacted Bituminous Mixtures to Moisture Induced Damage [TSR], Pre-Mixed (CTM 371)	$ 900.00
75111	Hamburg Wheel Track Test, 20,000 passes, 4 briquettes (AASHTO T324)	$ 1,000.00
75116	Hamburg Wheel Track Test, 25,000 passes, 4 briquettes (AASHTO T324)	$ 1,200.00
75039	Raveling Test of Cold Mixed Emulsified Asphalt (ASTM D7196)	$ 200.00
75067	Marshall Stability, wet set, 3 replicates (AASHTO T 245)	$ 325.00
75068	Marshall Stability, dry set, 3 replicates (AASHTO T 245)	$ 275.00

Task Code	Brick Masonry Tests, ASTM C67	Rate
20301	Modulus of Rupture: Flexural (5 Required Per ASTM)	$ 45.00
20303	Compression Strength (3 Required Per ASTM)	$ 45.00
20305	Absorption: 5 Hour or 24 Hour (5 Required)	$ 50.00
20307	Absorption (Boil): 1, 2 or 5 Hours (5 Required)	$ 60.00
20309	Initial Rate of Absorption (5 Required)	$ 40.00
20311	Efflorescence (5 Required)	$ 60.00
20313	Cores: Compression	$ 55.00
20315	Shear Test on Brick Cores: 2 Faces	$ 80.00

Task Code	Concrete Block, ASTM C140	Rate
20321	Compression (3 Required Per ASTM)	$ 50.00
20323	Absorption/Moisture Content/Oven Dry Density (3 Required Per ASTM)	$ 80.00
20327	Linear Shrinkage (ASTM C426)	$ 200.00
20335	Web and Face Shell Measurements	$ 40.00
20329	Tension Test	$ 150.00
20331	Core Compression	$ 55.00
20333	Shear Test of Masonry Cores: 2 Faces	$ 75.00
20339	Efflorescence Tests (3 Required)	$ 40.00

Task Code	Masonry Prisms, ASTM C1314	Rate
20341	Compression Test: Composite Masonry Prisms Up To 8" x 16"	$ 185.00
20343	Compression Test: Composite Masonry Prisms Larger Than 8" x 16"	$ 245.00
20346	Prism Cord Modulus of Elasticity	$ 505.00
20347	Prism Cord Modulus of Elasticity with Transverse Strain (for double-wythe specimen)	$ 630.00

Task Code	Mortar and Grout	Rate
20351	Compression: 2" x 4" Mortar Cylinders (ASTM C780)	$ 30.00
20353	Compression: 3" x 3" x 6" Grout Prisms, Includes Trimming (ASTM C119)	$ 52.00
20355	Compression: 2" Cubes (ASTM C109)	$ 30.00
20357	Compression: Cores (ASTM C42)	$ 55.00

Task Code	Masonry Specimen Preparation	Rate
20155	Cutting of Cubes or Prisms	$ 45.00

Task Code	Fireproofing Tests	Rate
20401	Oven Dry Density (Per Sample) (ASTM E605)	$ 60.00

Task Code	Gunite and Shotcrete Tests	Rate
20361	Core Compression Including Trimming (ASTM C42)	$ 55.00
20363	Compression: 6" x 12" Cylinders	$ 25.00
20365	Compression: Cubes (Includes Saw Cutting)	$ 74.00

Task Code	Concrete Roof Fill: Gypsum, Vermiculite, Perlite, Lightweight Insulating Concrete, Etc.	Rate
20371	Compression Test (ASTM C495 and C472)	$ 39.00
20373	Air Dry Density (ASTM C472)	$ 30.00
20379	Oven Dry Density (ASTM C495)	$ 55.00

Task Code	Reinforcing Steel, ASTM A615, A706	Rate
20501	Tensile Test: # 11 or Smaller	$ 42.00
20503	Bend Test: # 11 or Smaller	$ 36.00
20504	Bend Test #14 or #18	$ 300.00
20505	Tensile Test: # 14	$ 200.00
20507	Tensile Test: # 18	$ 300.00

Task Code	Reinforcing Steel - Welded or Coupled Specimens	Rate
20521	Tensile Test: Welded/Coupled #11 and Smaller	$ 62.00
20523	Tensile Test: Welded/Coupled #14	$ 220.00
20525	Tensile Test: Welded/Coupled #18	$ 320.00
20529	Weld: Macroetch	$ 65.00
20531	Slippage Test - Caltrans (CTM 670)	$ 175.00

Task Code	Metal and Steel Testing	Rate
20601	Tensile Strength: Up to 100K Pounds (Each)	$ 50.00
20603	Tensile Strength: Up to 200K Pounds (Each)	$ 55.00
20605	Tensile Strength: Up to 300K Pounds (Each)	$ 65.00
20607	Tensile Strength: Up to 400K Pounds (Each)	$ 110.00
20609	Tensile Strength: 400K to 600K Pounds (Each)	$ 300.00
20611	Tensile Strength: Stress-Strain Percent Offset	$ 150.00
20545	Weld: Macroetch	$ 65.00
20547	Weld: Fracture	$ 30.00
20615	Bend Test	$ 46.00
20617	Flattening Test	$ 55.00
20619	Brinnel and Rockwell Hardness Test (ASTM E18) (Per Test)	$ 72.00
20630	Bolt: Axial Tensile Test (Up to 7/8" diameter)	$ 40.00
20631	Bolt: Wedge Tensile Test (Up to 7/8" diameter)	$ 55.00
20632	Bolt: Axial Tensile Test (Greater than 7/8" up to 1" diameter)	$ 60.00
20633	Bolt: Wedge Tensile Test (Greater than 7/8" up to 1" diameter)	$ 75.00
20634	Bolt: Axial Tensile Test (Greater than 1" diameter)	Quotation
20635	Bolt: Wedge Tensile Test (Greater than 1" diameter)	Quotation
20636	Bolt: Proof Load Test (Up to 7/8")	$ 65.00
20637	Bolt: Proof Load Test (Greater than 7/8" up to 1" diameter)	$ 85.00
20638	Bolt: Proof Load Test (Greater than 1")	Quotation
20639	Nut: Proof Load Test (Up to 7/8")	$ 45.00
20640	Nut: Proof Load Test (Greater than 7/8" up to 1" diameter)	$ 65.00
20641	Nut: Proof Load Test (Greater than 1")	Quotation

Task Code	Chemical Testing of Metal and Steel	Rate
80170	Steel Chemical Analysis	$ 125.00
80173	Weight of Galvanized Coating (ASTM A90)	$ 75.00

Task Code	Machining and Preparation of Tensile and Bend Sample: Carbon Steel	Rate
20751	Machinist: Initial Preparation from Mock-up, Etc. (Per Hour)	$ 80.00
20753	Sawcut to Overall Width (Per 0.5" Thickness or Fraction Thereof)	$ 40.00
20755	Machine to Test Configuration: Milled Specimens (Per 0.5" Thickness or Fraction Thereof)	$ 55.00
20757	Machine to Test Configuration: Turned Specimens (Per 0.5" Thickness or Fraction Thereof)	$ 110.00
20759	Prepare Subsize Specimens (Per 0.5" Thickness or Fraction Thereof)	$ 72.00

Task Code	Charpy Impact	Rate
20621	Charpy Impact Ambient Temperature, per sample (Average of 3 Samples Typically Required)	$ 70.00
20623	Charpy Impact Reduced Temperature, per sample (Average of 3 Samples Typically Required)	$ 90.00

Task Code	Machining of Charpy Samples: Carbon Steel	Rate
20780	Cutting and Milling (Per 0.5" or Fraction Thereafter) (Average of 3 Samples Typically Required)	72
20783	Final Machining to Sample Configuration (Average of 3 Samples Typically Required)	82

Task Code	Prestressing Wires and Tendons, ASTM A416	Rate
20701	Stress-Strain Analysis: Wire or Strands (Including Chart and Percent Offset)	$ 115.00
20703	Tensile Test Only	$ 95.00
20705	Tendons	Quotation

Task Code	Polymer Matrix Composite Materials (Fiberwrap)	Rate
20706	Tensile Strength – Set of 5 Specimens/batch/ direction (ASTM D3039)	$ 1,100.00
20707	Tensile Strength – Additional Specimens (ASTM D3039)	$ 250.00
20708	Heating Chamber Time – Per 24 hr period (ASTM D3039)	$ 85.00

Task Code	Calibration Services and Universal Machine Usage	Rate
20801	Calibration/Verification Services	Quotation
20803	Universal Test Machine Usage (Per Hour)	$ 250.00

Ceramic Tile Testing Division

The Ceramic Tile Institute of America (CTIOA) and Twining worked together to advance and develop technology designed to enhance the quality of materials and workmanship in the ceramic tile industry. A separate schedule of fees for these services is available upon request.

Cyclic and Fatigue Testing Programs on Special Products/Parts	Quotation
Engineering and Technical supports/Design of Prototypes and Special	Quotation
Fastener/Coupling Full Testing Program Per New Regulations: Tension, Tension/Bend, Shear, Double Shear, 8 Compressions	Quotation
Fiberglass/Composite Materials Field Testing Program (ASTM D4065, D1143, D4923, D2584, D4476, D1242, D7901, D7921, and D732)	Quotation
Field Testing of Structures and Structural Elements	Quotation
In-Place Shear Testing	Quotation
Materials and/or Product Evaluation Per Specifications	Quotation
Structural Dynamic Testing and Durability Analysis	Quotation

General Conditions

NOTE: Field inspection work conditions are established by contract with Operating Engineers, Local 12.
NOTE: A minimum iof 24 hours notice is required for testing and inspection services

Administrative Fees

All administrative costs including report distribution and the Twining ConstructionHive system are billed at 4% of monthly invoice total. Note that hard copies of reports will be sent only to governing jurisdictions that mandate them. All other parties will receive reports electronically. The administrative fee above will be increased by 1% if additional hard copies of reports are requested.

Minimum Charges (Inspection and Technician Personnel Only - Other Personnel Charged on Portal to Portal Basis)

2-Hour Minimum: Inspector arrives at jobsite, no work to perform.	Inspector arrives at jobsite, no work to perform
4-Hour Minimum: 1 to 4 hours of inspection	1 to 4 hours of inspection
8-Hour Minimum: Over 4 hours of inspection	Over 4 hours of inspection

Regular Time

The first 8 hours worked Monday through Friday between 5:00 a.m. and 5:00 p.m.

Time and One-Half (All Types of Inspection)

All shifts will be billed based on the time and date of their start. Any increment past 8 hours through 12 hours worked Monday through Friday and the first 12 hours on Saturday. Time and one-half will also be charged for any time before 5:00 a.m. and after 5:00 p.m.

Double Time (All Types of Inspection)

All shifts will be billed based on the time and date of their start. After the first 12 hours worked Monday through Saturday, all day Sunday, holidays, and the first Saturday following the first Friday in June and December. Holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.

Meal Period

When personnel are required by their duties to work more than five consecutive hours without a one-half hour uninterrupted meal period,one half hour at double time rate will be charged in addition to any applicable overtime for actual hours worked.

Shift Differential

A $1.00 per hour shift differential premium will be charged for all inspection hours that fall outside of the 5:00 a.m. to 5:00 p.m. time period. Twining will require 48-hour notice prior to beginning a shift that will include hours falling outside this time period. Should this notice not be provided, all work performed on that shift will be billed at the overtime rate.

If three shifts per day are required, the first shift will be billed at the standard rate. The second shift shall be billed in accordance with the previous paragraph. The third shift shall be billed at 8 hours for the first 6 1/2 hours worked and overtime for all hours thereafter.

General Conditions, continued

Travel Time and Mileage
For projects outside a 50-mile radius from the nearest Twining facility, $0.60 per excess mile to and from the project will be charged for inspectors and technicians. Other than small tools, whenever project related equipment is required to be transported to and from the project site, time and mileage for inspectors and field technicians will be billed on a portal to portal basis. For all projects, $0.60 per mile will be charged portal to portal for engineers, consultants, supervisors, and laboratory technicians from the laboratory to the project site and return.

Saturday Sample Pick-Ups
In order to be in strict conformance with testing standards, it may be required that Saturday pick-ups be performed (e.g. concrete specimens cast on Friday must be picked up on Saturday in order to be in conformance with ASTM C31 requiring specimens to be moved to their final curing location within 48 hours of casting.) Applicable charges for Saturday work will apply when this is required. Should these charges not be authorized then Twining will not be responsible for any negative consequences.

Remote Jobs
For projects in excess of 100 miles from Twining, travel time will be charged at the relevant straight time rate.

Reimbursable Expenses
Parking, air fare, car rental, food and lodging, etc. will be charged at cost plus 15% per processed invoice, unless provided by client.

Subsistence
Subsistence on remote jobs will be charged per quotation.

Laboratory Testing Hours
Please note that laboratory testing will be billed on an hourly basis for non-standard tests. If testing is required to be performed on Saturdays, Sundays, holidays, or before 5:30 a.m. or after 4:00 p.m. on weekdays, an additional hourly charge with a minimum of one hour will be applied for the laboratory technician. 1.5 x regular test rate will be charged for rush testing.

Charges for Subcontracted Services

Material sent to outside laboratory for testing:	Cost plus 20%
Material sent to outside fabricator or machine shop:	Cost plus 20%
Glu-Lam beam inspection:	Cost plus 20%
Other subcontractors:	Cost plus 20%
Project exclusive equipment purchase:	Cost plus 20%

Limit of Liability
All contracts are subject to errors and omissions coverage limits of $50,000.00, or contract amount whichever is greater. Higher limits available by quotation.

Certified Payroll
Certified payroll will be provided, upon request, at an additional charge of $100.00/month.

Final Reports Required by Jurisdiction
If a final report or affidavit is required, we must first review all inspection and testing reports and clear up any unresolved issues on these reports. These issues will typically require approval by the engineer or architect of record. This process can take several weeks or just a day, depending on the number and complexity of the issues. Cost for final reports will be billed hourly.

Terms of Payment
Fees charged are for professional and technical services and are due upon presentation. If not paid within 30 days from date of invoice, they are considered past due and a finance charge of 1½% per month will be added to the unpaid balance (APR 18%).

All invoice errors or necessary corrections shall be brought to the attention of Twining within 15 days of receipt of invoice. Thereafter, customer acknowledges invoices are correct and valid. Twining reserves the right to terminate its services to a customer without notice if all invoices are not current. Upon such termination of services, the entire

In the event of any litigation arising from or related to any agreement to provide services whether verbal or written, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorney's fees and all other related expenses in such litigation. Additionally, in the event of a non-

Specimen Disposal
Specimens will be discarded after testing unless Twining has been notified prior to testing that the customer wishes to retrieve the specimens or storage arrangements are made.

Oversize Specimens
An extra charge will be made when test specimens require more than one person to handle due to size or weight.

CITY OF **CUDAHY** CALIFORNIA

Incorporated November 10, 1960

P.O. Box 1007
5220 Santa Ana Street
Cudahy, California 90201-6024
(323)773-5143
Fax: (323) 771-2072

MEMO

DATE: April 27, 2015

TO: All Proposers

FROM: Aaron Hernandez-Torres, P. E., *Assistant City Engineer*

RE: Materials Testing Services RFP Results

***Cudahy Citywide Street Improvement Project (Prop 1B)* - (Fostoria St/River Rd/Cecelia St/Crafton Ave & Ferndale Ave Loop/Alamo St/ and Walker Ave)**

Project No. 240-7080-6745/240-7081-6745/ 240-7082-6745

Reference is made to the *Cudahy Citywide Street Improvement Project (Prop 1B*) for which the City received a total of three (2) proposals from its materials testing short-listed firms on Monday 4/27/15 by 3:00 PM. The following is a ranking of the cost proposals received for the project in ascending order:

1. Twining - $7,575
2. Ninyo & Moore – $14,289.00

As a result of the above findings, the Engineering Department will be recommending that the City Council award a contract for the above mentioned services to the lowest proposer; **Twining, Inc.**

Item Number
9G

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/Executive Director
By: Victor Ferrer, Deputy City Clerk

Subject: **Consideration to Adopt Resolution No. 15-18, to Restate the Rules for Placing Items on the City Council Agendas and Establish an Agenda Structure**

RECOMMENDATION

The City Council is requested to adopt Resolution No. 15-18, to restate the rules for placing items on the City Council agendas and establish an agenda structure.

BACKGROUND

1. On April 21, 2015, at the City Council meeting, during Council Comments, Councilman Baru Sanchez directed the City Clerk's Office to add a discussion item regarding the structure of the agenda to the following meeting (May 5, 2015).

2. On May 5, 2015, the City Clerk's Office added the discussion regarding the structure of the agenda for City Council meetings. Consequently, the City Council voted in favor to draft a Resolution updating and establishing the structure of the agenda.

ANALYSIS

In an effort to conduct City Council meetings efficiently, Resolution No. 15-18 establishes the structure of City Council agendas, where public comments take place at the beginning of the meeting will only be accepted during the first 20 minutes of the meeting and can only address items on the agenda. General public comments will be accepted at the end of the meeting.

It is a common practice that the City invite Elected Officials, contractors, consultants, and attorneys, to make presentations to the City Council at Council meetings. Due to the volume of public comments, these presentations are put on hold until public comment is over, in some most cases public comment takes over an hour. The public comment has impacted

the City financially due to attorneys' and staff's time (Overtime).

CONCLUSION

If the City Council approves Resolution No. 15-18, the City Clerk's Office will prepare and structure the agendas for the June 8, 2015 meeting.

If the City Council denies Resolution No. 15-18, no further action will be taken.

FINANCIAL IMPACT

None

ATTACHMENTS

A. Resolution No. 15-18
B. Resolution No. 15-18 – Red Lined Version

RESOLUTION NO. 15-18

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY ESTABLISHING AND UPDATING RULES TO PLACE ITEMS ON CITY COUNCIL AGENDAS

WHEREAS, the City has adopted the City Manager form of government in which the City Manager functions as chief executive and is responsible for the day-to-day operations of the City; and

WHEREAS, on May 1, 2012, the City Council adopted Resolution 12-16, reinforcing the City Manager form of Government and establishing rules of decorum for Council Members, including a policy that Council Members direct requests to the City Manager; and

WHEREAS, the City has an existing policy of providing staff adequate time to prepare agendas for public meetings as codified in Municipal Code section 2.04.030; and

WHEREAS, the City Council currently conducts its regular meetings on the first and third Tuesday of each and every month, in accordance with Ordinance No. 628 and section 2.04.020 of Chapter 2.04 (City Council) of Title 2 (Administration and Personnel) of the Cudahy Municipal Code; and

WHEREAS, the regular meetings of the City Council often last until one (1) a.m. or later, and agenda items scheduled for the meetings are tabled to later dates due to time constraints; and

WHEREAS, members of the public have expressed concerns that the late hour of these meetings is inhibiting public participation in the discussion of agenda items and City Council cannot take action when items are continuously tabled due to insufficient time to hear all items that are placed on the agenda; and

WHEREAS, many members of the public are not able to stay to the end of the meetings when the run until 1a.m. or later; and

WHEREAS, the City Council shares these concerns and values the participation of members of the public as an important aspect of a transparent government; and

WHEREAS, the City Council endeavors to have City Council meetings in which fewer agenda items are tabled to later meeting dates and which are of a shorter duration, as the City Council values community members' time and is aware that many community members have come to City Council meetings for specific agenda items, only to have those agenda items tabled to later dates due to time constraints; and

WHEREAS, as a result of these concerns, the City Council seeks to implement a procedure enabling more efficient City Council meetings, in order to encourage both the efficient administration of City Council meetings and the attendance and participation of the public at such meetings.

WHEREAS, the City Council would like to adopt as order of business for its meetings.

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

SECTION 1. In order to keep the number of agenda items for each City Council meeting at a reasonable number and in the interest of preventing agenda items from being tabled due to time constraints, each City Council Member may only place two (2) items on a City Council agenda. Acknowledging that there may be a number of important or time-sensitive agenda items in excess of this restriction, the City Manager shall have the authority to place additional agenda items on an agenda if, in his discretion, he deems it necessary for the continued operations of the City or to properly conduct City business.

SECTION 2. There shall be a section in each regular City Council meeting agenda entitled “Requests for Agenda Items.” During a regular City Council meeting, each City Council Member may use this section as a time to propose one (1) or two (2) agenda items he/she wishes to place on the following regular City Council meeting agenda. If a City Council Member wishes to place a third agenda item on the following regular City Council meeting agenda, the proposal to add of such an item must be approved by a majority vote of the City Council Members present at the meeting. If, outside of a regular City Council meeting, a City Council Member wishes to place an agenda item on a future agenda, the City Council Member shall do so pursuant to the procedures established in Section 3 and 4 of this Resolution.

SECTION 3. City Council Members seeking to place items on a City Council agenda shall first present the items to the City Manager.

SECTION 4. Agenda items shall be presented to the City Manager at least fourteen (14) days prior to the City Council meeting, to allow the City Manager to work with the Office of the City Clerk and other City staff to make any applicable modifications to the agenda items and prepare the agenda.

SECTION 5. The order of business for all regular and adjourned regular meetings shall be as follows:

CALL TO ORDER

ROLL CALL

PLEDGE OF ALLEGIANCE

PRESENTATIONS

PUBLIC COMMENTS (only on items on the agenda and only speakers that submitted comment cards within the first 20 minutes of the meeting will be permitted to speak)

CITY COUNCIL COMMENTS

CITY MANAGER REPORT (information only)

WAIVER OF FULL READING OF RESOLUTIONS AND ORDINANCES

CONSENT CALENDAR

PUBLIC HEARING

CITY COUNCIL BUSINESS SESSION

COUNCIL DISCUSSION

PUBLIC COMMENT (closed session items only)

CLOSED SESSION

CLOSED SESSION ANNOUNCEMENT

PUBLIC COMMENT (only for items relating to those matters under City Council's jurisdiction and only speakers that submitted comment cards within the first 20 minutes of the meeting will be permitted to speak)

ADJOURNMENT

Except with majority consent of the Council, items may not be taken out of order. If there are no items to be considered in any section(s), that section(s) may be omitted from that agenda.

SECTION 6. The order of business at special meetings shall be as follows:

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

TRANSACTION OF BUSINESS FOR WHICH THE SPECIAL MEETING WAS CALLED

ADJOURNMENT

SECTION 7. This resolution repeals resolution 14-30. Further, to the extent that any provisions of any prior resolutions of the City Council of the City of Cudahy are inconsistent with the provisions of this resolution, they are hereby repealed.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this **19 day of May, 2015**.

_____

Cristian Markovich, Mayor

ATTEST:

_____

Victor H. Ferrer,
Deputy City Clerk

APPROVED AS TO FORM:

_____

Isabel Birrueta, Assistant City Attorney

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

I, Victor H. Ferrer, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 15-18 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 regular meeting of said Council held on the 19th day of May, 2015, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Victor H. Ferrer,
Deputy City Clerk

RESOLUTION NO. ~~14-30~~ 2015-_____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY ESTABLISHING AND UPDATING RULES TO PLACE ITEMS ON CITY COUNCIL AGENDAS

WHEREAS, the City has adopted the City Manager form of government in which the City Manager functions as chief executive and is responsible for the day-to-day operations of the City; and

WHEREAS, on May 1, 2012, the City Council adopted Resolution 12-16, reinforcing the City Manager form of Government and establishing rules of decorum for Council Members, including a policy that Council Members direct requests to the City Manager; and

WHEREAS, the City has an existing policy of providing staff adequate time to prepare agendas for public meetings as codified in Municipal Code section 2.04.030; and

WHEREAS, the City Council currently conducts its regular meetings on the first and third Tuesday of each and every month, in accordance with Ordinance No. 628 and section 2.04.020 of Chapter 2.04 (City Council) of Title 2 (Administration and Personnel) of the Cudahy Municipal Code; and

WHEREAS, the regular meetings of the City Council often last until one (1) a.m. or later, and agenda items scheduled for the meetings are tabled to later dates due to time constraints; and

WHEREAS, members of the public have expressed concerns that the late hour of these meetings is inhibiting public participation in the discussion of agenda items and City Council cannot take action when items are continuously tabled due to insufficient time to hear all items that are placed on the agenda; and

WHEREAS, many members of the public are not able to stay to the end of the meetings when the run until 1a.m. or later; and

WHEREAS, the City Council shares these concerns and values the participation of members of the public as an important aspect of a transparent government; and

WHEREAS, the City Council endeavors to have City Council meetings in which fewer agenda items are tabled to later meeting dates and which are of a shorter duration, as the City Council values community members' time and is aware that many community members have come to City Council meetings for specific agenda items, only to have those agenda items tabled to later dates due to time constraints; and

WHEREAS, as a result of these concerns, the City Council seeks to implement a procedure enabling more efficient City Council meetings, in order to encourage both the efficient administration of City Council meetings and the attendance and participation of the public at such meetings.

WHEREAS, the City Council would like to adopt as order of business for its meetings.

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

SECTION 1. In order to keep the number of agenda items for each City Council meeting at a reasonable number and in the interest of preventing agenda items from being tabled due to time constraints, each City Council Member may only place two (2) items on a City Council agenda. Acknowledging that there may be a number of important or time-sensitive agenda items in excess of this restriction, the City Manager shall have the authority to place additional agenda items on an agenda if, in his discretion, he deems it necessary for the continued operations of the City or to properly conduct City business.

SECTION 2. There shall be a section in each regular City Council meeting agenda entitled “Requests for Agenda Items.” During a regular City Council meeting, each City Council Member may use this section as a time to propose one (1) or two (2) agenda items he/she wishes to place on the following regular City Council meeting agenda. If a City Council Member wishes to place a third agenda item on the following regular City Council meeting agenda, the proposal to add of such an item must be approved by a majority vote of the City Council Members present at the meeting. If, outside of a regular City Council meeting, a City Council Member wishes to place an agenda item on a future agenda, the City Council Member shall do so pursuant to the procedures established in Section 3 and 4 of this Resolution.

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PRESENTATIONS

PUBLIC COMMENTS (only on items on the agenda and only speakers that submitted comment cards within the first 20 minutes of the meeting will be permitted to speak)

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PUBLIC COMMENT (closed session items only)

CLOSED SESSION

CLOSED SESSION ANNOUNCEMENT

PUBLIC COMMENT (only for items relating to those matters under City Council's jurisdiction and only speakers that submitted comment cards within the first 20 minutes of the meeting will be permitted to speak)

~~)~~

ADJOURNMENT

Except with majority consent of the Council, items may not be taken out of order. If there are no items to be considered in any section(s), that section(s) may be omitted from that agenda.

SECTION 6. The order of business at special meetings shall be as follows:

CALL TO ORDER

ROLL CALL

PUBLIC COMMENT

TRANSACTION OF BUSINESS FOR WHICH THE SPECIAL MEETING WAS CALLED

ADJOURNMENT

SECTION ~~5~~7. This resolution repeals resolution 14-30. Further, t~~T~~o the extent that any provisions of any prior resolutions of the City Council of the City of Cudahy are inconsistent with the provisions of this resolution, they are hereby repealed.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this ~~1~~**~~5th~~ 19 day of ~~April~~May, ~~2014~~2015**.

Cristian Markovich, Mayor

ATTEST:

Victor H. Ferrer,
Deputy City Clerk

APPROVED AS TO FORM:

Isabel Birrueta, Assistant City Attorney

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

I, Victor H. Ferrer, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 2015-___ 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 regular meeting of said Council held on the ___ day of May, 2015, and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Victor H. Ferrer,
Deputy City Clerk

Item Number
9H

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/Executive Director
By: Michael Allen, Acting Community Development Director

Subject: **Consideration to Approve First Amendment of Professional Services Agreement with Paragon Partners, LTD. for Residential Tenant Relocation Services for the Clara Park Expansion Project Phase III**

RECOMMENDATION

The City Council is requested to approve the First Amendment to the Professional Services Agreement (PSA) with Paragon Partners, LTD for residential tenant relocation services required in order to expedite the Clara Park Expansion Project Phase III in order to complete the project and submit all reimbursement requests before April 30, 2015 in an amount not-to-exceed $5,500 funded by the General Fund.

BACKGROUND

1. On July 1, 2002, the City was awarded $2,500,000 for the acquisition and development of approximately 0.90 acres of land with fencing, open space turf, landscaping, lighted pathway, and picnic areas. Awarded funds would liquidate if project was not completed by June 30, 2015.

2. In 2008, the City completed Phase I and II of the Clara Expansion Park. Phase I and II was funded by State Z'Berg, and County Open Space District funds. These phases included the acquisition of the first five parcels which were developed to basketball courts, picnic facilities, walking paths, lighting, fencing, a soccer field, and restrooms.

3. In May 2014, Paragon Partners, LTD. was procured under the City Manager's purchasing authority for professional services pursuant to Ordinance No. 626 for the preparation of a relocation plan of the acquisition, demolition, and relocation of the displaced residents of all six units.

4. On July 28, 2014, the California Department of Parks and Recreation approved the City's request for a scope change for the Clara Expansion Park Phase III. The scope change included the acquisition and development of 0.45 acres of land, with fencing, open space turf, landscaping, lighted path, picnic area, and exercise stations. Additionally, the grant amount was reduced from $2,500,000 to $1,790,750 reflecting the removal of a second parcel to the acquisition schedule.

5. On September 2, 2014, the City Council awarded a Professional Services Agreement (PSA) for Residential Tenant Relocation Services to Paragon Partners, LTD.

6. On December 10, 2014, the City closed escrow on 4840 Clara Street, finalizing the acquisition of the subject property.

7. As of March 2, 2015, five of the six tenant households had been relocated. The remaining tenant household was moved into a local hotel in order to expedite the construction start date.

8. On March 2, 2015, construction began with the demolition of six homes, grading and filling, as well as the installation of the walking path, landscaping, picnic areas, and exercise stations.

9. On April 21, 2015, the Clara Park Expansion Project Phase III was completed.

10. As of April 28, 2015, in an effort to expedite relocation the cost of services is expected to exceed the original contract amount of $25,520 to Paragon Partners, LTD.

ANALYSIS

As part of the Clara Park Expansion Project Phase III, the City procured the services of Paragon Partners, LTD. to provide relocation assistance and management to six households at the subject property located at 4840 Clara Street. Paragon Partners LTD. provided the necessary planning and assessment needs, resident general project information notice, resident eligibility notice, and resident 90-day notice to vacate. Additionally, Paragon Partners LTD. served in an advisory capacity to the Project Manager, as well as prepare and file claims for reimbursement.

An additional budget allocation/amendment of $5,500 is necessary due to an evolving scope of work as the relocation process progressed as outlined below:

- The budget included one split household, however there were two households which moved separately.

- It was not known that the subject site property owner was using the property for storage for her property management operations until after the project had commenced. She is entitled to relocation benefits and was provided advisory services and relocation benefits.

- In order to meet the very aggressive project timeline, it was necessary to move one family into temporary housing and their personal belongings into storage. Such coordination of temporary housing and storage was not a component included in the original fee proposal.

CONCLUSION

If approved by City Council, the First Amendment with Paragon Partners, LLC will allow the City to successfully close out the relocation services and the Clara Park Expansion Project Phase III.

FINANCIAL IMPACT

Amendment No. 1 is set not-to-exceed $5,500 and will be funded by the General Fund. The reimbursable amount of the original State funding has been exhausted and the City has successfully closed out the construction and reimbursement phase of the project. Any additional costs will be funded through the General Fund.

ATTACHMENTS

A. Amendment No. 1 to Professional Services Agreement with Paragon Partners, LTD.
B. Letter of Correspondence Requesting Additional Funds

2015

FIRST AMENDMENT

TO PROFESSIONAL SERVICES AGREEMENT

(Engagement: Relocation Consulting Services)

(Parties: Paragon Partners, Ltd. and City of Cudahy)

THIS FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (the "Amendment") to that certain document entitled "Community Block Grant Services Contract" (the "Master Agreement") executed as of September 2, 2014, by and between the City of Cudahy, a municipal corporation (hereinafter, "City") and Paragon Partners, Ltd. (hereinafter, "Consultant") is made and entered into this 19th day of May 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

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

WHEREAS, CITY wishes to engage Consultant to provide the following specialized services: Relocation Consulting Services in connection with the Clara Street Sports Complex Expansion Project ("Project"); and

WHEREAS, CITY's in-house personnel are 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

WHEREAS, Consultant agrees to perform its various services under this Agreement in compliance with the requirements of 49 CFR, Part 24, the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended, Title 25 California Code of Regulations, and California Relocation Law, section 7260, as it may apply to this Project; and

WHEREAS, Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this 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. Section 1.3 (Compensation) is amended in part to reflect the addition of FIVE THOUSAND FIVE HUNDRED DOLLARS ($5,500.00) for the services provided under the Scope of Work, (hereinafter, the "Revised Not-to Exceed Sum"). In the event Consultant's charges are projected to exceed the Revised Not-to-Exceed Sum prior to the expiration of the Term or any single extension term, City may suspend Consultant's performance pending City's approval of any anticipated expenditures in excess of the Revised Not-to-Exceed Sum or any other City-approved amendment to the compensation terms of this Master Agreement.

2. Except as otherwise set forth in this Amendment, the Master Agreement shall remain binding, controlling and in full force and effect. This 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.

3. The provisions of this 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 Amendment and the provisions of the Master Agreement, the provisions of this Amendment shall control, but only in so far as such provisions conflict with the Master Agreement and no further.

4. This Amendment shall be executed in three counterparts, with one such fully executed counterpart returned to Consultant upon execution.

[SIGNATURE PAGE TO FOLLOW]

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

CITY:
City of Cudahy,
a municipal corporation

By:_____
Cristian Markovich, Mayor

APPROVED AS TO FORM:

By: _____
Isabel Birrueta, City Attorney

Consultant:
Paragon Partners, Ltd.

By: _____

Print:_____

Title:_____

Exhibit "A"
(See the attached Master Agreement)

PARAGON PARTNERS LTD

April 28, 2015

Michael Allen
Acting Community Development Director
City of Cudahy
5223 Santa Ana Street
Cudahy, CA 90660

Re: Clara Park - Request for Additional Budget

Dear Mr. Allen:

The following serves to support this request for an additional budget for relocation assistance services for this project. Paragon's original contract amount to provide relocation services for the project was $25,520, plus expenses. However, as the relocation activity progressed, the scope of work evolved, as described below.

- The budget contemplated that there would be only one split household, but there were actually two households which moved separately.

- It was not known that the subject site property owner was using the property for storage for her property management operations until after the project had commenced. She is entitled to relocation benefits and was provided advisory services and relocation benefits.

- In order to meet the very aggressive project timeline, which was accelerated even further, it was necessary to move one family into temporary housing and their personal belongings into storage. Such coordination of temporary housing and storage was not a component that was included in the original fee proposal.

For these reasons, Paragon respectfully asks the City of Cudahy to consider our request for additional budget in the amount of $5,500, which we anticipate will be required to complete this project. This would result in a total contract amount of $31,020.

Sincerely,

Peter Rhoad
Project Manager

5762 Bolsa Avenue, Suite 201 | Huntington Beach, California 92649
714.379.3376 | 888.899.7498 | Fax 714.373.1234 | www.paragon-partners.com

2014

PROFESSIONAL SERVICES AGREEMENT

(Engagement: Relocation Consulting Services)

(Parties: Paragon Partners Ltd. and City of Cudahy)

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into this 2nd day of September 2014 (hereinafter, the "Effective Date"), by and between the City of Cudahy, a municipal corporation ("City") and Paragon Parnters Ltd., with its principal place of business located at 5762 Bolsa Avenue, Suite 201, Huntington Beach, CA 92649 (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: Relocation Consulting Services in connection with the Clara Street Sports Complex Expansion Project ("Project"); and

WHEREAS, CITY's in-house personnel are 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

WHEREAS, CONSULTANT agrees to perform its various services under this Agreement in compliance with the requirements of 49 CFR, Part 24, the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended, Title 25 California Code of Regulations, and California Relocation Law, section 7260, as it may apply to this Project; and

WHEREAS, Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN CONTAINED, CITY AND CONSULTANT AGREE AS FOLLOWS:

I.
PROJECT, SCOPE AND TERM OF SERVICES AND COMPENSATION

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 that certain proposal entitled "City of Cudahy Clara Street Sports Complex Expansion Project" dated August 13, 2014 which is attached and incorporated hereto as Exhibit "A" (hereinafter, the "Scope of Work"). 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 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." The Work is inclusive of those tasks identified as being optional under the Scope of Work and such optional work shall not constitute Extra Work under Section 1.5 of this Agreement, below. 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").

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 Notice to Proceed and shall be completed at the earliest feasible time practicable, but in no event by a date no later than thirty (30) weeks from the issuance of the 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 sixty (60) calendar days from the original Completion Date; and (ii) Consultant shall have provided City with a written request for additional time no less than fourteen (14) calendar days prior to the original Completion Date, which notice shall specify the reason(s) why additional time is need, 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 including, without limitation, an expansion of the Scope of Work as indicated by the City prior to the date of such notice described in the preceding sentence. In the event additional time is needed beyond the initial Term and the extension term contemplated above, Consultant shall submit a formal written request fourteen (14) days prior to the expiration of the extension term, detailing what work needs to be completed and a good faith estimate of how much additional time is needed. In no event shall the additional request for time exceed thirty (30) calendar days. CITY has sole discretion to approve this request for additional time.

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 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;

e. Consultant, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

1.3 COMPENSATION: Consultant shall perform and complete all of the services and tasks set forth under the Scope of Work at the rates of compensation set forth under the "Relocation Services" starting on page 3 of Exhibit A. Consultant further agrees that the total compensation for the performance and completion of the tasks and related services contemplated under this Agreement shall not exceed the sum of TWENTY FIVE THOUSAND, FIVE HUNDRED AND TWENTY DOLLARS ($25,520.00) including third party expenses (hereinafter, the "Contract Price"), unless such added expenditure is first approved by the City acting in consultation with the City Manager and the Director of Finance. Consultant further agrees to perform each of the tasks identified in the Scope of Work in accordance with the cost schedule set forth on page 4 of Exhibit A. In the event Consultant's charges are projected to exceed the Contract Price prior to the expiration of the Term or any single extension term, City may suspend Consultant's performance pending City approval of any anticipated expenditure in excess of the Contract Price or any other City-approved amendment to the compensation terms of this Agreement. The Contract Price is inclusive of the cost of performing those tasks identified as optional under the Scope of Work.

1.4 PAYMENT OF COMPENSATION: City shall compensate Consultant on a monthly basis. At the end of each month during the term of this Agreement, 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. Within fifteen (15) business 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 EXTRA WORK; COMPENSATION FOR EXTRA WORK:

A. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. For the purposes of this Agreement, the term "Extra Work" means any additional work, services or tasks not set forth in the Scope of Work but later determined

by City to be necessary. Consultant shall not undertake nor shall Consultant be entitled to compensation for Extra Work without the prior written authorization of the City. Extra Work does not include any labor, materials, tools, supplies, equipment, services, tasks or incidental and customary work undertaken to competently perform and timely complete the Work and related tasks set forth in the Scope of Work.

B. Payments for any Extra Work shall be made to Consultant on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Consultant be entitled to increase fees for services rendered before the thirtieth day after Consultant notifies City in writing of an increase in the fee schedule. Fees for Extra Work shall be paid within sixty (60) calendar days of the date Consultant issues an invoice to City for such Extra Work.

1.6 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.

1.7 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 Work, 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 (hereinafter, the "City Representative") to act as its representative for the performance of this Agreement. The City Representative or his 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 Representative or their designee.

2.2 CONSULTANT'S REPRESENTATIVE: Consultant hereby designates Mark Mendoza, to act as its representative for the performance of this Agreement (hereinafter, "Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. Consultant's 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's 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 applicable to the 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 (including but not limited to Consultant's subcontractors and subconsultants) 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 Consultant's 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.

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) calendars days from the date of discovery or such other extended period of time authorized by the City Representatives in writing 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 in a skillful and competent manner equivalent to, the standard of performance generally recognized as being employed by professionals performing the same type of work and services in the State of California.

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 others during the term of this Agreement, provided such work does not unduly interfere with Consultant's competent performance under this Agreement or 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 EMPLOYEE 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 fully informed of and in compliance with all applicable laws, statutes, codes, rules, regulations and ordinances of the federal government of the United States of America, the State of California, the County of Los Angeles, the City of Cudahy and any other local governmental entity to the extent such laws, statutes, codes, rules, regulations or ordinances governing or affecting the performance of the Work.

2.9 SAFETY: Consultant shall perform its work so as to avoid injury or damage to any person or property. In performing the Work, Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which any work is to be performed.

2.10. 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.

2.11. INDEPENDENT CONTRACTOR: 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: As more specifically set forth below under this Article, 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 this Article) 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 this Agreement. Consultant shall also procure and maintain such other types of insurance as may be required under this Article, below. City shall not, and shall be under no obligation to, issue a Notice to Proceed until Consultant has provided evidence satisfactory to City that it has procured all insurance required under this Article III (Insurance).

3.2 REQUIRED COVERAGES: Consultant agrees that it shall procure and maintain the following insurance coverage, at its own expense, for the duration for this Agreement or any extended period set forth herein:

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 equivalent). Such CGL Coverage shall have minimum limits of no less than One Million Dollars ($1,000,000.00) per occurrence 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, hired and non-owned autos. 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: 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.

D.

E. 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 claim and shall be endorsed to include contractual liability.

3.3 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.

3.4 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement shall be procured from insurers licensed 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.

3.5 PRIMACY OF CONUSLTANT'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.

3.6 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.

3.7 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 the City's financial well-being and, indirectly, the collective well-being of the residents of the City of Cudahy. Accordingly, Consultant warrants, represents and agrees that it 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 as a condition precedent to the commencement of any work or any of the Work. City shall not, and shall be under no obligation to, issue a Notice to Proceed until Consultant fully complies with this Section. The requirements of this Section cannot be waived and any attempted waiver shall be void, invalid and non-binding upon City.

3.8 FAILURE TO ADHERE TO INSURANCE PROVISIONS: In addition to any other remedies City may have under this Agreement or at law or in equity, if Consultant fails to comply with any of the requirements set forth in this Article, City may, but shall not be obligated to: **(a)** Order Consultant to stop any and all work under this Agreement or withhold any payment, which becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; or **(b)** terminate this Agreement. City's exercise of any of the foregoing remedies, shall be in addition to any other remedies City may have and is not the exclusive remedy for Consultant's to failure to comply with the insurance requirements set forth under this Article.

3.9 SUBCONTRACTORS INSURANCE COVERAGE: Consultant shall include all persons and entities performing work on its behalf as insureds (including all contractors, subcontractors and subconsultants) or, in the alternative, shall furnish separate certificates of insurance and endorsements for each such persons or entities evidencing their independent procurement of insurance. All coverages for such persons or entities shall be identical to the requirements imposed upon Consultant under this Article.

3.10 NO LIMITATION ON LIABILITY: Consultant's procurement of insurance shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's indemnification duties set forth under Article V of this Agreement.

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, 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 the City as set forth herein.

4.2 Work of Consultant's Non-Design Professionals Services: To the fullest extent permitted by law, Consultant shall 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 or any of its officers, employees, servants, agents, or subcontractors in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel mutually acceptable to both City and Consultant.

4.3 Work of Consultant's Design Professionals Services: The duty to indemnify, defend and hold harmless as set forth under this subsection shall apply to the negligence, recklessness or willful misconduct of any individual who qualifies as a "design professional" within the meaning of subsection (c)(2) of Section 2782.8 of the California Civil Code in so far as such negligence, recklessness or willful misconduct occurs in the performance work or activities that must be performed by a "design professional." Subject to the limitation of the preceding sentence, to the fullest extent permitted by law, the Consultant shall immediately defend and indemnify and hold harmless the City Indemnities, defined above, from and against any and 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 the negligence, recklessness, or willful misconduct of Consultant or any of Consultant's officers, employees, servants, agents, contractors, subcontractors or authorized volunteers or any other person or entity involved by, for, or with or on behalf of Constultant in the performance of design professional services under this Agreement. The Parties understand and agree that the duty of Consultant to indemnify, defend and hold harmless pursuant to this subsection includes the duty to defend as set forth in Section 2778 of the California Civil Code. Consultant's obligation to indemnify applies unless it is finally adjudicated that the liability was caused by the sole active negligence or sole willful misconduct of an indemnified party. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of an indemnified party, then Consultant's indemnification obligation shall be reduced in proportion to the established comparative liability.

4.4

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 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, by written notice to Consultant, terminate this Agreement at any time for convenience and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least fifteen (15) calendar days before the effective date of such termination. Upon termination, Consultant shall be compensated only for the Work which has been adequately rendered to City, and

Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for breach of this Agreement. 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 other information within fifteen (15) calendar days of the request. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, Work similar to those terminated.

5.2 DEFAULT, BREACH AND TERMINATION IN THE EVENT OF BREACH: In the event either Party fails to perform, or adhere to, any applicable duty, obligation or standard of conduct set forth under this Agreement (or fails to perform or adhere to any such duty, obligation or standard of conduct at the time, place or manner set forth in this Agreement), an event of default (hereinafter, "Event of Default") shall have occurred. Except as otherwise provided in this Agreement, if an Event of Default remains uncured by the defaulting Party for a period in excess of fourteen (14) calendar days from the date upon which the non-defaulting Party issues notice of default (hereinafter, a "Default Notice") to the defaulting Party, then the default shall constitute a breach of this Agreement. If a Party is in breach of this Agreement, the non-breaching Party may pursue any and all remedies available to it at law or in equity. If Consultant is in breach (whether or not such breach is caused by Consultant or Consultant's officials, officers, employees, agents, contractors, subcontractors or subconsultants, City may, in its sole and absolute discretion (and without obligation), terminate this Agreement upon the issuance of five (5) calendar days prior written notice of termination on the grounds of breach (a "Breach-Termination Notice"). City's ability to terminate this Agreement as provided in this Section shall be in addition to any other remedies City may have at law or in equity in the event of breach and shall not be in lieu of such other remedies.

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 ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input recorded data, written information, and other like information either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidentially by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Work. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Work. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. 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 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:
Paragon Partners Ltd.
5762 Bolsa Ave., Suite 201
Huntington Beach, CA 92649
Attn.: Neilia LaValle, President
Phone: (714) 379-3376 ext. 210

CITY:
City of Cudahy
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 prepared and addressed to the Party at its applicable address.

6.4 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.

6.5 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.

6.6 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: City reserves the right to employ other consultants in connection with the various projects worked upon by Consultant.

6.7 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.

6.8 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.

6.9 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.

6.10 ATTORNEY'S 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 attorney's fees and all other costs of such action.

6.11 SUCCESSORS AND ASSIGNS: This Agreement shall be binding on the successors and assigns of the Parties.

6.12 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.

6.13 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.

6.14 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.

6.15 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.

6.16 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.

6.17 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.

6.18 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 6.15, above.

6.19 COUNTERPARTS: This Agreement shall be executed in three (3) original counterparts each of which shall be of equal force and effect. One counterpart shall be delivered to Consultant, one counterpart shall be delivered to the City Clerk for archiving and one counterpart shall be delivered to the Economic Development Department for day-to-day reference. 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 6.15, above.

[SIGNATURE PAGE TO FOLLOW]

AS OF THE DATE FIRST WRITTEN ABOVE, the Parties evidence their agreement to the terms of this Agreement by signing below:

Executed at Cudahy, California.

CITY:
City of Cudahy, a municipal corporation

By: _____
Jose E. Pulido, City Manager

APPROVED AS TO FORM:

By: _____
Isabel Birrueta, City Attorney

CONSULTANT:
Paragon Partners Ltd.

By: _____
Neilia LaValle, President

EXHIBIT "A"
[SCOPE OF WORK]

[SEE ATTACHED]

PARAGON PARTNERS LTD

City of Cudahy
Clara Street Sports Complex Expansion Project

REQUEST FOR PROPOSAL FOR RELOCATION CONSULTING SERVICES

August 13, 2014

5762 Bolsa Ave., Suite 201
Huntington Beach, CA 92649
Phone: (714) 379-3376
www.paragon-partners.com

PARAGON PARTNERS LTD

August 14, 2014

Michael Allen
Acting Community Development Director
City of Cudahy
5220 Santa Ana St.
Cudahy, CA 90201

Subject: **Proposal for Relocation Services**
City of Cudahy's Clara Street Sports Complex Expansion Project
4840 – 4844 Clara Street, Cudahy, CA 90201

Dear Mr. Allen:

Pursuant to your request, Paragon Partners Ltd. (Paragon) is pleased to submit this proposal to provide Relocation Consulting Services for six (6) residential units required for the City of Cudahy's Clara Street Sports Complex Expansion Project.

For over two decades, Paragon has been a leader in providing Right-of-Way services to public and private agencies. We are highly respected not only for our expertise in the field, but for the compassion we display throughout the relocation process. We facilitate relocation by being informative, supportive and sensitive to language barriers and lifestyle concerns. We have selected a bilingual project team who are highly skilled in garnering a high-level of cooperation from displaced residents in order to ensure smooth housing transitions and the streamlined implementation of the relocation process.

Our project approach will be guided by a proven control process that establishes early protocols for communication, reporting, progress reviews and conducting all facets of relocation activities. Our program services are in compliance with the requirements of 49 CFR, Part 24, the Uniform Relocation Assistance, and Real Property Acquisition Policies Act of 1970, as amended, Title 25 California Code of Regulations, and California Relocation Law, section 7260, as it may apply to this project.

Please contact me if you have any questions regarding this proposal or to authorize Paragon to proceed with the scope of work stated herein.

Sincerely,

Mark Mendoza,
Vice President

5762 Bolsa Avenue, #201 | Huntington Beach, CA 92649
Phone: (714) 379-3376 | Fax: (714) 373-1234
www.paragon-partners.com

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Company Profile

Established in 1993, Paragon provides a comprehensive array of land rights, project management, and consulting services to public and private sector clients. A privately held corporation and a woman-owned business enterprise, our staff members are experts at providing turn-key Right-of-Way assistance on state and federally-funded projects. We employ nearly 150 Right-of-Way professionals in our office in Huntington Beach; regional offices in Sacramento, Houston, and Anchorage, Alaska; and project offices in Oregon, Texas, Utah, Wyoming, and Illinois. As a result of a sound business strategy, Paragon is prospering in diverse markets and geographic regions.

Scope of Services

Paragon provides each client with total project support to acquire and maintain the legal rights to effectively service a diverse range of project types including development companies, redevelopment, transportation, and support for public works infrastructure improvements.

Services Include:

- Project/Program Management
- Right-of-Way and Real Property Acquisition
- Relocation Assistance Services and Planning
- Right-of-Way Engineering
- Appraisal, Appraisal Review, and Market Data Studies
- Title Research and Examination (Surface and Minerals)
- Utility Relocation
- Land, Asset, and Property Management
- Prior Rights Studies/Historical Research (Due Diligence)
- Route Alignment and Economic Feasibility Studies
- Site Location and Acquisition
- Litigation Support
- Custom Database Design, G.I.S. Interfacing, and Management Support

Quality

Paragon's Quality Assurance/Quality Control (QA/QC) systems are unique to the Paragon brand of service. Our QA/QC policies and procedures exceed industry standards and are continuously improved through frequent internal review and customer satisfaction survey information. As a result, Paragon has the demonstrated ability to conduct large, complex projects in an efficient and timely manner, while maintaining the highest quality.

Project Approach & Management

Project Description

The City proposes to expand the existing Clara Street Sports Complex. Therefore, the City of Cudahy is in the process of acquiring the parcels known as 4840 – 4844 Clara Street, Cudahy, CA 90201 to accommodate the proposed expansion project. As a result, there is a need for a consultant to provide relocation services for these six (6) residential tenant-occupied households. The overall relocation process is expected to take six (6) months.

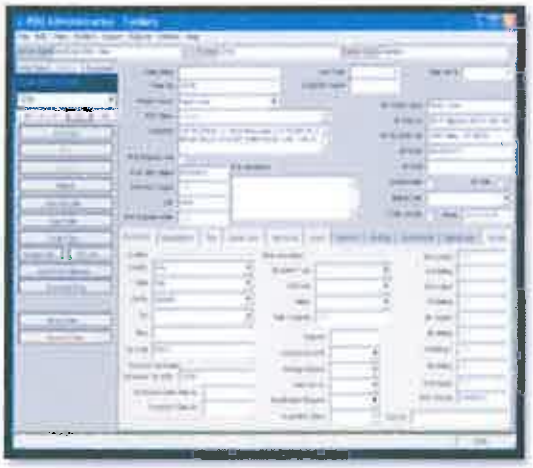
Project Management

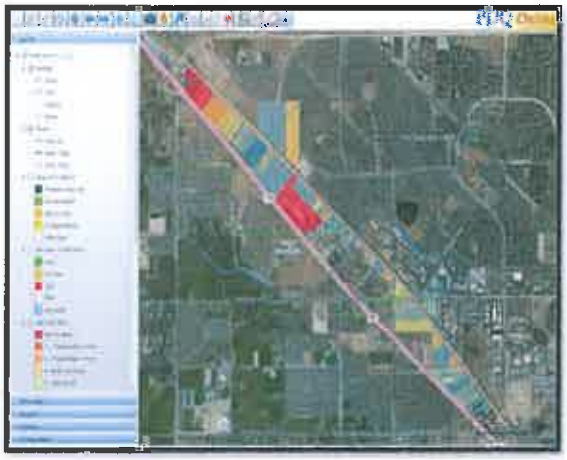
Brett Paulson, SR/WA, R/W-NAC, R/W-RAC, will lead the project management efforts for this assignment. He was selected for this project for his ability to deliver a project within budget and on schedule, all while maintaining Federal and State Regulation compliance. These qualifications will be critical to successfully completing this project within a 6-month time frame. All of Paragon's relocation activities will be carefully coordinated with consistent and timely communication between our staff and the City's designated project team. We anticipate that Paragon will provide the applicable letter, notices and claim form formats that have been utilized for other similar projects.

Project Management Tools - Paragon will utilize three significant management tools during this project assignment – a Quality Control Relocation Services Checklist, Paragon Data Quest, and a task-related tracking report – that will offer our project management team and the City staff the ability to review general information or the intimate details of each case assignment.

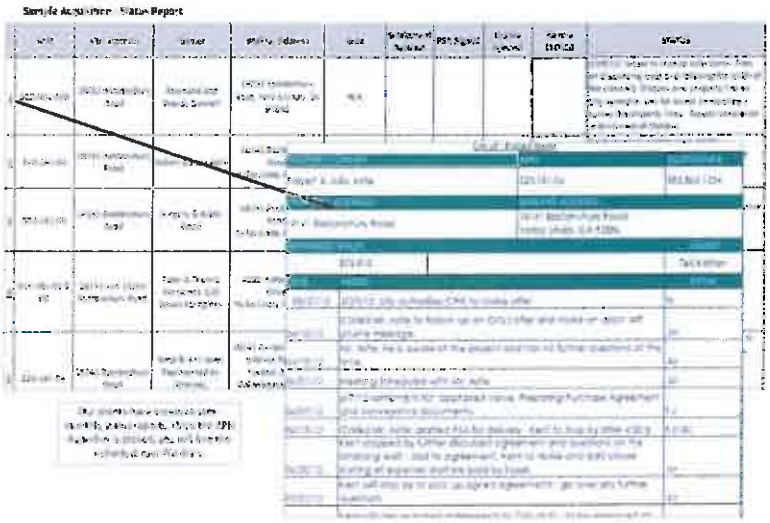
Quality Control (QC) Relocation Checklist - As a quality control measure, our Project Manager will conduct periodic reviews of each case file and document on the checklist their review comments and/or specific task recommendations.

Paragon Data Quest (PDQ) - Paragon has developed a patented software program, Paragon Data Quest (PDQ), which integrates and links databases, scanned documents and drawings, AutoCAD and Micro-station files, digitized photography, and video to merge real property data knowledge from multiple sources and formats. PDQ is an effective, customized system for managing real estate records. The Web-enabled tracking provides authorized users secure on-line access for remote file-sharing and project information management. Project information can be tracked through Paragon's proprietary database system, and ultimately the important milestones and supporting data will be recorded and made available to the City on-line through PDQ.





Task Related Reporting - The Project Summary Report tracks major milestones while allowing the user to be directly linked to each case file diary. While the Summary Report tracks the history and proposed action items of major milestones, each case file diary documents a detailed history of facts attributable to a unique case assignment.



Relocation Services

Our project approach for the proposed relocation assistance includes four (4) stages: Planning-Assessing Household Needs, Eligibility Determination & Notices, Advisory & Administrative Relocation Services, and Entitlement Claim Coordination & Project Close-out.

Planning - Assessing Household Needs

The eligibility process will begin with the interview of the household needs to ascertain the household composition, income, and displacement needs. This information will be the basis to determine the amount of assistance required to successfully relocate the tenant to a comparable, Decent, Safe & Sanitary replacement dwelling. The tenants will be assisted throughout the entire relocation process by a qualified relocation agent.

Eligibility Determination & Notices

Paragon relocation staff will review the Household Needs data obtained for each tenant to determine if they qualify as "Low Income", elderly or a disabled household (Displacee). The relocation agents will perform various market searches for comparable rental properties that will be utilized in determining eligibility parameters and creating the Notice of Entitlements (NOE) for each household. The Project Manager will advise the City of the eligibility calculations prior to delivery of the NOE to the tenant.

Notices required by the Uniform Relocation Act (URA) will be personally served on the appropriate party or their authorized representative. If personal service cannot be obtained, notices will be sent to the appropriate party via certified mail- return receipt requested and regular United States mail. In both cases, served notices and documentation of service will be preserved in PDQ and each individual relocation file. In compliance with the URA and California Relocation Law, Paragon will prepare or provide the following notices/information:

- General Information Notice
- Relocation Brochure
- Notice of Eligibility
- Comparable Property Referral List
- 90 Day Notice

Advisory & Administrative Relocation Services

Each member of our team will counsel households as needed to explain their options, benefits analysis, and various consequences associated with each decision they make regarding their relocation options. Our effective counseling is one factor that separates Paragon's level of service from our competitors. We believe initial site visits with families, combined with personal attention, will help expedite the process and garner the best possible goodwill in the implementation of relocation activities. Our advisory assistance will include:

- Holding meetings with occupants of each impacted dwelling to explain the Relocation Assistance Program (RAP) and benefits, and ascertain relocation eligibility.
- Providing bi-lingual communication as needed.
- Searching and providing the displacees with an adequate number of written, replacement housing options. Providing transportation for displacees, if necessary, to inspect replacement housing and referring displacee to public housing and other public services that may be available.
- Inspecting replacement dwellings or sites to determine compliance with "Decent, Safe, & Sanitary" requirements and monitoring household moves, if necessary.
- Providing assistance in obtaining commercial moving bids in accordance with the Uniform Act guidelines, upon request. In the event a commercial moving bid is obtained, the basis for the estimate will be the Certified Personal Property Inventory. Assisting displacees with the preparation of the scope of service for the moving bid, other contractor services, and, if necessary, an inventory of personal property.
- Completing on-site vacancy inspections, obtaining the appropriate signatures and collecting keys for delivery to the appropriate City representative, if required.
- Providing the City with assistance in responding to any RAP appeal requests or audits.
- Maintaining all pertinent data and relocation diary entries in Paragon's premier project management program, PDQ. PDQ will allow real-time project review via the internet, and provide the City with the ability to print status reports at their convenience.

Entitlement Claim Coordination and Project Close-out

Relocation benefits will be determined and paid in accordance with the Uniform Act and California Relocation laws. Paragon will work closely with eligible tenants to prepare the necessary claims for the submission of relocation payments, eligible moving expenses, and reasonable out-of-pocket expenses. Once all claims are paid and documented, Paragon will perform a final QC review on the file, update the PDQ system, complete a Relocation Agent Certification and close the file. All files will be submitted to the City for proper retention according to their procedures and funding source compliance requirements upon Project completion.

Proposed Duration for the Proposed Scope of Services

Paragon's goal is to relocate six (6) residential households within a six (6) months period after receipt of a Notice to Proceed. The schedule below outlines the estimated timeframe for each relocation phase and will be monitored by the Project Manager to track progress, identify pending conflicts and develop timely solutions.

Timeframe for each of Stage 1 Through 4		
Stage 1:	Planning/Assessing Needs	Weeks 1-2
Stage 2:	Provide General Project Information	Weeks 2-4
	Eligibility Determination & Provide Notices	Weeks 4-8
	Provide Referrals	Weeks 8-20
	Issue 90-Day Notice To Vacate	Weeks 3-10
Stage 3:	Provide Advisory Services	Weeks 1-24
Stage 4:	Prepare and File Claims	Weeks 12-24
	Units Vacated	Weeks 16-24
	Project Closeout	Week 24-26

Proposed Staffing

Paragon is pleased to present an experienced and professional Relocation Team that is poised and available to meet the relocation assistance needs of this Project. Each team member was selected for their years of experience, ability to complete work efficiently, bilingual capabilities, and project availability.

Mark T. Mendoza, MRE, Principal - Mark T. Mendoza has 25 years of practical and diversified experience in Real Estate Program Management, Real Estate Acquisition, Relocation Assistance, Public Infrastructure Projects, Real Estate Administration, Public Policy and Finance. He manages and directs a multitude of varied and challenging development and redevelopment projects in Southern California. As a Real Estate Manager for the $1.5 Billion Alameda Corridor-East Construction Authority Project, Mr. Mendoza is responsible for all planning, coordination, and supervision of turn-key right of way services for the Project. He has also served in key real estate management roles in projects for the City of Los Angeles Community Redevelopment Agency and the Los Angeles Unified School District. Prior to joining Paragon, Mr. Mendoza headed the Metropolitan Water District of Southern California's Real Estate Services Department and served as a Principal Negotiator for the Los Angeles County Metropolitan Transportation Authority's Real Estate and Joint Development Department.

Brett Paulson, SR/WA, R/W-NAC, R/W-RAC, Project Manager - Brett Paulson is highly experienced with compliance and application of federal regulations and guidelines associated with acquisition, relocation assistance, and management of real property for public entities, in compliance with 49 CFR Part 24, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, local and state requirements in California and Nevada, including Housing of Urban Development (HUD), Department of Transportation, Caltrans, Federal Highway Administration as well as the FAA Advisory Circular and the FAA Order. For over 20 years, he has been instrumental in developing and administering grant applications and budgets for public agencies involving a variety of funding sources and categories, and has a proven track record providing staff and sub consultant oversight with particular emphasis on delivering client strategies in compliance with regulations and policies.

Kent Jorgensen, SR/WA, Desk Valuations / QC Manager - Kent Jorgensen brings over 26 years of experience in project management and business development in the Right-of-Way and real estate industries. He has managed and executed nearly 5,000 acquisition, relocation, and property management cases. Mr. Jorgensen has written more than 250 acquisition, relocation, and property management policies and procedures for federal, state, and local agencies. His written work is also inclusive of over 350 feasibility, budget, and cost studies for numerous government organizations. Mr. Jorgensen is highly-recognized for his ability to strategically formulate innovative solutions. Drawing on his knowledge and tenure in the professional real estate and Right-of-Way industries, Mr. Jorgensen is extremely successful at evaluating revenue generating opportunities and creating a marketing and development plan to secure business objectives.

Christopher Carrillo, Principal Relocation/Acquisition Agent - Chris brings over 12 years of Right-of-Way experience to this Project as a licensed California Real Estate Salesperson. Cross-trained in residential and business relocation, acquisition, and property management, Chris is known for his ability to successfully and efficiently handle all cases from conception to completion. His project assignments have included redevelopment and transportation projects in Orange, Los Angeles, San Bernardino, and Riverside counties. These projects required extensive coordination with public agencies (such as Caltrans Districts 7, 8, & 12), developers, stakeholders, and the community and Chris is proficient in both Federal and State regulations relating to all aspects of Right-of-Way acquisition and relocation.

Jeff Wellcome, SR/WA, Principal Relocation/Acquisition Agent - Jeff has more than 15 years of professional real estate experience in relocation and acquisition of both residential and commercial properties. He has experience in public and private sector negotiation of Right-of-Way easements, permits, leases, temporary work space agreements and land acquisition. Jeff is knowledgeable in Federal, State and URA regulations and is licensed with the California Department of Real Estate. Jeff is goal oriented, decisive and a strong problem solver.

Jackie Martinez, ROW Technician – Jackie is a Right-of-Way Technician and Project Coordinator with 8 years of experience in all aspects of the Right-of-Way industry and knows that prioritization and expedient dissemination of project information is key to effective project management. Jackie is a highly organized and detail-oriented individual that executes tasks discretely and with good judgment; she has strong personal motivation and the ability to work productively both within a group and independently to advance the success of all projects.

Similar Project Experience and References

The following are representative examples of related relocation projects successfully completed by Paragon.

Client:	**Urban Housing Communities, LLC & Oxnard Housing Authority**
Project:	***Las Cortes Revitalization Program***
	The project involves the relocation of over 260 existing residents in three phases. Phase One, already completed, required the relocation of 6 families by the end of 2013. Phase Two, currently in progress, requires the relocation of 117 families. All qualified families will receive Tenant Protection Vouchers (TPV) and as well as relocation advisory and moving assistance. Of the 136 families, a group of 72 families will be permanently relocated. Sixty-four families will be given the option to return to newly developed housing within the Las Cortes community. Phase Three will require the relocation of the remaining families.
Reference:	Carrie Sabatini, Deputy Executive Director – 805-385-8092

Developer:	**Oakland Housing Authority**
Project:	***Keller Plaza***
	Paragon was selected to provide transitional housing counseling and other admission services to 1,600 public housing sites that included 201 temporary relocations in Oakland Public housing as the City transitioned its public housing residents to Section 8 vouchers. Related services included tracking and managing the project, managing requests for moving benefits, issuance of resident notifications, calculation of Section 8 rent, completion of Estoppel Certificates, facilitating the lease negotiations with the Housing Authority units, providing one-on-one counseling services for individual families, and providing relocation advisory services.
Reference:	Eric Johnson, Executive Director – 510-535-3140; Bridget Galka – 510-587-2142

Developer:	**Los Angeles Housing Department**
Project:	***Public Housing Home Ownership Program***
	For over six years, Paragon has been providing on-going relocation assistance to Los Angeles tenants who undergo no-fault evictions through the withdrawal of available low-income apartments and housing units as a result of demolition, condominium conversions, and owner-occupancy. Since 2007, Paragon has handled the resident transition of 1,300 units on over 900 properties. Our staff serves as the liaison between tenants, landlords, management companies, attorneys, and investigators. To educate the affected residents about the process and their options, developed effective, user friendly materials in English and Spanish to help garner the highest levels of cooperation and soften the impact of their eviction.
Reference:	Martha Carrasco, Management Analyst II – 213-808-8598

Cost and Price

Provided in the attached Cost Sheet are Paragon's proposed costs associated with the relocation services listed herein.

Paragon will invoice on an hourly basis for project management, coordination and relocation services, not to exceed a total consulting budget of $25,520. Paragon's hourly charges will be based on the hourly rates listed below:

Principal- Mark T. Mendoza	**$175.00 per hour**
Project Manager - Brett Paulson and/or Kent Jorgensen	**$150.00 per hour**
Principal Relocation/Acquisition Agent- Chris Carrillo	**$115.00 per hour**
Acquisition/Relocation Agent – Jeff Wellcome	**$95.00 per hour**
Right of Way Technician – Jackie Martinez	**$65.00 per hour**

A comprehensive Cost Proposal and Rate Sheet are included hereto as Attachments A and B.

DIRECT CHARGES					
Copies	@	$0.15 each	Pagers | Cellular	@	Cost
D&E Size Copies	@	$5.00 each	Air Travel & lodging	@	Cost
Real Estate Data	@	Cost + 15%	Mileage*	@	$0.565/mile
Telephone | Fax	@	Cost	Subconsultants	@	Cost + 15%
Postage | FedEx	@	Cost	Other Expenses	@	Cost + 15%
CAD | GIS Workstations	@	$10 | Hour			

**Or current IRS allowable*

Terms of Payment: Net 30 days. Invoices will be submitted monthly. All rates are effective as of January 1, 2014. Rates may be revised annually on January 1, 2015 to reflect increases in the cost of living and current business conditions. Overtime for applicable labor classifications will be charged at 1.5 times the hourly rate in accordance with California law.

Attachment A

Relocation Cost Proposal

Property Address	Project Management & QA/QC	Relocation Services	Total
4842 Clara Street	$600	$3,150	$3,750
4842 ½ Clara Street	$600	$3,150	$3,750
4844 Clara Street	$600	$3,150	$3,750
4844 ¼ Clara Street*	$1,200	$4,400	$5,600
4844 ½ Clara Street	$600	$3,150	$3,750
4840 Clara Street	$600	$3,150	$3,750
TOTAL			$24,350
Other Direct Costs (i.e. mileage, postage, online data sources)			$ 1,170
Grand Total Not To Exceed Fee			**$25,520**

*It is assumed that this household will split and require processing for two (2) replacement households.

NOTES:

Services are proposed to be completed within six (6) month timeframe from the authorization to proceed.

Attachment B

Schedule of Professional Fees

Classification	Hourly Rate
Principal/Project Director/Corporate Broker	$175
Project Manager	$150
Principal Acquisition Agent	$115
Senior Acquisition Agent	$ 95
Acquisition Agent	$ 85
Principal Relocation Agent	$115
Senior Relocation Agent	$ 95
Relocation Agent	$ 85
Senior Title Agent	$ 95
Title Agent	$ 85
Escrow Coordinator	$ 75
Right-of-Way Engineer, P.E.	$140
Senior Right-of-Way Engineer	$120
Associate Right-of-Way Engineer/GIS Specialist	$ 95
Right-of-Way Engineering Technician	$ 75
Senior Appraiser	$140
Associate Appraiser	$125
Administrative Support	$ 65
Office Clerk	$ 50
IT Support	$125
Depositions and Court Testimony	$250

Direct Charges					
Photocopies	@	$0.15/page	Pagers/Cellular	@	N/C
D&E Size Copies	@	$5.00 each	Air Travel/Lodging	@	N/C
Real Estate Data Services	@	Cost + 15%	Mileage	@	$0.565/mile*
Telephone/Fax	@	Cost	Sub Consultants	@	Cost + 15%
Postage/FedEx	@	Cost	Other Expenses	@	Cost + 15%

**Or current IRS allowable*

Terms of Payment – Net 30 days. Invoices will be submitted monthly. All rates are effective as of January 1, 2014. Rates will be revised annually on January 1, 2015 to reflect increases in the cost of living and current business conditions. Overtime for applicable labor classifications will be charged at 1.5 times the hourly rate in accordance with California law.

Item Number
10A

STAFF REPORT

Date: May 19, 2015

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

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

Subject: **Consideration to Adopt Resolution No. 15-19, Authorizing Participation in the Municipal Insurance Purchasing Cooperative Joint Powers Authority (MIC)**

RECOMMENDATION

The City Council is requested to:

1. Approve participation in the Municipal Insurance Purchasing Cooperative Joint Powers Authority (MIC) for the City's general liability, workers' compensation, property and other insurance needs; and
2. Adopt Resolution 15-19, Authorizing Membership in MIC and appointing two representatives as the official representatives to the MIC JPA; and
3. Approve the Municipal Insurance Purchasing Cooperative Joint Exercise of Powers Agreement.

BACKGROUND

1. On June 16, 1977, the City entered into an agreement creating the Southern California Joint Powers Insurance Authority (CJPIA).
2. On August 12, 2011, the updated Joint Powers Agreement was adopted.
3. On January 21, 2014, the Council adopted Resolution No. 14-09 terminating membership from the CJPIA at the earliest opportunity per the City's agreement.
4. On January 31, 2014, Interim City Manager Henry Garcia submitted a notice to terminate

through formal correspondence to Jonathan Shull, Executive Director of the CJPIA.

5. On June 3, 2014, the City approved a Contract Services Agreement with Keenan and Associates to provide Risk Management Program Evaluation Services in two phases. (Attachment E):

   - Phase I
     - Identification of Risk
     - Coverage Analysis & Techniques to Manage Risks

   - Phase II
     - Program Marketing
     - Implementation of Risk Management Techniques
     - Monitor and Evaluate Results

6. On October 27, 2014, Keenan & Associates conducted an assessment of the City's Safety Program and site visit. The purpose of the evaluation was to identify any unusual exposures of the City; assess the City's compliance with various risk management procedures and/or statutory requirements; and evaluate the City's safety culture.
7. On November 13, 2014, Keenan & Associates provided the results of the City's assessment.
8. On December 10, 2015, Keenan & Associates met with staff to provide insurance program alternatives based on the City's needs and historical losses.
9. On February 17, 2015, Keenan & Associates provided staff an insurance recommendation and preliminary insurance program indication for coverage for Fiscal Year (FY) 2015-16 for MIC.
10. On March 12, 2015, the MIC Board convened and unanimously approved membership for the City.
11. On April 21, 2015, at a regular City Council meeting, Keenan & Associates gave a presentation of their findings during the presentation section of the meeting.

ANALYSIS

Executive Summary

At the request of the Council, staff searched for an alternative to the City's current insurance program, California Joint Powers Insurance Authority (CJPIA), a risk sharing pool. Keenan and Associates were contracted for their expertise and experience in insurance coverage for public agencies. After a thorough analysis of our risks and losses, the Municipal Insurance Cooperative - Joint Powers Authority Purchasing Group (MIC), a Non-Risk Sharing Pool, was presented to the City as a progressive alternative an insurance program. MIC combines the strength of low premiums while not assuming the risk of other public agency members. The new insurance program would allow Cudahy be in control of their destiny.

Although the City has been pleased with the services provided by CJPIA, its rating structure used for determining annual premiums is less favorable to the City of Cudahy than comparable joint powers insurance pools, especially non-risk sharing pools.

Risk Sharing Pools vs. Non-Risk Sharing Pools

While pooled purchasing arrangements for general liability (GL), property, and workers' compensation (WC) insurance are a proven method for leveraging buying power and achieving a lower cost of risk, many public agencies are concerned that their participation in a traditional risk sharing pool may expose them to the risk of covering deficits of other member cities' losses and risks.

The City worked with Keenan and Associates to assess the risks and losses specific to the City. Through this analysis MIC was identified to be a great alternative of insurance coverage and risk management services. The unique design of MIC gives members the advantages of pooled purchasing power to obtain coverage that is more cost effective than they could purchase on their own, while avoiding the risks associated with joint liability of participating in a shared risk pool like CJPIA.

Self-Insured Retention (SIR) vs. Retrospective Adjustments

As a member of MIC each Member City chooses their SIR (similar to a deductible) for each line of coverage without any pooling of risks between members. MIC uses the collective buying power of all members to achieve lower costs for transferred coverages without the

perception of one entity unfairly subsidizing the insurance risks of another member City. The proposed MIC insurance program will provide an SIR of $50,000 for general liability and workers' compensation of $75,000.

Currently CJPIA has developed a formula for calculating annual premiums that includes frequency of loss and severity loss. Additionally, CJPIA every October Retrospective Adjustments are calculated for the previous FY, which can result in either an additional charge or a refund to the City. Some claims take many years to resolve and over time their estimated values change as new information becomes available. Retrospective Adjustments are based on the on-going claim development of past coverage periods in the pool. This type of adjustment after premiums have already been paid makes budgeting for insurance premiums very difficult for a small city like Cudahy.

The City has a Retrospective Adjustment for 2014 for liability coverage of $11,759 and $197,609 for workers' compensation coverage. These amounts are charged to our FY 2015-16 premium costs and can be divided into six yearly installments, if requested.

Claims can sometimes take time to resolve. The MIC program does not charge any retrospective adjustments because of the premium for coverage is closely matched to the City's risks, liabilities, and past losses. Every year Keenan and Associates will provide loss analysis to properly calculate the appropriate self-insured retention based upon the city's historical loss data to properly plan and prepare for future claims. The loss findings for FY 2015-16 are projected at $40,000 for general liability and $50,000 for workers' compensation. The City will reserve these funds for anticipated claims.

Proactive Risk Management Program

MIC is partnered with Keenan and Associates, to proactively address loss drivers in order to promote the safety culture within the City and to decrease the frequency of claims. Keenan and Associates will provide a risk management program and customized loss control program for the City to assure the lowest risk future claims.

MIC will provide:

- a custom loss control plan to be proactive and prevent property, crime, general liability and workers' compensation claims.
- provide access to web-based training modules (general safety and employment practices) delivered on the award winning Keenan SafePersonnel platform, saving money, time and employee productivity.
- claims oversight and contractual risk transfer review.
- access to P&C Bridge, a proprietary property and casualty online technology portal that enables you to bridge compliance, communication, training, analytics and risk management in one secure platform.
- Company Nurse, a patient assistance program providing enhanced treatment, modified duty accommodation and return to work services
- Broad coverage document (i.e., front/back pay, inverse condemnation, breach of contract)

MIC Cost Analysis

The costs of coverages from MIC are based specifically on the risk, losses, experience, exposures, and payroll of the City, rather than a formula that includes not only the risk and losses of our City but also those of other cities in the pool.

- **General Liability (GL), including property coverage**

  In reviewing the City's loss data for the past ten years, the City has seen a spike in severity in the FY 2011-12 due to Employment Practices Liability related claims. The City has also had an increase in frequency and severity in FY 2014-15 related to ADA violations. A review and stratification of our GL losses per occurrence reveals that the appropriate SIR should be $50,000.

  A review and loss stratification of the City's liability claims over the last ten years was completed and revealed an average annual liability loss of approximately $40,000. For purposes of comparison to our current program, it is reasonable to estimate the expected self-insured loss for future GL claims at $50,000. Therefore, the City will reserve $ 40,000 for potential GL claims for fiscal year 2015-16.

- **Workers' Compensation (WC)**

  Within the past five years the City has experienced an unusual spike in severity for WC claims. A review and stratification of our WC losses per occurrence reveals that there were two losses in FY 2011-12 that exceeded $75,000 and one in FY 2013-14. Based upon this information, Keenan and Associates has suggested a $75,000 SIR. Additionally, this SIR will provide a lower premium until the City is able to reduce losses from both a frequency and severity standpoint to become a more favorable risk.

  In order to plan for future losses for FY 2015-16, Keenan and Associates took the last 10 completed years of losses into consideration (not including current), and calculated the average annual WC Incurred Loss. For purposes of comparison to our current program, it is reasonable to estimate the expected self-insured loss for future WC claims at $50,000. Therefore, the City will reserve $ 50,000 for potential WC claims for FY 2015-16.

- **Additional Program Fees**

  · ***Claims Administration***

  MIC members would have improved claims control for third party claims administration for both WC, property & GL that would be in full compliance with the City's scope of work including program administration, claims administration, litigation management, and interface with MIC. The claims administration team would consist of a dedicated support staff with extensive expertise in public agency claims and workers' compensation claims handling.

  · ***JPA Program Expense***

  MIC has contracted with Keenan & Associates for general program administration. This includes audit, professional development, legal fees, and website.

  · ***Management Fee/Commission Fee***

  MIC has contracted with Keenan & Associates for program administration (including

marketing and placement of insurance program), inclusive of accounting and financial services, and loss control services. The compensation is based upon 15% commission which is standard compensation fee for insurance brokers. The City would be credited per the existing risk management evaluation services provided through the Risk Management Program Evaluation Services contract. This contract stipulated that the City would receive a one-time credit of $25,320 for FY 2015-16 to be debited from the fee.

Although CJPIA does provide similar programs, they are not broken out in line item fees, they are included in their premiums.

Insurance Program Cost Comparison below for FY 2015-16. *(Retrospective Payments for CJPIA will be paid if the City stays with CJPIA or transition to MIC)*

Coverage	CJPIA		MIC
Liability	$ 168,038		$ 149,762
Property	$ 6,063		Included
Crime	$ 957		$ 2,500
Workers' Compensation	$ 126,055		$ 85,605
Claims Administration WC	$ -		$ 5,000
Claims Administration GL	$ -		$ 7,500
JPA Program Expense			$ 5,667
Keenan Management Fee / Commission (not to exceed 15%)			$ 41,042
Insurance Program Cost	$ 301,113		$ 297,076
Retrospective Payment for 2014 Liability	$ 11,759		$ -
Retrospective Payment for 2014 WC	$ 197,609		$ -
Expected Self-Insured Losses - GL	$ -		$ 40,000
Expected Self-Insured Losses - WC	$ -		$ 50,000
Total	**$ 510,481**		**$ 387,076**

Future Cost Savings

Due to the influx in workers' compensation claims the City received a high risk premium

quote. With the help of Keenan and Associates, staff will proactively provide a loss control program for the City to assure a reduction of losses from both a frequency and severity standpoint to become a more favorable risk.

Our current claims are handled through CJPIA and will continue to be handled by them until the end of the claims. This date is unknown since there are currently five open GL cases and six open WC cases. It is in the best interest of all insurance programs to quickly close every case to avoid large costs. This means that the City is responsible for the current retrospective adjustment charge of $209,368 (for both GL and WC) for FY 2014-15 and subsequent years the claim remains open. In the long run, once all current claims are closed, the City will begin to see a true savings when retrospective adjustment payments are no longer applicable.

CONCLUSION

In evaluating the recommendation from Keenan & Associates, staff determines that MIC is the best alternative for the City's property, crime, general liability, and workers' compensation.

If the City approves the participation in the MIC, there is a three-year membership commitment to the pool at no cost. MIC coverage quotes and programs are specific to the City's needs and losses rather than a pool of cities needs and losses. Insurance program premiums change per fiscal year specific to the City's risk and losses.

The MIC approved the City as a new member to join MIC, effective July 1, 2015. The next steps are for the City Council to approve Resolution 15-19 to join MIC, and to sign the JPA agreement to bind insurance program coverage by July 1, 2015.

Additionally during the next three years, staff will continuously evaluate the insurance program by reviewing if the expected savings being achieved and if loss occurrences are reduced or held at a minimum. If MIC does not fit the needs of the City, there are other insurance coverage options to explore.

If the City denies participation in MIC, the City will continue coverage with CJPIA. Staff would contact CJPIA before June 1, 2015 and work out specific stipulations based on our previous notification to terminate.

FINANCIAL IMPACT

The total incurred costs will be charged to the General Fund. These expenses will be factored into the FY 2015-16 City Budget.

$ 271,756 – **MIC Insurance Program** (general liability, property, crime, and workers' compensation insurance premium/coverage), including the Keenan and Associates Loss Control Credit of $ 25,320

$ 90,000 – **Reserve for Expected Self-Insured Loss** (GL - $ 40,000 and WC- $ 50,000)

$ 209,368 – **CJPIA Retrospective Adjustment FY 2014-15** (will be paid over six-years)

ATTACHMENTS

A. Joint Powers Agreement: Creating the Southern California Joint Powers Insurance Authority dated May 10, 1977

B. Amendment to Joint Powers Agreement: Creating the Southern California Joint Powers Insurance Authority dated January 3, 1978

C. Joint Powers Agreement adopted August 12, 2011

D. Formal Withdrawal Notice from City of Cudahy to CJPIA – January 31, 2014

E. Contract Services Agreement , Keenan and Associates, dated June 3, 2014

F. Insurance Program Alternatives and Broker Presentation & Municipal Insurance Cooperative – California JPA Purchasing Group Presentation by Keenan and Association presented to staff on February 7, 2015

G. Municipal Insurance Cooperative – California JPA Purchasing Group Program Proposal

H. Municipal Insurance Cooperative, General Liability Program, Memorandum of Coverage

I. Municipal Insurance Cooperative, Workers' Compensation Program, Memorandum of Coverage

J. Comparison Matrix, California Joint Powers Insurance Authority and Municipal Insurance Cooperative

K. Resolution to 14-09, TO TERMINATE MEMBERSHIP IN THE CALIFORNIA JOINT POWERS

INSURANCE AUTHORITY (THE “JPIA”) AT THE EARLIEST OPPORTUNITY AS PROVIDED FOR UNDER ARTICLE 24 OF THE JPIA’S JOINT POWERS AGREEMENT ADOPTED AUGUST 12, 2011 approved January 21, 2014

L. Municipal Insurance Cooperative Agreement

M. Municipal Insurance Cooperative Bylaws

JOINT POWERS AGREEMENT:
CREATING THE SOUTHERN CALIFORNIA
JOINT POWERS INSURANCE AUTHORITY

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JOINT POWERS AGREEMENT:
CREATING THE SOUTHERN CALIFORNIA
JOINT POWERS INSURANCE AUTHORITY

THIS AGREEMENT is made and entered into in the County of Los Angeles, State of California, by and among the municipal corporations organized and existing under the Constitution or laws of the State of California, hereinafter collectively referred to as "Member Cities or Cities," and individually as "Member City" or "City" which are parties signatory to this Agreement and listed in Appendix "A", which is attached hereto and made a part hereof. Said Cities are sometimes referred to herein as "parties".

RECITALS:

WHEREAS, California Government Code Section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities may, by a joint powers agreement, provide insurance for any purpose by any one

or more of the methods specified in Government Code Section 990.4; and

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with a joint protection program for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1

DEFINITIONS

The following definitions shall apply to the provisions of this Agreement:

(a) "Authority" shall mean the Southern California Joint Powers Insurance Authority created by this Agreement.

(b) "Board of Directors" or "Board" shall mean the governing body of the Authority.

(c) "City Managers' Committee" shall mean the committee of the Authority composed of the City Managers, City Administrators, or Administrative Officers of Cities.

(d) "Claims" shall mean demands made against the Authority arising out of occurrences which are within the Authority's joint protection program as developed by the Board of Directors.

(e) "Excess Insurance" shall mean that insurance purchased on behalf of the Authority to protect the funds of

the Authority against catastrophes or an unusual frequency of losses during a single year.

(f) "Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

(g) "Secretary" shall mean the Executive Director of the California Contract Cities Association, or such other person as the Board of Directors may apoint.

(h) "Finance Officers' Committee" shall mean the committee of the Authority composed of the Finance Officers of Cities.

(i) "Fiscal Year" shall mean that period of twelve months which is established as the fiscal year of the Authority.

(j) "Insurance" shall mean and include self-insurance through a funded program and/or any commercial insurance contract.

(k) "Insurance Manager" shall mean that employee of the Authority who is appointed by the Executive Committee subject to the approval of the Board of Directors, and responsible for the management and administration of the joint protection program of the Authority.

ARTICLE 2

PURPOSES

This agreement is entered into by Cities pursuant to the provisions of California Government Code Sections 990, 990.4, 990.8, and 6500 et seq. in order to provide more comprehensive and economical liability coverage, to reduce the amount and frequency of Cities' losses, and to decrease the cost incurred by Cities in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of Cities jointly in the creation of a separate entity,

the Southern California Joint Powers Insurance Authority (the Authority), to administer a joint protection program wherein Cities will pool their losses and claims, jointly purchase excess insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, legal and related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional municipal corporations organized and existing under the Constitution or laws of the State of California as may desire to become parties to this Agreement and members of the Authority, subject to approval by the Board of Directors.

ARTICLE 3

PARTIES TO AGREEMENT

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 22. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to Articles 23 and 24 shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 4

TERM OF AGREEMENT

This Agreement shall become effective on the date of execution hereof by the last of thirty (30) Cities, and

shall continue until and unless terminated as hereinafter provided.

ARTICLE 5

CREATION OF AUTHORITY

Pursuant to Section 6500 et seq. of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the Southern California Joint Powers Insurance Authority. Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement.

ARTICLE 6

POWERS OF AUTHORITY

(a) The Authority shall have the powers common to Cities and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

1. To make and enter into contracts;

2. To incur debts, liabilities or obligations;

3. To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;

4. To sue and be sued in its own name; and

5. To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law.

ARTICLE 7

BOARD OF DIRECTORS

(a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative from each Member City, who shall be a City Councilmember selected by the City Council of that City. Each City Council, in addition to appointing its member of the Board, shall appoint at least one alternate who shall be an officer or employee of that City. The alternate appointed by a City shall have the authority to attend, participate in and vote at any meeting of the Board when the regular member for whom he or she is an alternate is absent from said meeting.

(b) Each member or alternate of the Board shall be appointed for a one year term and until a successor is appointed. Each member or alternate shall serve at the pleasure of the City by which he or she has been appointed.

(c) Each member of the Board shall have one vote.

ARTICLE 8

POWERS OF THE BOARD OF DIRECTORS

The Board of Directors of the Authority shall have the following powers and functions:

(a) The Board shall elect from its members pursuant to Article 10 of this Agreement an Executive Committee to which it may give authority to make and implement any decisions, including those involving the administration of the Authority, except those decisions that would require an amendment of this Agreement, under Article 29 herein.

(b) The Board may review all acts of the Executive Committee, and shall have the power to modify and/or override

any decision or action of the Executive Committee upon a majority vote of the entire Board of Directors.

(c) The Board shall review, modify if necessary, and approve the annual operating budget of the Authority, prepared by the Executive Committee pursuant to Article 11(d).

(d) The Board shall receive and review periodic accountings of all funds under Articles 17 and 18 of this Agreement.

(e) The Board shall have the power to conduct on behalf of the Authority all business of the Authority, including that assigned to the Executive Committee, which the Authority may conduct under the provisions hereof and pursuant to law.

(f) The Board shall have such other powers and functions as are provided for in this Agreement.

ARTICLE 9

MEETINGS OF THE BOARD OF DIRECTORS

(a) Meetings. The Board shall provide for its regular, adjourned regular and special meetings; provided, however, that it shall hold at least one regular meeting annually each January.

(b) Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board and to each City.

(c) Quorum. A majority of the members of the Board shall constitute a quorum for the transaction of busi-

ness, except that less than a quorum may adjourn from time to time. A vote of the majority of those members present at a meeting shall be sufficient to constitute action by the Board.

(d) Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 et seq.

ARTICLE 10

EXECUTIVE COMMITTEE

There shall be an Executive Committee of the Board of Directors which shall consist of an odd number of not less than five nor more than nine members, as determined by the Board of Directors. One of the members of the Executive Committee shall be the President of the Board of Directors, or in his or her absence, the Vice-President of the Board of Directors; the remainder of the members shall be elected by the Board of Directors at the same time the officers of the Board are elected in January of each calendar year. The President of the Authority, or the Vice President in his or her absence, shall serve as the Chairperson of the Executive Committee.

ARTICLE 11

POWERS OF THE EXECUTIVE COMMITTEE

The Executive Committee of the Board of Directors shall have the following powers:

(a) The Executive Committee shall determine and select a joint protection program for the Authority.

(b) The Executive Committee shall determine and select all necessary insurance, including excess insurance, necessary to carry out the protection program of Authority.

(c) The Executive Committee shall have authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control and risk management consulting services.

(d) The Executive Committee shall cause to be prepared the operating budget of the Authority for each fiscal year, subject to review, modification and approval by the Board, as provided for in Article 8(c).

(e) The Executive Committee shall receive and act upon reports of the City Managers' Committee, Finance Officers' Committee, and Insurance Manager.

(f) The Executive Committee shall appoint the Treasurer and Insurance Manager of the Authority.

(g) The Executive Committee shall have the power to hire such persons as the Executive Committee deems necessary for the administration of the Authority, including the "borrowing" of management-level employees from one or more of the Member Cities to assist in the development phase of the joint protection program of Authority, subject to the approval of the Member City. Any Member City whose employee is so "borrowed" according to this provision shall be reimbursed by the Authority for that employee's time spent or services rendered on behalf of the Authority.

(h) The Executive Committee shall have the general supervisory and policy control over the day-to-day decisions and administrative activities of the Insurance Manager and Secretary of the Authority.

(i) The Executive Committee shall have such other powers and functions as are provided for in this Agreement.

ARTICLE 12

MEETINGS OF THE EXECUTIVE COMMITTEE

The meetings of the Executive Committee shall be held and conducted in the same manner as the meetings of the Board of Directors, provided for in Article 9 of this Agreement. In addition, the Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities concerning the implementation of the joint liabilty program of the Authority.

ARTICLE 13

OFFICERS OF THE AUTHORITY

(a) President and Vice President. The Board shall elect a President and Vice President of the Authority at its first meeting, each to hold office for a one year term and until a successor is elected. Thereafter in January of each succeeding calendar year, the Board shall elect or re-elect the President and Vice President for the ensuing year. In the event the President or Vice President so elected ceases to be a member of the Board, the resulting vacancy in the office of President or Vice-President shall be filled at the next regular meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The President, or in his or her absence the Vice President, shall preside at and conduct all meetings of the Board, and shall be a member and the Chairperson of the Executive Committee.

(b) Insurance Manager. The Insurance Manager shall have the general administrative responsibility for the activities of the joint protection program and shall appoint all necessary employees thereof.

(c) Secretary. The Secretary shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Executive Committee.

(d) Treasurer. The duties of the Treasurer are set forth in Articles 17 and 18 of this Agreement.

(e) Attorney. The Executive Committee shall select an attorney for the Authority who may be a City Attorney from a Member City or, in the event such attorney is precluded from acting because of a conflict of interest or legal impediment, or for other good reason, the Committee may employ independent counsel as the attorney for the Authority. The attorney shall serve at the pleasure of the Executive Committee.

(f) The Executive Committee shall have the power to appoint such other officers as may be necessary in order to carry out the purposes of this Agreement.

ARTICLE 14

COMMITTEE OF CITY MANAGERS AND COMMITTEE OF FINANCE OFFICERS

(a) There shall be established a Committee of City Managers composed of the City Managers, City Administrators and Administrative Officers of the Member Cities of the Authority and a Committee of Finance Officers composed of the Finance Officers of the Member Cities of the Authority. Such Committees shall meet from time to time as deemed necessary by them, and

shall make recommendations to the Executive Committee based upon their expertise.

(b) Each of these Committees may appoint from its members one person to serve in an Ex Officio capacity on the Executive Committee.

(c) The meetings of these Committes shall be held and conducted in the same manner as the meetings of the Board of Directors, provided for in Article 9 of this Agreement.

ARTICLE 15

INSURANCE COVERAGE

(a) The liability insurance coverage provided for Member Cities by the Authority shall include protection for Personal Injury, Errors and Omissions, Contractual Liability, Comprehensive Liability, and such other areas of coverage as the Executive Committee may determine.

(b) The Authority shall maintain an insurance limit for Member Cities determined by the Board of Directors to be adequate. The Executive Committee may arrange for a group policy to be issued for Member Cities interested in obtaining additional coverage above this limit, at an additional cost to those participating Cities.

(c) The Executive Committee shall arrange for the purchase of insurance necessary to protect the funds of the Authority against catastrophes. The Executive Committee shall have the authority to discontinue purchase of this excess insurance, if at a future time it is no longer needed to protect the Authority's funds.

ARTICLE 16

DEVELOPMENT OF THE JOINT PROTECTION PROGRAM

(a) As soon as practicable after the effective date of this Agreement, but prior to the effective date of the joint protection program, the Board of Directors shall adopt the Authority's joint protection program, including the insurance coverage provided for in Article 15, the amount of initial premiums, the precise cost allocation plan and formula, the pro forma financial statement of the Authority, and the amount and type of excess insurance to be procured.

(b) The joint protection program provided by the Authority shall extend to agencies or authorities existing within Member Cities created pursuant to Health & Safety Code Sections 33000 et seq. and Sections 34200 et seq., agencies within Member Cities the governing board of which is the City Council or is appointed by the City Council of the City, and such other agencies as the Authority may determine.

AMENDED (c) The initial premium for each City shall be determined by the Board on the basis of the City's payroll as compared to the total payroll of all Member Cities, excluding such portion of a City's payroll as may be attributable to operations not covered by the joint protection program. The total initial premium for a Member City in the first year of operation of the joint protection program shall not exceed the total premium paid by such City for the preceding year, except that if during that preceding year a City was partially self-insured, that City's initial premium shall take into account the City's loss experience under said self-insurance program.

(d) The cost allocation plan and formula adopted by the Board shall provide for an adjustment in the Member

Cities' premiums at the end of the first year of operation, and annually thereafter, in order to produce a premium for each year for each City that is equal to the sum of the following three items:

1. That amount of losses borne individually by the City, each of which losses is less than an amount determined by the Executive Committee; and

2. The City's share of pooled losses and other expenses, as determined by the Executive Committee; and

3. The City's contribution to a catastrophe fund and reserves for incurred-but-not-reported losses.

The Executive Committee may make such premium adjustments retrospective to the prior year and each Member City shall pay any additional premium required by such retrospective adjustment.

(e) The Executive Committee shall develop criteria for determining each City's annual share of pooled losses and expenses and contribution to a catastrophe fund which may include the City's payroll as compared to the total payroll of all Member Cities, the City's individual loss experience, and such other criteria as the Executive Committee may determine to be relevant.

(f) The annual readjustment of the amount of premium shall be made and notices for readjusted premium amounts and the next year's premiums shall be distributed at least sixty (60) days prior to the close of each fiscal year. This premium amount, together with any readjusted amount due under paragraph (c) above, shall be due and payable within thirty days of receipt of such notices.

(g) Inasmuch as some Member Cities may experience an unusual frequency of losses during a single fiscal year, which could increase their final premium substantially above the prepaid premium for that year and cause budgetary problems, the Executive Committee may provide for payment of a portion of such additional premium to be made over a period of time, not to exceed five years, plus reasonable interest.

(h) In no event shall an individual Member City's annual premium, including any readjusted amount, during the first three years of the joint protection program following its effective date exceed an amount equal to five times its prepaid premium for the first year. Thereafter an individual Member City's annual premium including any readjusted amount for that year shall not in any event exceed five times its average annual premium, including readjusted amount, for the last preceding three years.

ARTICLE 17

ACCOUNTS AND RECORDS

(a) Annual Budget. The Authority shall annually adopt an operating budget, pursuant to Article 8(c) of this Agreement.

(b) Funds and Accounts. The Treasurer of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Executive Committee. Books and records of the Authority in the hands of the Treasurer shall be open to any inspection at all reasonable times by representatives of Member Cities.

(c) Treasurer's Report. The Treasurer, within One Hundred and Twenty (120) days after the close of each fiscal

year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member City.

(d) Annual Audit. The Executive Committee shall provide for a certified, annual audit of the accounts and records of the Authority which audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Member Cities. Such report shall be filed within six months of the end of the year under examination.

(e) Costs. Any costs of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Authority and shall be considered included within the term "administrative costs."

ARTICLE 18

RESPONSIBILITY FOR MONIES

(a) The Treasurer of Authority shall have the custody of and disburse the Authority's funds. He or she shall have the authority to delegate the signatory function of Treasurer to such persons as are authorized by the Executive Committee.

(b) A bond in the amount set by the Executive Committee, but not less than Five Hundred Thousand Dollars ($500,000), shall be required of all officers and personnel authorized to disburse funds of the Authority, such bond to be paid for by the Authority.

(c) The Treasurer of the Authority shall assume the duties described in California Government Code Section 6505.5, including:

1. Receive and receipt for all money of the Authority and place it in the treasury of the Treasurer to the credit of the Authority;

2. Be responsible upon his or her official bond for the safekeeping and disbursement of all of the Authority's money so held by him or her;

3. Pay, when due, out of money of the Authority so held by him or her, all sums payable on outstanding bonds and coupons of the Authority;

4. Pay any other sums due from Authority money only upon warrants signed by the President of the Board and co-signed by the Insurance Manager. The Executive Committee may designate an alternate signatory for each; and

5. Verify and report in writing on the first day of July, August, January and April of each year to the Authority and to Member Cities the amount of money held for the Authority, the amount of receipts since the last report, and the amount paid out since the last report.

ARTICLE 19

RESPONSIBILITIES OF THE AUTHORITY

The Authority shall perform the following functions in discharging its responsiblities under this Agreement:

(a) Provide insurance coverage as necessary, including but not limited to a self-insurance fund and commercial insurance, as well as excess coverage and umbrella insurance, by negotiation or bid, and purchase, as necessary.

(b) Assist Cities in obtaining insurance coverage for risks not included within the basic coverage of the Authority, such as bus and dial-a-ride services and aviation exposure.

(c) Assist each City's assigned risk manager with the implementation of that function within the City.

(d) Provide loss prevention and safety and consulting services to Cities as required.

(e) Provide claims adjusting and subrogation services for claims covered by the Authority's joint protection program.

(f) Provide loss analysis control by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.

(g) Provide for Cities when requested a review of their contracts to determine sufficiency of indemnity and insurance provisions.

(h) Conduct risk management audits to review the participation of each City in the program. The audit team shall include a representative from the Authority, the City involved and at least one other City.

(i) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors in order to carry out the purposes of this Agreement.

ARTICLE 20

RESPONSIBILITIES OF MEMBER CITIES

Member Cities shall have the following responsibilities:

(a) The City Council of each City shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.

(b) Each City shall appoint an employee of the City to be responsible for the risk management function within that City, and to serve as a liaison between the City and the Authority as to risk management.

(c) Each City shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices.

(d) Each City shall maintain its own set of records, as a loss log, in all categories of loss to insure accuracy of the Authority's loss reporting system.

(e) Each City shall pay its premium and any readjusted amount promptly to the Authority when due. After withdrawal or termination, each City shall pay promptly to the Authority its share of any additional premium, when and if required of it by the Executive Committee under Article 25 or 26 of this Agreement.

(f) Each City shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection program under this Agreement.

(g) Each City shall in any and all ways cooperate with and assist the Authority, and any insurer of the Authority, in all matters relating to this Agreement and covered losses,

and will comply with all by-laws, rules and regulations adopted by the Board of Directors and Executive Committee.

ARTICLE 21

INTERIM PERIOD AND EFFECTIVE DATE OF PROGRAM

(a) Interim Period. After this Agreement becomes effective, the Authority, assisted by an insurance consultant, shall develop the details of the joint protection program as more fully described in Articles 15 and 16 of this Agreement. Estimated premiums for the Cities shall be developed by the consultant and presented to each City by written notice. Each City shall have 30 days from the date of such notice to consent in writing to enter the joint protection program.

At the end of this 30-day period and when the last of thirty (30) Cities has consented in writing to enter the program, the actual first year premiums shall be determined. Each City which consented in writing to enter the program shall be bound thereby unless the actual premium for the first year exceeds the estimated premium in the written notice. If the actual premium exceeds such estimate, a Member City may, nevertheless, elect to proceed with its participation in the joint protection program by informing the Authority, in writing, of its decision to that effect.

(b) Effective Date. When, after the actual first year premiums have been determined, the last of thirty (30) Cities remains bound or has elected to proceed with its participation in the program pursuant to paragraph (a) above, written notice to that effect shall immediately be given to all Cities; the joint protection program shall become effective thirty (30) days from the date of such notice. During this thirty

(30) days, additional Member Cities may join the program, as allowed by the Board of Directors.

ARTICLE 22

NEW MEMBERS

After the effective date of the joint protection program is established by the Authority, according to the provisions of Article 21, additional cities shall not be permitted to become signatories to this Agreement, or to enter the joint protection program, during the first year of operation. Following the first year of operation, the Authority shall allow entry into the program of new members approved by the Board only at the end of the fiscal year. Cities entering under this Article will be required to pay their share of organizational expenses as determined by the Board, including those necessary to analyze their loss data and determine their premiums.

ARTICLE 23

WITHDRAWAL

(a) A Member City may withdraw as a party to this Agreement any time prior to its consenting in writing to enter the joint protection program pursuant to Article 21.

(b) A Member City that does not consent in writing to enter the joint protection program must withdraw as a party to this Agreement prior to the effective date of the program, or it will be considered to have voluntarily withdrawn upon such effective date.

(c) A Member City which enters the joint protection program may not withdraw as a party to this Agreement and as a

member of the Authority for a three-year period commencing on the effective date of the joint protection program, as determined by Article 21.

(d) After the initial three-year noncancellable commitment to the program, a Member City may withdraw only at the end of any fiscal year, provided it has given the Authority a twelve-month written notice of its intent to withdraw from this Agreement and the joint protection program.

ARTICLE 24

CANCELLATION

The Authority shall have the right to cancel any Member City's participation in the joint protection program upon a three-quarters vote of the entire Board of Directors. Any City so cancelled shall on the effective date of the cancellation be treated the same as if the City had voluntarily withdrawn from this program.

ARTICLE 25

EFFECT OF WITHDRAWAL

(a) The withdrawal of any City from this Agreement shall not terminate the same and no City by withdrawing shall be entitled to payment or return of any premium, consideration or property paid, or donated by the City to the Authority, or to any distribution of assets.

(b) The withdrawal of any City after the effective date of the joint protection program shall not terminate its responsibility to contribute its share of premium or funds to any fund or insurance program created by the Authority until

all claims, or other unpaid liabilities, covering the period the City was signatory hereto have been finally resolved and a determination of the final amount of payments due by the City or credits to the City for the period of its membership has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in Article 26(c) of this Agreement.

ARTICLE 26

TERMINATION AND DISTRIBUTION

(a) This Agreement may be terminated any time during the first three noncancellable years by the written consent of all Member Cities, and thereafter by the written consent of three-fourths of the Member Cities; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.

(b) Upon termination of this Agreement all assets of the Authority shall be distributed only among the parties that have been Members of the joint protection program, including any of those parties which previously withdrew pursuant to Article 23(d) or 24 of this Agreement, in accordance with and proportionate to their cash (including premium) payments and property (at market value when received) contributions made during the term of this Agreement. The Executive Committee shall determine such distribution within six months after the last pending claim or loss covered by this Agreement has been finally disposed of.

(c) The Executive Committee is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Member Cities, including those which were Member Cities at the time the claim arose or at the time the loss was incurred, to pay their share of any additional amount of premium deemed necessary by the Executive Committee for final disposition of all claims and losses covered by this Agreement. A City's share of such additional premium shall be determined on the same basis as that provided for annual premiums in Article 16(d) and (e) of this Agreement, and shall be treated as if it were the next year's annual premium for that City, subject to the limits described in Article 16(h) of this Agreement.

(d) In the absence of an Executive Committee, the Secretary shall exercise all powers and authority under this Article. The decision of the Executive Committee or Secretary under this Article shall be final.

ARTICLE 27

PROVISION FOR BY-LAWS AND MANUAL

As soon as practicable after the first meeting of the Board of Directors, and within the first twelve months of the Authority's existence, the Board shall cause to be developed Authority By-laws and Policy and a Procedure Manual to govern the day-to-day operations of the Authority. Each Member City shall receive a copy of any By-laws, Policy Statement or Manual developed under this Article.

ARTICLE 28

NOTICES

Notices to Member Cities hereunder shall be sufficient if delivered to the office of the City Clerk of the respective Member City.

ARTICLE 29

AMENDMENT

This Agreement may be amended at any time by the written approval of all City Councils of Cities signatory to it, or by an amendment adopted in the manner provided for in the By-laws.

ARTICLE 30

PROHIBITION AGAINST ASSIGNMENT

No City may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any City shall have any right, claim or title to any part, share, interest, fund, premium or asset of the Authority.

ARTICLE 31

AGREEMENT COMPLETE

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below.

Date: June 16, 1977 CITY OF Cudahy

By: Fred Guido
Fred Guido, Mayor

Date: _____ CITY OF _____

By: _____

Date: _____ CITY OF _____

By: _____

Date: _____ CITY OF _____

By: _____

Date: _____ CITY OF _____

By: _____

Date: _____ CITY OF _____

By: _____

Date: _____ CITY OF _____

By: _____

AMENDMENT TO JOINT POWERS AGREEMENT:
CREATING THE SOUTHERN CALIFORNIA JOINT
POWERS INSURANCE AUTHORITY

This Amendment of Agreement is made and entered into in the County of Los Angeles, State of California, by and among the several municipal corporations ("Member Cities") which have entered into that certain agreement entitled: Joint Powers Agreement: Creating the Southern California Joint Powers Insurance Authority ("Agreement"). In consideration of the execution hereof by other Member Cities each member City agrees as herein set out.

1. Section (c) of Article 16 of said Agreement is amended to read as follows:

"(c) The estimated initial premium and initial premium for each City shall be determined by the Board on the basis of a formula approved by the Board after consultation with and advice of the insurance consultants employed by the Authority."

2. Except as herein specifically amended all terms and provisions of said Agreement are ratified and affirmed and shall remain in full force and effect.

3. This amendment shall become effective when executed by thirty (30) member cities. Execution may be in counterparts.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment by authorized officers thereof on the several dates set forth below.

Date: January 3, 1978 City of Cudahy

By _____
MAYOR

Date: _____ City of _____

By _____

Date: _____ City of _____

By _____

Date: _____ City of _____

By_____

Joint Powers Agreement

California Joint Powers Insurance Authority
Adopted August 12, 2011

INTEGRITY

EXCELLENCE

INNOVATION

TEAMWORK

CALIFORNIA
J · P · I · A

Providing Innovative Risk Management Solutions For Our Public Agency Partners

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JOINT POWERS AGREEMENT

CREATING THE CALIFORNIA
JOINT POWERS INSURANCE AUTHORITY

THIS AGREEMENT is made and entered into by and among the public entities organized and existing under the Constitution or laws of the State of California, hereinafter collectively referred to as "Members" and individually as "Member" which are parties signatory to this Agreement. Said Members are sometimes referred to herein as "parties."

RECITALS:

WHEREAS, California Government Code Section 6500 et seq. provides that two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, California Government Code Section 990.4 provides that a local public entity may self-insure, purchase insurance through an authorized carrier, or purchase insurance through a surplus line broker, or any combination of these; and

WHEREAS, California Government Code Section 990.8 provides that two or more local public entities may, by a joint powers agreement, provide insurance for any purpose by any one or more of the methods specified in Government Code Section 990.4; and

WHEREAS, each of the parties to this Agreement desires to join together with the other parties for the purpose of pooling their self-insured losses and jointly purchasing excess insurance and administrative services in connection with one or more joint protection programs for said parties; and

WHEREAS, it appears economically feasible and practical for the parties to this Agreement to do so;

NOW, THEREFORE, for and in consideration of all of the mutual benefits, covenants and agreements contained herein, the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

The following definitions shall apply to the provisions of this Agreement:

(a) "Advisory Committee" shall mean the Managers Committee, Finance Officers Committee, and any other committee created by the Board of Directors or Executive Committee for the purpose of providing specialized advice to the Board of Directors or Executive Committee on the subject matter brought before it.

(b) "Authority" shall mean the California Joint Powers Insurance Authority created by this Agreement.

(c) "Board of Directors" or "Board" shall mean the governing body of the Authority.

(d) "Chief Executive Officer" shall mean that employee of the Authority who is appointed by the Executive Committee, and is granted authority and responsibility for the management and administration of the Authority and its joint protection programs.

(e) "Claims" shall mean demands made against the Authority, a Member, or Members arising out of occurrences, which are within an Authority joint protection program as developed by the Executive Committee.

(f) "Deposit" shall mean an annual dollar amount determined by the Executive Committee, which is to be paid by the Member as its established share of funding required to cover the financial obligations of each joint protection program in which the member participates.

(g) "Director" shall mean that person selected by and from the legislative body of each Member to represent the Member on the Board of Directors pursuant to Article 7 of this Agreement.

(h) "Executive Committee" shall mean the Executive Committee of the Board of Directors of the Authority.

(i) "Finance Officers Committee" shall mean the committee of the Authority composed of the Finance Directors or chief finance officers of the Members by whatever title locally designated.

(j) "Fiscal Year" shall mean that period of twelve months which is established as the fiscal year of the Authority.

(k) "Insurance" shall mean and include self-pooled insurance through a funded program and/or any commercial insurance, excess insurance, or re-insurance contract purchased

on behalf of the Authority to protect the funds of the Authority against catastrophes or an unusual frequency of losses during a specific coverage period.

(l) "Managers Committee" shall mean the committee of the Authority composed of the City Managers, City Administrators, or chief executive officers of the Members by whatever title locally designated.

(m) "Secretary" shall mean the person selected by the Executive Committee from among its members to serve as Secretary of the Authority.

(n) "Treasurer" shall mean the person selected by the Executive Committee to serve as Treasurer of the Authority.

ARTICLE 2 - PURPOSES

This agreement is entered into by the Members pursuant to the provisions of California Government Code Sections 990, 990.4, 990.8, and 6500 et seq. in order to provide more comprehensive and economical protection from financial loss, to reduce the amount and frequency of their losses, and to decrease the cost incurred in the handling and litigation of claims. This purpose shall be accomplished through the exercise of the powers of the Members jointly in the creation of a separate entity, the California Joint Powers Insurance Authority (the Authority), to administer joint protection programs wherein Members will pool their losses and claims, jointly purchase insurance and administrative and other services, including claims adjusting, data processing, risk management consulting, loss prevention, training, legal, and related services.

It is also the purpose of this Agreement to provide, to the extent permitted by law, for the inclusion at a subsequent date of such additional public entities organized and existing under the Constitution or laws of the State of California as may desire to become parties to this Agreement.

ARTICLE 3 - PARTIES TO AGREEMENT

Each party to this Agreement certifies that it intends to and does contract with all other parties who are signatories of this Agreement and, in addition, with such other parties as may later be added as parties to and signatories of this Agreement pursuant to Article 22. Each party to this Agreement also certifies that the deletion of any party from this Agreement, pursuant to

Articles 24, 26, 27, or 28 shall not affect this Agreement nor such party's intent to contract as described above with the other parties to the Agreement then remaining.

ARTICLE 4 - TERM OF AGREEMENT

This Agreement became effective on June 29, 1977 and shall continue until and unless terminated as hereinafter provided.

ARTICLE 5 - CREATION OF AUTHORITY

Pursuant to Section 6500 et seq. of the California Government Code, there is hereby created a public entity separate and apart from the parties hereto, to be known as the California Joint Powers Insurance Authority . Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any party to this Agreement.

ARTICLE 6 - POWERS OF AUTHORITY

(a) The Authority shall have the powers common to its Members and is hereby authorized to do all acts necessary for the exercise of said common powers, including, but not limited to, any or all of the following:

1. To make and enter into contracts;
2. To incur debts, liabilities or obligations;
3. To acquire, hold or dispose of property, contributions and donations of property, funds, services and other forms of assistance from persons, firms, corporations and governmental entities;
4. To sue and be sued in its own name; and
5. To exercise all powers necessary and proper to carry out the terms and provisions of this Agreement, or otherwise authorized by law.

(b) Said powers shall be exercised pursuant to the terms hereof and in the manner provided by law and are subject to the restrictions upon the manner of exercising the powers of the City of Lakewood.

ARTICLE 7 - BOARD OF DIRECTORS

(a) The Authority shall be governed by the Board of Directors which is hereby established and which shall be composed of one representative Director from each Member, who shall be selected from the legislative body of that Member by the process chosen by the Member.

(b) Each legislative body, in addition to appointing its Director of the Board, shall appoint at least one alternate who shall be an officer or employee of the Member. The alternate shall have the authority to attend, participate in, and vote at any meeting of the Board when the regular Director for whom he or she is an alternate is absent from said meeting.

ARTICLE 8 - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors of the Authority shall have the following powers and functions:

(a) The Board shall elect from its members pursuant to Article 10 of this Agreement an Executive Committee to which it may give authority to make and implement any decisions, including those involving the administration of the Authority, except those decisions that would require an amendment of this Agreement, under Article 34 herein.

(b) The Board may review all acts of the Executive Committee, including development of the memoranda of coverage and the operating budget, and shall have the power to modify and/or override any decision or action of the Executive Committee upon a majority vote of a quorum of the Board of Directors.

(c) The Board shall receive and review periodic accountings of all funds under Articles 18 and 19 of this Agreement.

(d) The Board shall have the power to conduct on behalf of the Authority all business of the Authority, including that assigned to the Executive Committee, which the Authority may conduct under the provisions hereof and pursuant to law.

(e) The Board shall have such other powers and functions as are provided for in this Agreement.

(f) The Board shall not have the power to overturn the decisions of the Claims Committee in regard to the settlement of claims.

ARTICLE 9 - MEETINGS OF THE BOARD OF DIRECTORS

(a) Meetings. The Board shall provide for its regular, adjourned regular and special meetings; provided, however, that it shall hold at least one regular meeting annually at a time and place determined by the Executive Committee.

(b) Minutes. The Secretary of the Authority shall cause minutes of regular, adjourned regular and special meetings to be kept and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each member of the Board.

(c) Quorum. A majority of the Directors of the Board shall constitute a quorum for the transaction of business, except that less than a quorum may adjourn from time to time. A vote of the majority of those Directors present at a meeting shall be sufficient to constitute action by the Board.

(d) Compliance with the Brown Act. All meetings of the Board, including, without limitation, regular, adjourned regular and special meetings, shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act, California Government Code Section 54950 et seq.

ARTICLE 10 - EXECUTIVE COMMITTEE

There shall be an Executive Committee of the Board of Directors which shall consist of nine (9) members, exclusive of any current Past President Ex Officio Executive Committee Member. Two of the members of the Executive Committee shall be the President and Vice President of the Board of Directors. The other members of the Executive Committee shall be elected by the Board of Directors at the Annual Meeting for the terms provided in the Bylaws. The President of the Authority, or the Vice President in his or her absence, shall serve as the Chairperson of the Executive Committee.

ARTICLE 11 - POWERS OF THE EXECUTIVE COMMITTEE

The Executive Committee of the Board of Directors shall have the following powers:

(a) The Executive Committee shall determine and select joint protection programs for the Authority including adoption of language of the Memoranda of Coverage and any limitations or endorsements to such Memoranda.

(b) The Executive Committee shall determine and select all insurance necessary to carry out the joint protection programs of Authority.

(c) The Executive Committee shall have the authority to approve membership in the Authority and Member participation in one or more joint protection programs in accordance with Articles 22 and 23.

(d) The Executive Committee shall have the authority to cancel Member participation in one or more joint protection programs in accordance with Articles 26 and 28.

(e) The Executive Committee shall adopt the operating budget of the Authority.

(f) The Executive Committee shall have authority to contract for or develop various services for the Authority, including, but not limited to, claims adjusting, loss control, and risk management consulting services.

(g) The Executive Committee shall receive and act upon reports of the Advisory Committees and the Chief Executive Officer.

(h) The Executive Committee shall appoint the Treasurer and Chief Executive Officer of the Authority.

(i) The Executive Committee shall have the power to hire such persons as the Executive Committee deems necessary for the administration of the Authority.

(j) The Executive Committee shall have the general supervisory and policy control over the day-to-day decisions and administrative activities of the Chief Executive Officer of the Authority.

(k) The Executive Committee shall have such other powers and functions as are provided for in this Agreement or as delegated by the Board of Directors, including the power to create committees it deems necessary.

ARTICLE 12 - MEETINGS OF THE EXECUTIVE COMMITTEE

The meetings of the Executive Committee shall be held and conducted in the same manner as the meetings of the Board of Directors, provided for in Article 9 of this Agreement. In addition, the Committee shall make periodic reports to the Board of Directors, advising the Board of its decisions and activities concerning the implementation of the joint protection programs of the Authority.

ARTICLE 13 - CLAIMS COMMITTEE

The Executive Committee members, together with the Chairs of the Managers Committee and the Finance Officers Committee, shall sit as the Claims Committee of the Authority. The Claims Committee shall have authority to make all determinations regarding defense, indemnity, and settlement of claims under the Memoranda of Coverage. Decisions of the Claims Committee regarding settlement of claims shall be final and not subject to further review. Decisions regarding coverage for defense or indemnity of claims shall be final, but subject to the Member's appeal rights as detailed in the applicable Memorandum of Coverage.

ARTICLE 14 - OFFICERS OF THE AUTHORITY

(a) President and Vice President. The Board shall elect a President and Vice President of the Authority, each to hold office for a two-year term, except as hereinafter provided, and until a successor is elected. The election of the President and Vice President shall be on alternate years. In the event the President or Vice President so elected ceases to be a member of the Board, or for other reasons is unable to serve, the resulting vacancy in the office of President or Vice President shall be filled at the next meeting of the Board held after such vacancy occurs. In the absence or inability of the President to act, the Vice President shall act as President. The immediate Past President shall serve as an ex officio, non-voting member of the Executive Committee for a term of two years, and as long as he or she remains a member of the Board of Directors.

(b) Chief Executive Officer. The Chief Executive Officer shall be authorized and responsible for the overall management and administration of the Authority and its joint protection programs and shall select and appoint all employees.

(c) Secretary. The Secretary shall be responsible for all minutes, notices and records of the Authority and shall perform such other duties as may be assigned by the Executive Committee.

(d) Treasurer. The duties of the Treasurer are set forth in Articles 18 and 19 of this Agreement.

(e) Attorney. The Executive Committee shall select an attorney for the Authority. The attorney shall serve at the pleasure of the Executive Committee.

(f) The Executive Committee shall have the power to appoint such other officers as may be necessary in order to carry out the purposes of this Agreement.

ARTICLE 15 - ADVISORY COMMITTEES

The Board of Directors or Executive Committee may establish Advisory Committees as deemed necessary. Such Committees shall meet from time to time as deemed necessary by them, and shall make recommendations to the Executive Committee based upon their expertise.

ARTICLE 16 - COVERAGE

(a) The coverage provided for Members through the Authority's joint protection programs may include protection for Personal Injury, Errors and Omissions, Contractual and Comprehensive Liability, Workers' Compensation and such other areas of coverage as the Executive Committee may determine. Such coverage may be through insurance as defined in Article 1.

(b) The Authority shall maintain limits of coverage for Members determined by the Executive Committee to be adequate. The Executive Committee may arrange for a group policy to be issued for Members interested in obtaining additional coverage above the limits of coverage at an additional cost to those participating Members.

(c) The Executive Committee shall arrange for the purchase of insurance it deems necessary to protect the funds of the Authority against catastrophes. The Executive Committee shall have the authority to discontinue purchase of this insurance, if at a future time the Executive Committee determines that it is no longer needed to protect the Authority's funds.

ARTICLE 17 - DEVELOPMENT OF THE JOINT PROTECTION PROGRAMS

(a) The joint protection programs provided by the Authority shall extend to agencies or authorities as determined in the Memoranda of Coverage.

(b) The cost allocation formula for each joint protection program shall be adopted by the Executive Committee.

(c) The deposit for each Member's participation in a joint protection program shall be determined by the Executive Committee.

(d) The cost allocation formula adopted by the Executive Committee for each joint protection program may provide for retrospective deposit adjustments, and each Member shall pay any additional deposit required by such retrospective adjustment.

(e) The Executive Committee may provide for payment of a portion of such deposits to be made over a period of time on terms set by the Executive Committee.

(f) The Executive Committee may expand the Authority's offerings of joint protection programs to make available for Members' protection in addition to that which is provided for in this Agreement.

(g) Deposits held by the Authority for each joint protection program shall be accounted for separately, so that only Members participating in the program will share in pooled losses and expenses of that program. This separate accounting shall not prohibit the Authority from commingling deposits for purposes of investment, nor from paying losses or expenses when due from all available funds.

ARTICLE 18 - ACCOUNTS AND RECORDS

(a) Budget. The Authority shall adopt an operating budget, pursuant to Article 11(e) of this Agreement.

(b) Funds and Accounts. The Treasurer of the Authority shall establish and maintain such funds and accounts as may be required by good accounting practice or by the Executive Committee. Books and records of the Authority in the hands of the Treasurer shall be open to any inspection at all reasonable times by representatives of a Member.

(c) Treasurer's Report. The Treasurer, within 270 days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member.

(d) Annual Audit. The Executive Committee shall provide for a certified, annual audit of the accounts and records of the Authority which audit shall conform to generally accepted auditing standards. When such an audit of the accounts and records is made by a Certified Public Accountant, a report thereof shall be filed as a public record with each of the Members. Such report shall be filed within nine months of the end of the year under examination.

(e) Costs. Any costs of the audit, including contracts with, or employment of, Certified Public Accountants, in making an audit pursuant to this Article, shall be borne by the Authority and shall be considered included within the term "administrative costs."

ARTICLE 19 - RESPONSIBILITY FOR MONIES

(a) The Treasurer of the Authority shall have the custody of and disburse the Authority's funds. He or she shall have the authority to delegate the signatory function of Treasurer to such persons as are authorized by the Executive Committee.

(b) A bond in the amount determined by the Executive Committee to be adequate shall be required of all officers and personnel authorized to disburse funds of the Authority, such bond to be paid for by the Authority.

(c) The Treasurer of the Authority shall perform the duties described in California Government Code Sections 6505.5 and 6505.6 pertaining to the receipt, safekeeping, payment, and reporting of Authority funds.

ARTICLE 20 - RESPONSIBILITIES OF THE AUTHORITY

The Authority shall perform the following functions in discharging its responsibilities under this Agreement:

(a) Provide loss protection as necessary, through various means including but not limited to insurance or other financial risk transfer, by negotiation or bid and purchase.

(b) Assist Members in obtaining coverage for risks not included within the joint protection programs of the Authority.

(c) Assist each Member’s assigned risk manager with the implementation of that function within the Member.

(d) Provide loss prevention and safety and consulting services to Members as required.

(e) Provide claims adjusting and subrogation services for claims covered by the Authority's joint protection programs.

(f) Provide loss control and analysis by the use of statistical analysis, data processing, and record and file keeping services, in order to identify high exposure operations and to evaluate proper levels of self-retention and deductibles.

(g) Provide contract review when requested by Members to determine sufficiency of indemnity and insurance provisions.

(h) Conduct risk management evaluations of each Member to encourage implementation of best risk management practices.

(i) The Authority shall have standing and shall pursue recovery in its own name or in the name of a Member for losses covered by a joint protection program. Such recovery may be through subrogation, cross complaint, or salvage, as appropriate.

(j) The Authority shall have such other responsibilities as deemed necessary by the Board of Directors or Executive Committee in order to carry out the purposes of this Agreement.

ARTICLE 21 - RESPONSIBILITIES OF MEMBERS

Members shall have the following responsibilities:

(a) The legislative body of each Member shall appoint a representative and at least one alternate representative to the Board of Directors, pursuant to Article 7 of this Agreement.

(b) Each Member shall appoint an employee to be responsible for the risk management function of that Member, and to serve as a liaison between the Member and the Authority as to risk management.

(c) Each Member shall maintain an active safety officer and/or committee, and shall consider all recommendations of the Authority concerning unsafe practices or exposures.

(d) Each Member shall pay its deposit and any readjusted amount promptly to the Authority when due. After withdrawal or termination, each Member shall pay promptly to the Authority its share of any additional deposit, when and if required of it by the Executive Committee under Articles 24, 25, 26, 27, and 28 of this Agreement.

(e) Each Member shall report all claims to the Authority in accordance with the policies and procedures governing the joint protection program to which the claim applies.

(f) Each Member shall provide the Authority with such other information or assistance as may be necessary for the Authority to carry out the joint protection programs under this Agreement.

(g) Each Member shall cooperate with and assist the Authority in the pursuit of recoveries for losses covered by a joint protection program, including assigning its right to

recover subrogated amounts, and if necessary, executing a written agreement to effect such assignment.

(h) Each Member shall in any and all ways cooperate with and assist the Authority, and any insurer of a joint protection program, in all matters relating to this Agreement and covered losses, and will comply with all bylaws, rules and regulations adopted by the Board of Directors and Executive Committee.

(i) Each Member shall actively participate in the Authority's Risk Management Evaluation and Loss Control Action Plan (LossCAP) programs.

ARTICLE 22 - NEW MEMBERS

The Authority shall allow entry of new Members approved by the Executive Committee. Executive Committee approval for new Members shall be according to the following procedure: (1) investigation of each potential member by Authority staff and preparation of a report; (2) review of the report by the Underwriting Committee, which shall then be forwarded to all Directors for review and comment; (3) review by the Directors and submittal of comments to the Chief Executive Officer during the comment period; (4) approval by a two-thirds vote of the Executive Committee; (5) Membership is effective immediately upon approval by the Executive Committee and execution of an agreement by the new Member to join the Authority.

A Member entering under this Article may be required to pay its share of organization expenses as determined by the Executive Committee including those necessary to analyze their loss data and determine their deposits.

Should the Board of Directors rescind the membership approval made by the Executive Committee pursuant to Article 8(b), the Member shall be given at least ninety days advance notice of the effective date of termination of Membership, and the Member shall be treated as if it had withdrawn on the effective date, and shall have the same responsibilities as if the Member had voluntarily withdrawn on the effective date.

ARTICLE 23 - PROGRAM PARTICIPATION

The Authority shall allow for the participation of Members in the joint protection programs as approved by the Executive Committee. Executive Committee approval for new Members shall be according to the following procedure: (1) investigation of a potential

participant by Authority staff and preparation of a report; (2) consideration of the report by the Underwriting Committee with a recommendation to the Executive Committee, (3) approval by a two-thirds vote of the Executive Committee; (4) program participation is effective immediately upon approval by the Executive Committee and execution of appropriate resolutions and/or other documents by the new participant allowing participation in the joint protection program.

A Member entering into a joint protection program may be required to pay its share of program development expenses as determined by the Executive Committee including those necessary to analyze their loss data and determine their deposits.

Should the Board of Directors rescind the program participation approval made by the Executive Committee pursuant to Article 8(b), the Member shall be given at least ninety days advance notice of the effective date of termination of program participation, and the Member shall be treated as if it had withdrawn on the effective date, and shall have the same responsibilities as if the Member had voluntarily withdrawn on the effective date.

ARTICLE 24 - WITHDRAWAL

(a) A Member which enters into this Agreement may not withdraw as a party to this Agreement and as a Member of the Authority for a one-year period commencing on the effective date of its membership.

(b) A Member which enters into a joint protection program may not withdraw as a participant in that program for a one-year period commencing on the effective date of its participation in the joint protection program.

(c) After the initial one-year non-cancellable commitment to membership in the Authority or participation in a joint protection program, a Member may withdraw only at the end of any protection period, provided it has given the Authority a twelve-month written notice of its intent to withdraw from this Agreement and/or any joint protection programs in which it participates.

ARTICLE 25 - EFFECT OF WITHDRAWAL

(a) The withdrawal of any Member from this Agreement shall not terminate the Agreement, and no Member by withdrawing shall be entitled to payment or return of any

deposits, consideration or property paid, or donated by the Member to the Authority, or to any distribution of assets.

(b) The withdrawal of any Member from participation in a joint protection program shall not terminate the Member's responsibility to contribute its share of deposits or funds to the program until all claims, or other unpaid liabilities, covering the period the Member was signatory hereto have been finally resolved and a determination of the final amount of payments due from the Member or credits to the Member for the period of its participation has been made by the Executive Committee. In connection with this determination, the Executive Committee may exercise similar powers to those provided for in the Article 30(c) of this Agreement.

ARTICLE 26 - CANCELLATION OF PROGRAM PARTICIPATION

The Executive Committee shall have the right to cancel any Member's participation in one or more joint protection programs upon the recommendation of the Chief Executive Officer and in accordance with the Healthy Members Practices and Procedures protocol. Any Member so cancelled shall on the effective date of the cancellation be treated the same and shall have the same responsibilities as if the Member had voluntarily withdrawn from the joint protection program.

ARTICLE 27 - CANCELLATION OF MEMBERSHIP

The Board of Directors shall have the right to cancel the membership of any Member based upon a three-fourths vote of the entire Board of Directors. Any Member so cancelled shall on the effective date of the cancellation be treated the same as if the Member had voluntarily withdrawn from membership, and said Member shall have the same responsibilities. Cancellation, as specified above, shall be within the sole discretion of the Board of Directors and may occur with or without cause, and the Board's discretion shall not be subject to any further review or appeal.

ARTICLE 28 - CANCELLATION FOR NON-PAYMENT

In the absence of a payment plan as authorized in Article 17(e), any Member's participation in a joint protection program may be cancelled automatically in the event of a failure of the Member to pay any deposit amount as required in this Agreement. Should any

deposit amount remain unpaid more than thirty (30) days after receipt of notice by the Member, the Authority will send a notice advising the Member that it is in default under the terms of this Agreement, and that the Member's participation will be cancelled within thirty (30) additional days unless full payment is received. Failure to make full payment as required in the notice of default shall be considered a withdrawal by the Member from the program effective on the date of cancellation specified in the notice of default; and no coverage shall apply to any claims submitted subsequent to the effective date of cancellation that arise from occurrences taking place during the current program year. A Member cancelled for non-payment shall remain liable for a prorated share of the current year's deposits and for all readjusted or retrospective deposit amounts through the date of cancellation and attributable to prior years of coverage in which it participated.

ARTICLE 29 - ATTORNEY FEES AND COSTS OF COLLECTION

Should any Member or former Member fail to pay any deposit, readjusted deposit, or retrospective deposit when due, the Member shall also be liable to the Authority for attorney fees and costs incurred by the Authority in pursuing collection of such sums.

ARTICLE 30 - TERMINATION AND DISTRIBUTION

(a) This Agreement may be terminated by the written consent of three-fourths of the Members; provided, however, that this Agreement and the Authority shall continue to exist for the purpose of disposing of all claims, distribution of assets and all other functions necessary to wind up the affairs of the Authority.

(b) Upon termination of this Agreement, all assets of the Authority shall be distributed only among the parties that have been Members of a joint protection program, including any of those parties which previously withdrew pursuant to Article 24 of this Agreement, in accordance with and proportionate to their cash (including deposits) payments and property (at market value when received) contributions made reduced by their share of losses and expenses paid during the term of this Agreement. The Executive Committee shall determine such distribution within six months after the last pending claim or loss covered by this Agreement has been finally disposed of.

(c) The Executive Committee is vested with all powers of the Authority for the purpose of winding up and dissolving the business affairs of the Authority. These powers shall include the power to require Members, including those which were Members at the time a claim arose or at the time a loss was incurred, to pay their share of any additional amount of deposit deemed necessary by the Executive Committee for final disposition of all claims and losses covered by this Agreement. A Member's share of such additional deposits shall be determined on the same basis as that provided for annual deposits in Article 17 of this Agreement, and shall be treated as if it were the next year's annual deposit for that Member.

(d) In the absence of an Executive Committee, the Secretary shall exercise all powers and authority under this Article. The decision of the Executive Committee or Secretary under this Article shall be final.

ARTICLE 31 - PROVISION FOR BYLAWS

The Board shall cause to be developed Authority Bylaws. Each Member shall receive a copy of any Bylaws developed under this Article.

ARTICLE 32 - NOTICES

Notices to Members hereunder shall be sufficient if delivered to the administrative office of the respective Member. Delivery may be by U.S. Mail, email or other form of notice acceptable under the Ralph M. Brown Act.

ARTICLE 33 – PROVISION FOR MAILED BALLOTS

Unless specifically prohibited elsewhere within this Agreement or the Bylaws, all actions contemplated by the Board of Directors may be voted on by mailed ballot as defined in the Bylaws. This shall not include the election of officers or members of the Executive Committee. Actions taken by mailed ballot shall require the same percentage of votes cast by the entire Board of Directors as the percentage that would be required of a quorum voting on an item at a Board of Directors meeting.

ARTICLE 34 - AMENDMENT

With the exception of Article 27, this agreement may be amended by a two-thirds vote of the Directors present at a duly held Board of Directors meeting, or by a two-thirds vote of the

entire Board of Directors for an amendment placed before the Membership by mailed ballot. Amendment to Article 27 shall require a three-fourths vote of the entire Board of Directors, whether at a meeting or by mailed ballot.

ARTICLE 35 - PROHIBITION AGAINST ASSIGNMENT

With the exception of Article 21 (g), no Member may assign any right, claim or interest it may have under this Agreement, and no creditor, assignee or third party beneficiary of any Member shall have any right, claim or title to any part, share, interest, fund, deposit or asset of the Authority.

ARTICLE 36 - AGREEMENT COMPLETE

The foregoing constitutes the full and complete Agreement of the parties. There are no oral understandings or agreements not set forth in writing herein.

IN WITNESS WHEREOF, the parties hereto have first executed this Agreement by authorized officials thereof on the date indicated below.

Date: _____

MEMBER: _____

By: _____

CITY OF CUDAHY CALIFORNIA

Incorporated November 10, 1960

P.O. Box 1007
5220 Santa Ana Street
Cudahy, California 90201-6024
(323) 773-5143
Fax: (323) 771-2072

January 31, 2014

Jonathan R. Shull
Chief Executive Officer
California Joint Powers Insurance Authority
8081 Moody Street
La Palma, CA 90623

Re: Formal Withdrawal Notice from City of Cudahy

Dear Mr. Shull,

Please accept this letter from the City of Cudahy as a formal notice to withdraw from the California Joint Powers Insurance Authority.

It is the City's objective to complete the provisions identified by the Performance Improvement Agreement and stipulated in the Performance Improvement Plan (PIP). As detailed in the agreement, the three major areas specified in the plan address council training, the Loss CAP list and governance.

The City is fully committed to fulfill the above-mentioned provisions. We anticipate completing council training and the outstanding items on our Loss CAP Action Plan prior to our March 28, 2014 deadline. As we address the outstanding governance concern of "establishing a long term contract with the City Manager for a term equal to or exceeding two (2) years in duration," we expect to enter into at least a two (2) year agreement with a City Manager no later than May 2014.

The City entered into an agreement in December 2013 with me to serve as Interim City Manager. City Council gave me direction to conduct a formal City Manager search in January 2014. The formal search for a permanent City Manager opens February 1, 2014 and will close March 31, 2014 (60-days).

I am available to discuss the above-mentioned items at your earliest convenience.

Best Regards,

Henry Garcia
Interim City Manager
City of Cudahy

2014

CONTRACT SERVICES AGREEMENT

(Engagement: Risk Management Program Evaluation Services)

(Parties: Keenan & Associates – City of Cudahy)

THIS 2014 CONTRACT SERVICES AGREEMENT ("Agreement") is entered into this 3rd day of June 2014 (hereinafter, the "Effective Date"), by and between the CITY OF CUDAHY, a municipal corporation ("City") and Keenan & Associates, (hereinafter, "Consultant"). The capitalized term "Parties" shall be a collective reference to both City and Consultant. The capitalized term "Party" shall refer to either City or Consultant interchangeably as appropriate.

RECITALS

THIS AGREEMENT is made and entered into with respect to the following facts:

WHEREAS, the City desires the following contract services: specialty insurance services with expertise in insurance and related service needs of public agencies; and

WHEREAS, Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS AND CONDITIONS HEREIN CONTAINED, CITY AND CONSULTANT AGREE AS FOLLOWS:

I.

PROJECT, SCOPE AND TERM OF SERVICES AND COMPENSATION

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", which is attached and incorporated hereto (hereinafter the "Scope of Work"). 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 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." The Work is inclusive of those tasks that may be identified as being optional under the Scope of Work and such optional work shall not constitute Extra Work under Section 1.5 of this Agreement, below. 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").

1.2 PROSECUTION OF WORK: The Parties agree 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 Notice to Proceed and shall be completed at the earliest feasible time practicable, but in no event by a date not later than 1st day of August 2015 (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 fifteen (15) 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 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;

E. CONSULTANT, at its sole expense, shall pay all sales, consumer, use or other similar taxes required by law.

1.3 COMPENSATION:

Consultants total compensation for performing the Work shall not exceed the aggregate sum of TWENTY FIVE THOUSAND THREE HUNDRED TWENTY DOLLARS ($25,320.00) (hereinafter, the "Contract Price"). The Parties agree that the Contract Price includes compensation for all labor, materials, tools, supplies, equipment, business licenses and such other incidental and customary work necessary to competently perform and fully complete the Work as well as compensation for all specifically delineated expenses set forth in the Scope of Work. All related costs, travel expenses, fees in the development of the Work shall be burdened by the Consultant and not be reimbursable to the City. 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 Department of the City and unless such added expenditure is specifically approved in advance and in writing by the City.

1.4 PAYMENT OF COMPENSATION: City shall compensate Consultant in three equal installments of EIGHT THOUSAND FOUR HUNDRED FORTY DOLLARS ($8,440.00). The first installment is due upon the commencement of Phase 1, the second installment will be invoiced following the completion of Step 1 of Phase 1. The final installment is due 30 days within following the completion of Phase 1. Within fifteen (15) business 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 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 EXTRA WORK; COMPENSATION FOR EXTRA WORK:

A. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. For the purposes of this Agreement, the term "Extra Work" means any

additional work, services or tasks not set forth in the Scope of Work but later determined by City to be necessary. Consultant shall not undertake nor shall Consultant be entitled to compensation for Extra Work without the prior written authorization of the City. Extra Work does not include any labor, materials, tools, supplies, equipment, services, tasks or incidental and customary work undertaken to competently perform and timely complete the Work and related tasks set forth in the Scope of Work.

B. Payments for any Extra Work shall be made to Consultant on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally.

1.6 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.

1.7 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 Work, 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 Henry Garcia, Interim City Manager (hereinafter, the "City Representative") to act as its representative for the performance of this Agreement. The City Representative or his 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 Representative or his designee.

2.2 CONSULTANT'S REPRESENTATIVE: Consultant hereby designates David Rendeiro to act as its representative for the performance of this Agreement (hereinafter, "Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of Consultant for all purposes under this Agreement. Consultant's 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's 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 applicable to the 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 (including but not limited to Consultant's subcontractors and subconsultants) 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 Consultant's 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.

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 at their 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 in a skillful and competent manner equivalent to, the standard of performance generally recognized as being employed by professionals performing the same type of work and services in the State of California.

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: 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 others during the term of this Agreement, provided such work does not unduly interfere with Consultant's competent performance under this Agreement or 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 EMPLOYEE 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 re-assigned to perform any of the Work.

2.8 COMPLIANCE WITH LAWS: Consultant shall keep itself fully informed of and in compliance with all applicable laws, statutes, codes, rules, regulations and ordinances of the federal government of the United States of America, the State of California, the County of Los Angeles, and any other local governmental entity to the extent such laws, statutes, codes, rules, regulations or ordinances govern or affect the performance of the Work.

2.9 SAFETY: Consultant shall perform its Work so as to avoid injury or damage to any person or property. In performing the Work, Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the Work and the conditions under which any Work is to be performed.

2.10. 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.

2.11. INDEPENDENT CONTRACTOR: 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: As more specifically set forth below under this Article, 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 this Article) 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 this Agreement. Consultant shall also procure and maintain such other types of insurance as may be required under this Article, below. City shall not, and shall be under no obligation to, issue a Notice to Proceed until Consultant has provided evidence satisfactory to City that it has procured all insurance required under this Article III (Insurance).

3.2 REQUIRED COVERAGES: Consultant agrees that it shall procure and maintain the following insurance coverage, at its own expense, for the duration for this Agreement or any extended period set forth herein:

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). Such CGL Coverage shall have minimum limits of no less than One Million Dollars ($1,000,000.00) per occurrence for bodily injury, personal injury, property damage, operations, products and completed operations, and contractual liability. The general aggregate limit of the CGL Coverage shall either apply separately to the work and services to be performed under this Agreement; or the general aggregate limit shall be twice the required occurrence limit;

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: 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. Workers' Compensation insurance shall also provide or be endorsed to provide: There will be no cancellation, suspension, reduction or voiding of coverage without thirty (30) calendar days prior written notice by certified mail, return receipt requested, to City. If any reduction of coverage occurs, Consultant shall furnish City with information regarding such reduction at Consultant's earliest possible opportunity and in no case later than five (5) calendar days after Consultant is notified of the change in coverage. Any failure to comply with reporting or other provisions of the policy, including breaches of warrants, shall not affect the coverage provided to City and City's elected or appointed officials, officers, employees, agents or volunteers.

D. 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.

3.3 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. As to the CGL Coverage, the additional insured endorsement shall be made using Insurance Service Office form CG20 10 1185, CG 20 10 10 01 or CG 37 10 01.

3.4 REQUIRED CARRIER RATING: All varieties of insurance required under this Agreement shall be procured from insurers licensed 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.

3.5 PRIMACY OF CONSULTANT'S INSURANCE: All policies of insurance provided by Consultant shall be primary to any coverage available to the City, the City's elected or appointed officials, officers, employees, agents or volunteers. Any insurance or self-insurance maintained by the 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.

3.6 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.

3.7 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 the City's financial well-being. Accordingly, Consultant warrants, represents and agrees that it 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 as a condition precedent to the commencement of any work or any of the Work. City shall not, and shall be under no obligation to, issue a Notice to Proceed until Consultant fully complies with this Section. The requirements of this Section cannot be waived and any attempted waiver shall be void, invalid and non-binding upon City.

3.8 FAILURE TO ADHERE TO INSURANCE PROVISIONS: In addition to any other remedies City may have under this Agreement or at law or in equity, if Consultant fails to comply with any of the requirements set forth in this Article, City may, but shall not be obligated to: (a) Order Consultant to stop any and all work under this Agreement or withhold any payment, which becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; or (b) terminate this Agreement. City's exercise of any of the foregoing remedies, shall be in addition to any other remedies City may

have and is not the exclusive remedy for Consultant's failure to comply with the insurance requirements set forth under this Article.

3.9 SUBCONTRACTORS INSURANCE COVERAGE: Consultant shall include all persons and entities performing work on its behalf as insureds (including all contractors, subcontractors and subconsultants) or, in the alternative, shall furnish separate certificates of insurance and endorsements for each such persons or entities evidencing their independent procurement of insurance. All coverages for such persons or entities shall be identical to the requirements imposed upon Consultant under this Article.

3.10 NO LIMITATION ON LIABILITY: Consultant's procurement of insurance shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's indemnification duties set forth under Article V of this Agreement.

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, 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 the City as set forth herein.

4.2 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless and defend 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, by written notice to Consultant, terminate this Agreement at any time for convenience and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least fifteen (15) calendar days before the effective date of such termination. Upon termination, Consultant shall be compensated only for the Work which has been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for breach of this Agreement. 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 7.1 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 other information within fifteen (15) calendar days of the request. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, Work similar to that terminated.

5.2 DEFAULT, BREACH AND TERMINATION IN THE EVENT OF BREACH: In the event either Party fails to perform, or adhere to, any applicable duty, obligation or standard of conduct set forth under this Agreement (or fails to perform or adhere to any such duty, obligation or standard of conduct at the time, place or manner set forth in this Agreement), an event of default (hereinafter, "Event of Default") shall have occurred. Except as otherwise provided in this Agreement, if an Event of Default remains uncured by the defaulting Party for a period in excess of fourteen (14) calendar days from the date upon which the non-defaulting Party issues notice of default (hereinafter, a "Default Notice") to the defaulting Party, then the default shall constitute a breach of this Agreement. If a Party is in breach of this Agreement, the non-breaching Party may pursue any and all remedies available to it at law or in equity. If Consultant is in breach (whether or not such breach is caused by Consultant or Consultant's officials, officers, employees, agents, contractors, subcontractors or subconsultants), City may, in its sole and absolute discretion (and without obligation), terminate this Agreement upon the issuance of five (5) calendar days' prior written notice of termination on the grounds of breach (a "Breach-Termination Notice"). City's ability to terminate this Agreement as provided in this Section shall be in addition to any other remedies City may have at law or in equity in the event of breach and shall not be in lieu of such other remedies.

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 ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input recorded data, written information, and other like information either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidentially by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Work; nor shall such materials be disclosed to any person or entity not connected with the performance of the Work. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. 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 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:
Keenan & Associates
2355 Crenshaw Blvd., Suite 200
Torrance, CA 90501
Tel: (310) 212-0363 x 3258
Fax: (310) 212-3381

CITY:
City of Cudahy
Attn: Henry Garcia
5220 Santa Ana Street
Cudahy, California 90201
Tel: (323) 773-5143, ext. 240
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.

6.4 COOPERATION; FURTHER ACTS: The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as are reasonably necessary, appropriate or convenient to achieve the purposes of this Agreement.

6.5 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.

6.6 CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS: City reserves the right to employ other consultants in connection with the various projects worked upon by Consultant.

6.7 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.

6.8 TIME IS OF THE ESSENCE: Time is of the essence for each and every provision of this Agreement.

6.9 FORCE MAJEURE: Any prevention, delay, nonperformance or stoppage due to any of the following causes shall excuse nonperformance for a period equal to such obligations imposed by this Agreement. The causes referred to above are strikes, walkouts, labor disputes, failure of power, irresistible superhuman cause, acts of public enemies of the State or United States, riots, insurrections, civil commotion, inability to obtain labor or material or reasonable substitutes for either, governmental restrictions or regulations or controls (except those reasonably foreseeable in connection with the uses contemplated by this Agreement), casualties not contemplated by insurance provisions of this agreement, or other causes beyond the reasonable control of the party obligated to perform.

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 City of California located in the City of Los Angeles, California.

6.11 ATTORNEY'S FEES: If either Party commences an action against the other Party, whether 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. One counterpart shall be delivered to Consultant and the remaining two counterparts shall be retained by City. No handwritten or typewritten amendment, modification or supplement to any one counterpart shall be valid or binding unless made to all three counterparts in conformity with Section 6.16, above.

[SIGNATURE PAGE TO FOLLOW]

AS OF THE DATE FIRST WRITTEN ABOVE, the Parties evidence their agreement to the terms of this Agreement by signing below:

CITY:
Cudahy,
a municipal corporation

By:_____
Henry Garcia, Interim City Manager

APPROVED AS TO FORM:

By:_____
Rick R. Olivarez

CONSULTANT:
KEENAN & ASSOCIATES

By: _____

Print: JOHN STEPHENS

Title: SENIOR VICE PRESIDENT

EXHIBIT "A"
[SCOPE OF WORK]

City of Cudahy – Risk Management Program Evaluation Services

Keenan shall provide the following consulting services ("Services"):

- Review Client's current insurance coverage(s) and appropriateness of limits
- Compare cost of coverage to similar agencies in the region and State
- Evaluate safety and loss control (claim prevention) programs and their effectiveness
- Provide information regarding alternatives and suggestions for improvement
- Promote predictability and stability in Client operations from a risk management perspective
- Assist Client in developing a sustainable risk management culture

Keenan's Services will be divided into two phases as listed below.

Phase I

1. **Identification of Risk** - is the identification of potential loss sources through an evaluation of risk exposures. Examples of such exposures associated with operational activities include, but are not limited to: practices, procedures, new projects, contractual relationships and unfavorable events that could occur by negligence, oversight or accident. The identification of such exposures are conducted through:

- A thorough review that examines every aspect of current and future Client operations as well as administrative activities. For example, a review of policies, procedures, practices, project plans and contracts will be examined in this review
- Inspection of operational areas, their inputs and outputs

Evaluation of Risk Identified risk exposures will be further evaluated to establish probability and severity of their occurrence. This evaluation will incorporate an analysis of the Client's losses, insured and uninsured; examine current risk trends and their affect Client exposures as well as future operations that may increase risk exposure.

2. **Coverage Analysis & Techniques to Manage Risks** - After determination and evaluation of risks, various risk management techniques or combination of techniques will be suggested. These techniques will include risk transfer by the purchase of insurance/pooling participation, risk avoidance, loss prevention and loss reduction. Client shall evaluate Keenan's suggestions determine which of the techniques suggested will be implemented.

This segment will:

- Analyze insurance coverages and identify coverage gaps
- Examine current techniques in place and their effectiveness

- Recommend the enhancement of current techniques or development of new techniques. Our experience indicates for most exposures a combination of techniques are commonly applied
- Suggest insurance coverage options to properly address risk financing and improve cash flow

Conducted by Keenan Consultant and Marketing Specialist

Deliverable is a report which recommends enhancement of current techniques/development of new techniques and insurance coverage options. With consideration of the enterprise risk management objective, recommended techniques will be designed to align functions of various Client departments, ensuring a holistic approach to implementation can be achieved.

Phase I, including the delivery of Keenan's written report, will be completed no later than August 31, 2014.

Phase II

Phase II will be implemented at Client's direction following Client's acceptance of Keenan's report. The timing of deliverables for Phase II will be as agreed to by the Parties.

1. **Program Marketing** – This phase may, at the Client's election, involve a comprehensive marketing of one or more lines of coverage to explore the possibility of program alternatives from a coverage and/or cost perspective. At the Client's direction, Keenan & Associates will market the insurance programs to A rated insurers and interested JPA's currently doing business in the State.

Keenan will provide to Client:

A document outlining full transparency of all program costs, and the maximum ultimate program cost information for the policy period beginning July 1, 2015. Keenan will work with the Client to understand its options relative to the *exit costs* of the CJPIA.

2. **Implementation of Risk Management Techniques** – Keenan will assist Client in the implementation of the risk management techniques/programs selected by Client as most appropriate for its environment, and will assist with the development of written programs and plans to address loss prevention and reduction; and practices for the contractual transfer of risk.

Conducted by Keenan Consultant and Account Manager

Deliverable is a recommended implementation activities report with an implementation timetable and/or comprehensive marketing of coverages with agreed upon marketing deadline.

3. Monitor and Evaluate Results – One year following implementation of the risk management techniques/programs selected by Client. Keenan will review the effectiveness and efficiency of the techniques and programs will be assessed to determine their appropriateness and whether any changes and/or modifications are indicated. Keenan will prepare annual written report of its findings. Effectiveness will be determined by an examination and comparison of claims data prior to and following implementation of the risk management initiatives and a review of other safety and risk performance indicators.

Conducted by Keenan Consultant and Account Manager

Deliverable is a report that includes assessment of:

- Technique effectiveness and efficiency through pre and post claims review
- Program implementation review
- Recommendation for modifications, as necessary

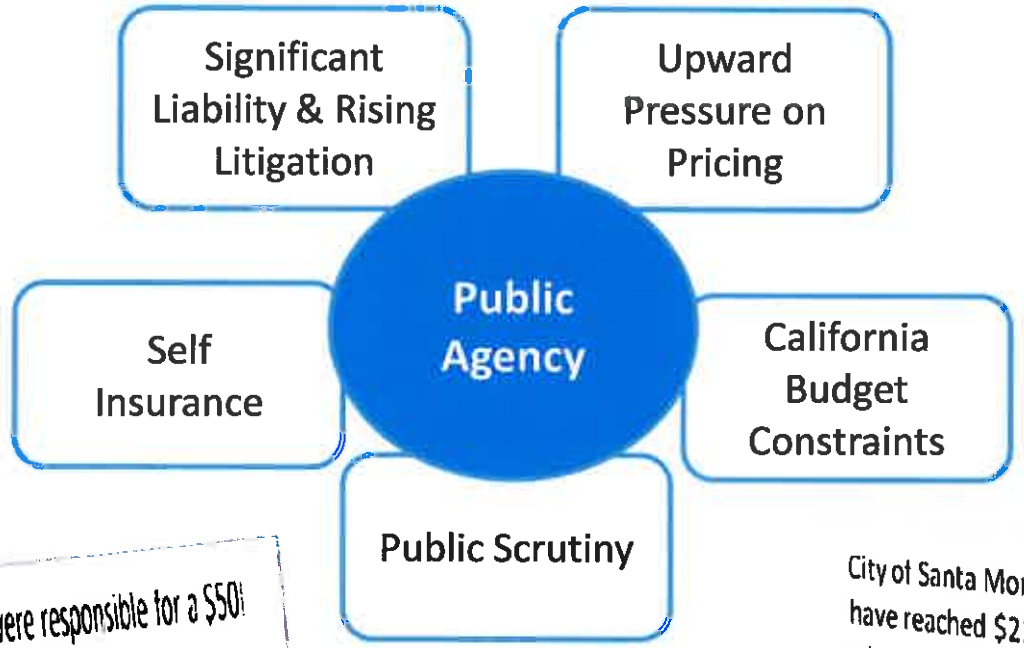
Municipal
Insurance
Cooperative

California JPA Purchasing Group

"Insanity is doing the same thing over and over again but expecting different results."

Albert Einstein

Let's face it –
Cities are a risky business...

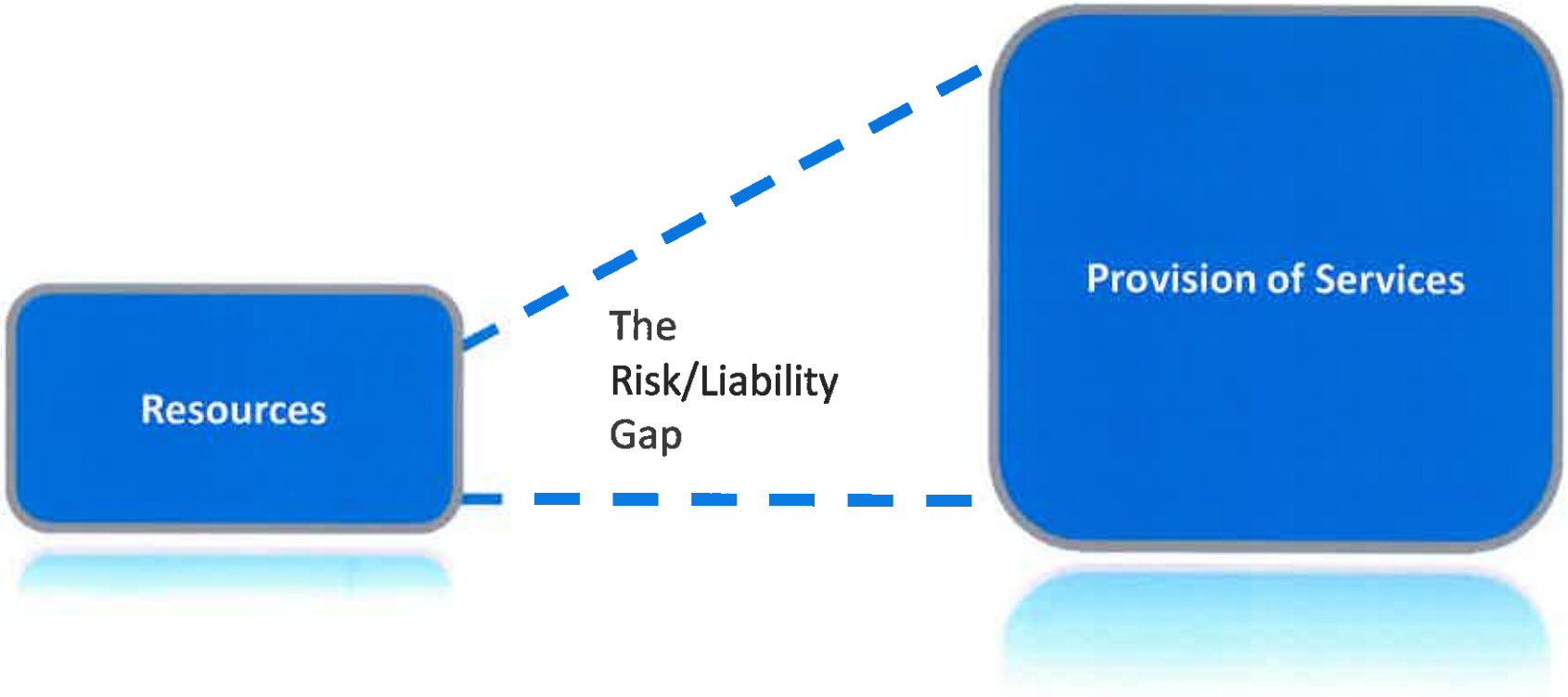


ty of Dana Point and its insurer were responsible for a $50
ut-of-court settlement stemming from injuries sustained b
two joggers hit by a drunk driver.

City of Santa Monica and other defendant payouts have reached $21M for the 2003 Farmer's Market rash. The issue was public safety and the city's failur

FEMA's Stafford Act now requires municipalities to purchase insurance up to the amount of total losses in a natural disaster before they can request assistance in subsequent disasters.

And Risk Soars When You Try to Do More With Less



March, 1986 - TIME Magazine documents the insurance crisis in America.

In California, many local governmental entities found that coverage was either priced out of their reach or completely unavailable. Insurance companies refused to write coverage for most municipalities and canceled those they had.

Interim Update to the 5-Year Fiscal Forecast Page 4

- The retrospective computation for the liability program for periods including 2011-12 resulted in a retrospective charge in the amount of $39,300. The retrospective computation for the workers' compensation program for periods including 2011-12 resulted in a retrospective charge in the amount of $442,700. Neither of these amounts were anticipated and both amounts have been added to the forecast for 2014-15. Due to the nature of the retrospective computation process, it is difficult to forecast the results of future retrospective computations, which are completed each year by the California Joint Powers Insurance Authority which is the City's insurance provider.

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Learn more

PRESS RELEASES

City of Upland Obtains $4.75 million Settlement in Bad Faith Lawsuit

Case is follow up to the Colonies litigation

PR Newswire

UPLAND, Calif., April 18, 2014 /PRNewswire/ -- The City of Upland reached a $4.75 million settlement with The Insurance Company of the State of Pennsylvania, one of the defendants in a lawsuit alleging insurance bad faith and breach of contract over the insurance company's failure to defend the City in the Colonies litigation.

In the lawsuit, *City of Upland v. Independent Cities Risk Management Authority, et al.*, Upland alleged that the insurers unreasonably failed and refused to defend the city in the Colonies litigation despite Upland's demand to do so and despite the fact that such defense was a benefit to be provided under their insurance policies.

The City of Upland was covered by a memorandum of coverage issued by Independent Cities Risk Management Authority ("ICRMA") and an excess liability insurance policy issued by Insurance Company of the State of Pennsylvania ("ISOP"). Upland was sued by the San Bernardino County Flood Control District and the County of San Bernardino in connection with property damage allegedly caused by Upland when flooding occurred as a result of the extension of the 210 freeway.

The Colonies litigation began in 2002 when the County of San Bernardino

About

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Upland to receive $2.2 million in arbitration award

By Liset Marquez, Inland Valley Daily Bulletin

POSTED: 06/09/16 2:36 PM PDT UPDATED: 06/10/2016 0 COMMENTS

UPLAND >> An arbitration panel has awarded the city $2.23 million from one of its insurers, after city claimed the company acted in bad faith and breached a contract for failing to defend it in the 2004 Colonies lawsuit.

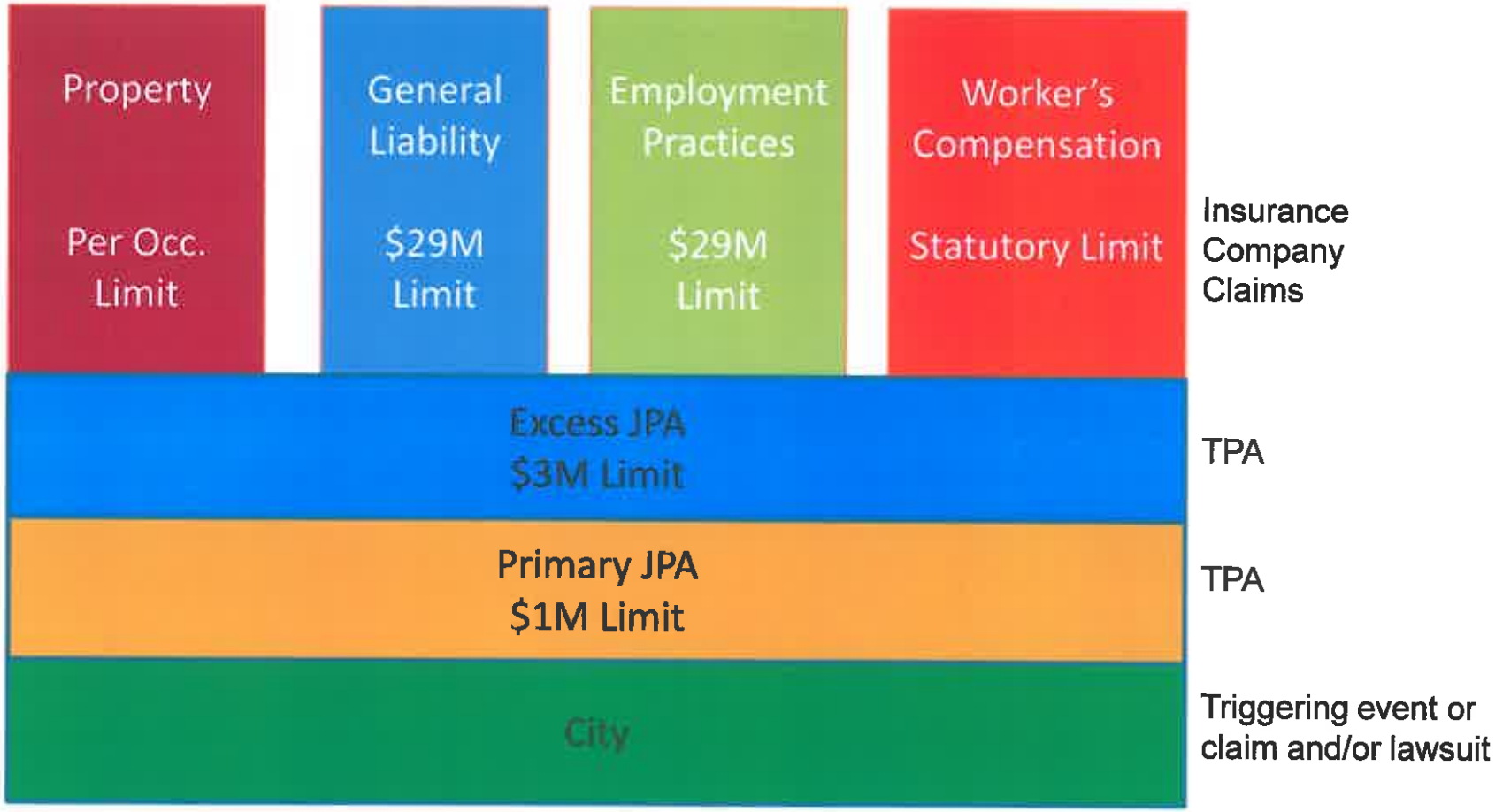
Upland's two insurance companies — Independent Cities Risk Management Authority, or ICRMA, and Insurance Company of the State of Pennsylvania — refused to defend the city in the indemnity case involving San Bernardino County, according to Shernoff Bidart Echeverria Bentley LLP, the Claremont law firm representing the city.

Arbitration with ICRMA was reached on Monday following several months of the case being heard before a panel, said Michael J. Bidart, managing partner at Shernoff Bidart Echeverria Bentley.

Earlier this year, ISOP agreed to a $4.75 million settlement with Upland. The city has been seeking reimbursement costs from its insurers, including attorneys fees of more than $6 million. Now, with both claims against its insurers settled, the firm representing the city plans to seek compensation for damages, Bidart said.

"We have consequential economic damages as a result of ICRMA's denial to defend the city," Bidart

Typical JPA Structure



Excess Insurance. Fragmented Coverage. Inconsistent Funding.

Is there an alternative to protect your agency?

Created to provide the **broadest** insurance coverage, **eliminate** risks normally associated with municipal insurance pools and provide **meaningful** risk management services to its members.

Not-for-profit, **member owned** and **controlled**, public entity group purchasing JPA program.

Seamless, concurrent and **follow form** coverage

Municipal Insurance Cooperative

Municipal Insurance Cooperative

Long Term Protection. Financial Stability.

Property	General Liability	Employment Practices Liability	Worker's Compensation
TIV Limits	Up to $50M Limits		Statutory Limits

Reinsurance

Self Insured Retention

Follow Form Reinsurance. Coordinated Coverage. Broad MOC.

Municipal Insurance Cooperative

Municipal Insurance Cooperative

Broad & Comprehensive Coverage

Property	General Liability	Employment Practices Liability	Workers' Compensation
• Broad coverage provisions • If not specifically excluded, then is included • *Enhanced Underground Pipe Definition* • *Other Significant enhancements detailed in the MOC* • Limits up to 100% of member's Total Insured Values (TIV)	• Follow Form Reinsurance • Inverse condemnation • Breach of Contract • Injunctive Relief • Asbestos Defense & Indemnification • Employee Benefits E&O	• Discrimination and/or harassment • Wrongful termination • Retaliation • Whistleblower • Front & back pay wages specifically INCLUDED	• Benefits meet all statutory requirements • LC4850 benefits included • Volunteers automatically covered

Municipal Insurance Cooperative Advantages

Broad & Flexible Coverage

Follows form reinsurance providing the broadest available coverage to protect your agency and Members select a individually customized SIR.

Reinsurance Claims Expertise

Excess Reinsurance Claims Manager.

Governance

Members make up governing body and decide coverage parameters through Memorandum of Coverage

Cost Reduction Tools

Comprehensive exposure analysis, analytics, tools and resources to help reduce your overall cost of risk.

- Lexipol; Contractual Risk Transfer; P&C Bridge / Safe Personnel

Group Purchasing Power

Reduced rates and eliminated assessment risk.

It's Understandable…

When providers "all look alike," it's tempting to chose one on cost alone – or make no decision at all.

But if you make choices primarily on upfront cost, or you don't understand the difference among providers, you may be setting yourself up to pay the ultimate price. There is a difference in insurance providers.

Managing Risk is Complicated

Municipal Insurance Cooperative

Municipal Insurance Cooperative Simplifies

Public Sector Exposures

Claims

- Risk Assessment
- Frequency & Severity Reduction
- Integrated Claims & Safety Strategies
- Practical Solutions

Risk Management

- Aggressive Claims Administration
- Medical, Legal, Rx Cost Containment
- Nurse Case Management
- Litigation Management

Risk Management

- Return to Work Program
- Medical Provider Network
- Agency Resource
- Training – "Keenan U"

Consulting

- Construction Insurance Expertise
- Loss Control / Safety
- Contract Review

Loss Control

- Regulatory Compliance Tools
- Keenan SafePersonnel
- Hazardous Materials Inventory
- Material Safety Data Sheets

Municipal Insurance Cooperative Simplifies

Public Sector Exposures

Claims

950+ Public Agency Clients
$12+ Billion WC Payroll
$65 Billion TIV
Largest WC Pool in the Country

Risk Management

Broadest P&L Protection
Member Owned and Governed
Not for Profit JPA's

Risk Management

Public Safety
Risk Assessment
Safety Inspections
Risk Transfer / Financial Analysis

Consulting

Bridging Compliance, Communication, Risk Management and Training
Keenan SafePersonnel
Material Safety Data Sheets (MSDS)
30+ Online Training Courses

Loss Control

Crisis Communications
Immediate Attorney Representation
Coordinated Defense Strategy
Public Officials Liability

Needs, Risks, Threats

Marketing

Loss Control

P&C Bridge

Technology Efficiencies

Minimize PR Risks

Municipal Insurance Cooperative

Evaluate & Join the
Municipal Insurance Cooperative

- Submit underwriting data
- Receive individual quotation for all inclusive coverage
- Execute JPA Agreement
- No cost unless MIC programs are actually purchased

Protect Your Agency…Choose MIC

Municipal
Insurance
Cooperative

Municipal Insurance Cooperative

A California JPA Purchasing Group

Insurance Program Alternatives and Broker

Presentation by

Keenan
Associates

Keenan & Associates Overview

- Largest privately-held insurance services firm in California and 18th largest nationally
- 40 years of experience specializing in California Public Agencies
- Over $130 million of revenue, 90% public sector based
- Serving more than 950 public agencies in California
- More than 650+ associates located in 10 offices throughout California
- Public agency market leadership
- Complete and comprehensive array of Property & Casualty and Employee Benefits broker-consultant services

Public Sector Experience

Representative Clients

Keenan

Property, Liability & Workers' Compensation

Experience…Process…Results
The Keenan Integrated Solution

Keenan Experience
Operational Outreach

2012 Revenues	$145+ Million

Premium Representation

Workers' Compensation	$200 Million
Annuities	Over $100 Million
Property and Liability	$60 Billion Total Insured Values

Program Participation

Workers' Compensation	Over 500 Agencies / $12 Billion Payroll
Loss Control/Risk Management	Over 3 Million Employees
Wrap-Up (OCIP) Insurance	$3 Billion in construction values
Property/Liability Pools	Over 2.5+ Million ADA/FTES
SETECH Financial Mgt.	$500 Million of custodial funds

INSURANCE VS. SELF FUNDED POOLS

INSURANCE

- Insurance is risk transfer.
- You pay a guaranteed, fixed premium for full transfer of risk to another party. No matter how many claims you have, you do not pay any more premium for the policy term.

SELF FUNDED POOLS

- Pooling is risk sharing, a form of risk bearing.
- You may pay an assessment or estimate of your share of the pool's expenses. If your losses or the losses of others exceeds the estimates, then you may be assessed for any additional amounts.

INSURANCE VS. SELF FUNDED POOLS

INSURANCE

- You are not obligated for anything other than your quoted premium and adherence to policy conditions. If the insurance company loses money, that's their problem, and their stockholders lose money.

SELF FUNDED POOLS

- You are jointly liable for all claim losses, even if you did nothing to contribute to the losses. If the pool loses money, that's your problem, and your local taxpayers lose money.

INSURANCE VS. SELF FUNDED POOLS

INSURANCE

- You are transferring the risk by purchasing an insurance policy, thereby protecting the taxpayers' money.

SELF FUNDED POOLS

- You may be entering into a long-term, speculative venture, using taxpayers' money as investment capital.

INSURANCE VS. SELF FUNDED POOLS

INSURANCE

- Insurance companies are subject to receiving independent financial ratings from rating agencies and are subject to regulatory scrutiny of state insurance departments.

SELF FUNDED POOLS

Pools typically are not overseen by state insurance departments nor do they receive independent financial ratings.

Keenan's Marketing Approach

- Develop City of Cudahy's goals and objectives for insurance program
- Determine projected cost of risk
  - Actuarial analysis
  - Investment management analysis
  - Catastrophic modeling
- Collaborate: Who's best suited to assume the risk?
  - Predictable frequency = City of Cudahy retains
  - Unknown CAT layers = Insurance or Reinsurance
- Risk profile analysis
  - Front-end investment allows us to optimally position City of Cudahy's program to the market
- We know the answers before setting-out to achieve them

Keenan Total Risk Approach

Value Added Services

Coverage analysis – All lines	Included	Annually
Certificate issuance & management	Included	On demand
Safety program analysis	Included	First 90 days
Claim reporting & oversight	Included	On demand
Online access to policy, certificate & online safety training	Included	Immediate
Insurance compliance contract review	Included	On demand
Loss control & onsite safety training	Additional fee as per schedule	As requested
Ergonomics assessment & training	Additional fee as per schedule	As requested

Integrated Loss Control / Safety

Our Focused Analysis, Your Risk Reduction

Prevention Programs

- Focused Trend Analysis with Risk Improvement Action Plan
- Written Safety Program Consultation and Supervisor/Manager Training
- Department Product Purchasing Guides

Specific Occupational/Department Training Programs

- Public Works
  - Aerial lift, ergonomics, traffic flagger, heat illness, hazard communication
- Parks and Recreation
  - Blood-borne Pathogens, hearing conservation, ergonomics

Keenan's Integrated Solution:

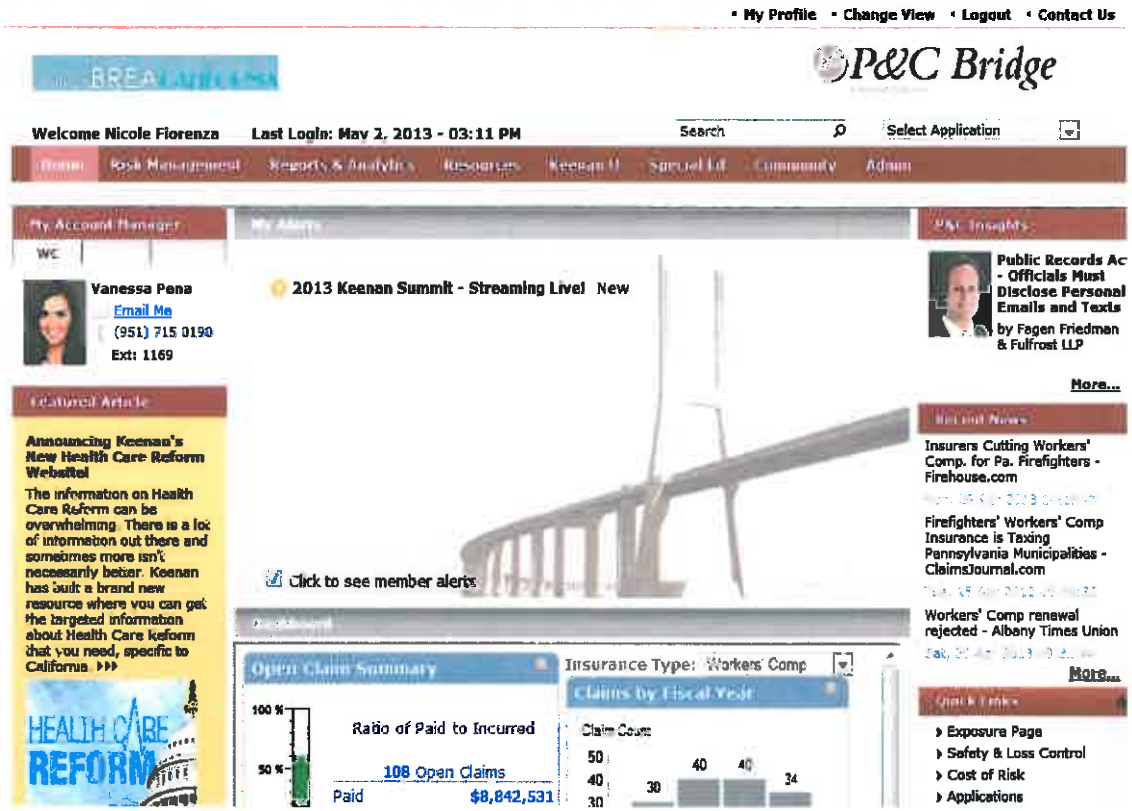
Technology

- **Proprietary, Property & Casualty technology portal**
- **Web-based portal bridging *compliance, training, communication, and risk management* in one secure platform**

"P&C Bridge is one of the bright spots in an otherwise dismal year. This has saved the district money and employees said training was convenient and informative."

Kurt Banks, Director of Risk Management

P&C Bridge
A Keenan Solution



Keenan

Cost of Risk

▸ Cost of Risk Calculator

Cost of risk can be calculated across all coverage lines

	2007-08		2006-07		2005-06	
	Actual Amount($)	Budgeted Amount($)	Actual Amount($)	Budgeted Amount($)	Actual Amount($)	Budgeted Amount($)
COST OF RISK						
TOTAL COST OF RISK	**125,000**	**130,000**	**125,000**	**130,000**	**125,000**	**130,000**
ADA		**3,463**		**3,350**		**3,463**
COST OF RISK / ADA		**824.56**		**906.87**		**825.54**
COST OF RISK CALCULATOR						
Property & Liability						
Contribution	660,484	500,000	600,000	500,000	660,484	500,000
Retained Losses	65,000	500,000	43,000	500,000	342,000	500,000
Premium for Additional Coverage	**15,200**	**19,320**	**16,640**	**16,100**	**26,550**	**19,000**
Equipment Breakdown	5,000	2,420	4,020	3,600	12,500	4,700
Crime	2,200	6,100	4,300	4,300	2,600	4,100
EDP	4,900	6,000	2,100	2,900	4,230	6,900
Excess Lines	3,100	5,600	6,200	4,800	7,200	1,200
Add new Link						
Worker Compensation						
Contribution	660,484	500,000	600,000	500,000	660,484	500,000
Retained Losses	12,000	22,000	17,000	23,900	11,200	12,230
Contracts						
P&L Claims Administration	660,484	12,000	600,000	45,200	660,484	5,012
WC Claims Administration	65,000	1,020	43,000	32,900	342,000	13,200
Keenan Safety Contracts	65,000	7,300	43,000	2,900	342,000	5,400
Other Vendor Costs	65,000	20,000	43,000	3,200	342,000	1,300
Other Internal Administrative Overhead	125,000	**130,000**	125,000	**130,000**	125,000	130,000

Proven Results

City of Palm Springs

- Reduced WC SIR from $2M to $1M
- Reduced WC premiums 73% (year 1) and 17% (year 2)
- Reduced P&L premiums 11%
- Significantly enhanced coverages
- Total Savings > $275,000

LA Law Library

- First renewal premium reduction of $115,201 or 24.3%
- Added crime cover at $1M limit at no additional cost
- Increased limits of general and employee benefits liability

Proven Results

City of Upland

- Reduced WC SIR through unique "buffer layer" approach
- Reduced WC premiums 6% despite 847,320 increase in payroll
- Reduced General Liability premiums 8%
- Significantly enhanced coverages
- Assisted City with strategy for reduction of workers' compensation claim costs

Summary

- Keenan's innovative insurance, risk management, claims administration, employee benefits and financial services solutions are tailored exclusively for the public sector
- Keenan understands the unique needs of the public sector including the intricacies of Cities and Public Safety
- Keenan works with more than 950 public agencies in California
- Keenan is committed to excellence through outstanding service by local, dedicated service teams

PROGRAM PROPOSAL

Joint Powers Authority Purchasing Group

Insurance Program Proposal
for

The City of Cudahy

May 8, 2015

Presented By:

David Rendeiro
Vice President, Municipalities
800-654-8347 ext 1182
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INTRODUCTION

MIC
MUNICIPAL INSURANCE COOPERATIVE
JOINT POWERS AUTHORITY

The Municipal Insurance Cooperative "MIC" Joint Powers Authority was formed to offer California Public Entities:

- Free Membership in a joint purchasing group exclusively for California public entities
- Access to group purchased insurance programs, through membership
- Leverage to obtain potentially broader coverage at lower cost than any member could achieve individually
- Freedom from any joint sharing of risk associated with pooling JPAs

WHAT IS *MIC*?

MIC
MUNICIPAL INSURANCE COOPERATIVE
JOINT POWERS AUTHORITY

In an effort to provide California public entities who are supportive of the principal of joint purchasing to aggregate their buying power in the marketplace and achieve more comprehensive property, liability and workers' compensation insurance coverage at a more reasonable cost than they can obtain on their own, Keenan & Associates formed MIC, the *Municipal Insurance Cooperative Joint Powers Authority* which is owned and operated by its public agency members. Features available to members of MIC include:

- Broad coverage that may not be available on an individual basis such as employment practice liability coverage including back wages, breach of contract and coverage for approved volunteers thereby protecting more assets of each member from uninsured losses
- Coverage based on a Memorandum of Coverage supported by reinsurance and excess coverage that follows the form of the Memorandum. This provides the members, not insurance carriers, the opportunity to determine what coverage should be provided to them
- Use of the collective buying power of all members to achieve lower costs for transferred coverages without the perception of one entity unfairly subsidizing the risks of another given MIC will be a joint purchase JPA
- Uniform oversight of claims for all members which will enhance the credibility of MIC in the insurance marketplace and support obtaining cost effective pricing of coverage
- Development of specific loss control risk improvement action plans for each member that purchases coverage to address their loss drivers
- Individual elections by each member of the deductible or self-insured retention they choose to accept, per line of coverage, without any pooling of risks between members
- As a newly formed JPA, MIC has no historic program years that could lead to assessments for members if determined to be underfunded
- As a joint purchase JPA, members will be insulated from any liability of other members which will provide the ability to know each year's program costs with a very high degree of financial certainty, subject only to estimating losses within their selected deductible or self-insured retention

MIC was formed as a joint purchase JPA open to all California public entities, including other public JPAs, at no cost. The purpose is to provide its members with an alternative to programs that each of them may be able to obtain in the traditional insurance marketplace or as members of other JPAs. In effect, for those public entities that join MIC it will give them an additional insurance program alternative to consider for property, liability and workers' compensation coverage in comparison to all other program options available to them. If they decide to join MIC, their costs may be as outlined in the proposal provided by MIC. If they decide not to buy any program(s) offered by MIC, no cost will be incurred.

Keenan & Associates manages MIC on behalf of the members similar to the way in which we currently manage over 60 other California public educational agency JPAs in the State. Our management will include among other things, initial oversight and eventual administration of all claims for all members for all lines of coverage. This will provide a consistent approach to this extremely important aspect of all insurance programs. By using this approach on most of our other JPAs, we have gained an excellent reputation in the carrier marketplace. This allows a higher degree of credibility to be placed on the loss information of our clients, which leads to better pricing than risks with multiple claims administrators and service providers.

In summary, MIC was formed to provide insurance program options to all members at no cost unless the member elects to purchase programs from MIC. Keenan & Associates believes MIC will provide broader coverage at lower cost than all other options available without any uncertain, unfunded legacy cost issues and insulation for members against liability incurred by other members.

KEENAN AGENCY SUPPORT TEAM

Local Account Management

Service

Keenan's Public Agency Division provides high quality, innovative products and services that add value, increase reliability and provide financial security for our clients' property and liability, and workers compensation programs. Our services include a full Range of Insurance Broker Services in addition to risk management and loss control consulting services.

Dedicated Public Agency Support Team

The following Keenan key personnel will support the City's overall program:

David Rendeiro **Vice President, Municipalities** 4204 Riverwalk Parkway, Ste 400 Riverside, CA 92505 Phone: (951) 715-0190 ext. 1182 Fax: (951) 715-0166 Cell: (714) 308-0302 drendeiro@keenan.com	**Vanessa Pena, AIS, CRIS** **Senior Account Manager/Team Leader** 4204 Riverwalk Parkway, Ste 400 Riverside, CA 92505 Phone: (951) 715-0190 ext. 1169 Fax: (951) 715-0166 vpena@keenan.com	**Stephanie Richter** **Account Coordinator** 4204 Riverwalk Parkway, Suite 400 Riverside, CA 92505 Phone: (951) 715-0190 ext. 1178 Fax: (951) 715-0166 smrichter@keenan.com

Keenan's Integrated Solutions:
Technology

Public Entity resources are becoming more scare and limited with the current economic conditions the State is facing. Almost every public entity is trying to do more with less. Keenan SafePersonnel is an online safety training and tracking system designed specifically for public agency employees. All courses are written by expert authors and are set in a public entity environment. More than 40 courses are currently available with more being added periodically. The courses are categorized in the following workplace colleges:

- Emergency Management
- Employment Practices Liability / Supervisory
- Environmental
- Health
- Human Resources
- Transportation

Online learning and safety training is a **cost effective alternative** to conventional live instructor training. Online training with Keenan SafePersonnel gives you **better compliance** and **less time away from the workplace** because employees take the courses at their own pace from their own computer.

- Keenan SafePersonnel training can provide substantial savings as opposed to instructor led courses.
- Produces a 60-percent faster learning curve than instructor-led training alone.
- All employees are taught the same consistent, correct information.
- Achieves a high retention rate, making e-learning more valuable for employees.
- Data management system allows entities and supervisors to monitor utilization and record completions in one convenient data base.
- Complements instructor-led training to reinforce important topics.
- Relevant, engaging, timely courses are dynamic and consistently updated.
- Allows learners to bookmark course in case of interruption.

Convenient, Secure Access to Workplace Safety and Compliance Courses
Keenan SafePersonnel reduces travel costs, time out of office, materials, and instructor costs. Online learning brings learning to people instead of people to learning. Employees can securely access Keenan SafePersonnel anytime, anywhere from any computer that connects to the Internet.

INSURANCE PROGRAM COST

Summary for 2015/2016 Program Period	
Liability, $10M MIC Limit & Property *(excess Liability options available)*	$149,762
Workers' Compensation Excess	$10,964
Workers' Compensation Buffer *(assuming a $75,000 retention)*	$74,641
JPA Program Expense	$5,667
Claims Administration	$12,500
Keenan Management Fee/Commission *(not to exceed 15%)*	$41,042
Total	***$294,576***

LIABILITY & PROPERTY PROGRAM

General Liability Coverage Provided by the MIC Memorandum of Coverage	
Reinsurer	Great American Insurance
A.M. Best Rating	A+ XIII
GL Limit	$10,000,000
Self-Insured Retention Per Occurrence	$50,000
Coverages	General Liability, Employment Practices, Public Officials and Auto Liability

Property Coverage Provided by customized Insurance Policies	
Insurers *Primary Layer* *Excess Layer*	 ACE American Hudson Specialty
A.M. Best Ratings *Primary Layer* *Excess Layer*	 A++ XV A IX Non-Admitted
Property Limit	$28,698,462
Deductibles	$10,000 Vacant Structures $25,000
Coverages	All-Risk Property & Equipment Breakdown
Terrorism (if accepted)	$18,707

EXCESS LIABILITY PROGRAM COST

Optional Limits Cost Summary	
$20,000,000 *excess of* $10,000,000	$24,000
$40,000,000 *excess of* $10,000,000	$35,000

EXCESS WORKERS COMPENSATION PROGRAM

Excess Workers Compensation Coverage Provided by the MIC Memorandum of Coverage	
Estimated Annual Payroll	$2,069,479
Carrier	Arch Insurance Group
A.M. Best Rating	A+ XV
Workers Comp Limit	$100,000,000
Self Insured Retention	$1,000,000
Employer's Liability Limits	$1,000,000
Terrorism Risk Insurance	Included

WORKERS COMPENSATION BUFFER LAYER

Workers Compensation Buffer Coverage	
Coverage Type	Workers Comp Buffer Layer
Estimated Annual Payroll	$2,069,479
Carrier	Great American E&S Insurance
A.M. Best Rating	A XIII Non-Admitted Carrier
Employers Liability Limits	Following Form

WORKERS' COMPENSATION PROGRAM COST

Optional Retentions Cost Summary	
Self-Insured Retention Option: **$50,000**	$113,591
Self-Insured Retention Option: **$100,000**	$48,529
Self-Insured Retention Option: **$125,000**	$40,501
Self-Insured Retention Option: **$150,000**	$34,543
Self-Insured Retention Option: **$200,000**	$26,362

WC BUFFER TERMS AND CONDITIONS

THE POLICY CONTAINS THE FOLLOWING COVERAGE COMPONENTS:

1. Accidental Death
2. Accidental Dismemberment (functional loss of use)
3. Accidental Dismemberment (paralysis)
4. Permanent Partial Disability
5. Permanent Total Disability
6. Temporary Partial Disability
7. Temporary Total Disability
8. Accident Medical Expense
9. Loss Adjustment Expense
10. Occupational Disease and Cumulative Trauma
11. Employers Liability
12. 10 Year Sunset and Commutation
13. Eligibility: All Employees of the Policyholder who are actively at work, as defined, respectively, in the Policy, while the Policy is in Force
14. The purpose of Occupational Accident Buffer Layer Insurance is to allow an insured to transfer their Workers' Compensation loss exposure to an insurance carrier within the agreed limit and layer of coverage as indicated on the declaration page of the policy. While this type of coverage is similar to traditional excess coverage there are certain differences as outlined in the enclosed policy form. The most significant of these are:
    - Coverage is provided by a non-admitted insurer and therefore may not have California Insurance Guarantee Association (CIGA) protection
    - The policy has a Sunset clause for reporting claims as follow:
        - No claim for payment made by the Named Insured from the Named Insured's Retention for losses sustained by Covered Employee(s), will be considered valid and collectible in accordance with the Policy unless full details of such claim are presented to the Company by the Named Insured within (10) years from the date of the Accident which is the basis of such claim
    - The policy has a Commutation clause which states:
        - It is agreed that, at the Company's option, at any time later than ten (10) years from the date of an Accident resulting in a claim under this Policy, the Company may advise the Named Insured of its desire to be released from liability with respect to any such claim. In the event, the Company will appoint an actuary or appraiser to investigate, determine and capitalize such claim, and the payment by the Company with respect to such claim

    All other terms and conditions of such coverage are as outlined in the enclosed policy and such terms and conditions supersede any other terms and conditions referenced anywhere else outside such policy
15. Per Policy Form

BIND ORDER

BIND COVERAGES: EFFECTIVE 7/1/2015

I have reviewed and accept the attached Proposal. Please accept this as our authorization to bind coverage effective July 1, 2015. This proposal provides a summary of coverages. In the event of a conflict, the actual terms, conditions, limitations and exclusions of the memorandum shall prevail.

Signature _____

Date _____

KEENAN DISCLOSURE STATEMENT

Nature of Our Services

As your broker, Keenan will act as your advisor and consultant, but you will remain the ultimate decision maker. We will assist you in evaluating the information presented so that you can make an informed decision. You will, at all times, retain the right and responsibility to determine whether to accept or implement any information, recommendation, or suggestion presented by Keenan

Keenan does not provide legal, tax, or accounting service, advice, or opinion, and our services are not to be interpreted as representing any such service, advice, or opinion. Clients are expected to consult their own counsel and their tax/accounting experts on all legal, tax, and accounting matters relating to their insurance programs.

Needs Assessment and Marketing Plan

Keenan will work with you to assess and address your insurance needs. During this phase we will gather important information from you that will help us to develop a marketing plan and present your organization to prospective carriers. It is important that any information you provide us – or that someone else provides on your behalf – is accurate and complete. Prospective carriers will rely on this information as they develop their quotes.

After we develop a marketing plan, Keenan will contact those markets that it has determined most likely to meet the needs you have identified. We will not, however, contact every available market for the particular coverage being sought. In so far as practical, Keenan will honor requests to contact specific markets, but Keenan will not present a client to any carrier that we have determined will not provide a competitive quote. Keenan cannot guarantee the availability or price of insurance products, and cannot be responsible for fluctuations in the premiums charged by insurers.

Use of Intermediaries

We generally prefer to approach markets directly wherever possible. Upon occasion, however, we may use intermediaries, including but not limited to co-brokers, sub-brokers, managing general agents/managing general underwriters, wholesale brokers, or reinsurance brokers if we believe it is necessary or appropriate.

Marketing Results and Review of Options

Keenan will report to you in summary format, information concerning all markets and carriers approached. The summary shall include, as applicable: name of carriers approached, limits, premium, and deductible. The summary shall also include the names of any carriers who declined to provide a quote. We will also present a comparison summary highlighting the significant terms and/or differences among the various coverages quoted. The summary is provided **for convenience only.** It is not a comprehensive review of all policy terms and conditions. It is your responsibility to ask questions and to request any additional information that you deem necessary to make an informed decision regarding your insurance or self-insurance program.

Keenan cannot guarantee the solvency of any carrier with which we place business. Clients are encouraged to review all publicly available information and to contact us regarding any questions they may have. Ultimately, it remains the client's decision whether or not to accept a particular insurance carrier.

Binding Coverage

Once you have made your decision, Keenan will communicate your decision to the selected carrier so that coverage can be bound on your behalf. It is your responsibility to carefully review all documents we give you, including binders, policies and endorsements, and to advise us immediately if you find any mistakes, or believe the materials do not properly reflect your needs or instructions.

Compensation

Our service agreement with you will outline the specific terms of Keenan's compensation. Brokers often receive commissions from insurance carriers based on the insurance products sold. Commissions that are directly related to the insurance coverage purchased may impact the pricing that Keenan is able to obtain for such coverage.

It is possible that Keenan may also provide services to other entities that also provide services to our clients. They may include administrative, underwriting, marketing, loss control, and/or reinsurance related services. To the extent that any such services are provided, Keenan will be separately compensated by the recipient of those services.

Consistent with industry practices, insurers may also pay insurance brokers, such as Keenan, indirect compensation based upon volume efficiencies, client renewals, marketing services, product development, technology investments and other additional services. Keenan seeks written assurances from insurers that any such indirect compensation will not adversely impact the pricing or coverage terms that Keenan is able to obtain for its clients.

Keenan complies with all applicable state and/or federal laws and regulations regarding disclosure of compensation. We embrace industry efforts for transparency and believe it is important that clients have access to information that may be relevant to their choice of insurance products, including the cost of such insurance and services, and, the compensation that may be directly or indirectly paid to Keenan in connection with the products or services that are selected. If you have questions regarding any of these items or desire additional information, you may contact your Keenan account representative to discuss this matter in more detail.

CARRIER QUOTES TO FOLLOW

PSG PARTNERS Specialty Group, LLC

Q U O T E # 116068 A

5/7/15

TO: Keenan & Associates
ATTN: Sarah D'Anjou **FAX #:** (310) 212-0300

FROM: Amanda Berger
Broker
for Marc Rotter

New Business

We are pleased to offer the following quotation for your review, which is valid for 30 days.

INSURED: **City of Cudahy**
5220 Santa Ana Street
Los Angeles, CA 90201

POLICY PERIOD: 7/1/15 to 7/1/16

INSURER: **Westchester Surplus Lines Insurance Company Non-Adm**

COVERAGE: Perils: Risks of direct physical loss or damage excluding Flood, Earthquake Sprinkler Leakage, Earthquake with other exclusions per policy forms and specified in the Quote.

Coverage:Buildings, Personal Property, Boiler and Machinery/Equipment Breakdown

LIMITS: $5,000,000 Per Occurrence

Sublimit(s) of Liability:
Liability for all loss or damage arising out of one occurrence shall not exceed ACE Westchester's participation of 100% of the stated sublimits of liability shown below:

Amount($)	Sublimit
Included	Ordinance or Law Coverage A
$50,000	Outdoor Signs
$25,000	Personal Property of Others
$1,000,000	Ordinance or Law Coverage B+C - on buildings built 1970 and after
$500,000	Ordinance or Law B+C on buildings built prior to 1970
$250,000	Outdoor Plants, Trees, Shrubs
$50,000	Vehicles that are stored or garaged at a location covered by the policy and only while parked

Sublimits of Liability are Per Occurrence unless otherwise indicated above.

Sublimits of Liability are Included in the Limit of Liability and are not in addition to the Limit of Liability.

DEDUCTIBLE: All Perils Vacant Buildings: $25,000 Minimum Per Occurrence

All Other: $10,000 Per Occurrence

CONDITIONS: **Subject To: Coverage cannot be bound until Surplus lines affidavits, as required by the State surplus lines regulations, have been received by PSG.**

Locations: Per schedule on file with this Company at Los Angeles, CA dated 05/04/2015 totaling $28,698,462.

Quote cont..

Territory: USA and its Territories and Possessions

Total Insurable Values: $28,698,462

Coinsurance:
Property: NIL
BI: NIL

Valuation:
Property: Replacement Cost
BI: Actual Loss Sustained

Terrorism Coverage: $3,707 AP

Cancellation: 60 days except 10 days for non-payment of premium or as required by the state of domicile.

SUBJECT TO:
1) Inspection and compliance with any recommendations deemed essential by the Company
2) Signed TRIA form
3) Signed and completed D1 and SL2

Policy Conditions:
• No additions without prior approval (may be subject to separate rating and/or may require a higher attachment point).
• Protective Safeguards
• Warranting fully operating and servicing automatic sprinklers, central station fire alarms and burglar alarms where applicable
• No wood shake roofs.
• No aluminum wiring.
• Buildings well maintained and in good state of repair
• Pre-Existing Property Damage Exclusion Endorsement

Conditions precedent to coverage afforded by this quote are receipt, review and acceptance of the information required herein within the stated timeframe. If such required information is not received, reviewed and accepted within the stated timeframe, then the insurer has the right to void the proposed insurance coverage.

Policy Forms: ACE Company Forms with other exclusions as specified in the quote governs.

Mandatory Exclusions and Amendments:
All policy form exclusions including the following ACE Exclusions (if applicable): Pollution & Contamination, Asbestos, Electronic Data/Cyber Risk, Mold/Fungus, Nuclear Biological and Chemical and Radiological Exclusions, Occurrence Limit of Liability Endorsement and Definition of Occurrence Endorsement.

Quote cont..

FATCA COMPLIANCE: The U.S. Foreign Account Tax Compliance Act, commonly known as “FATCA”, became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates from insurance companies. For information on how to obtain the applicable withholding certificate from ACE U.S. insurance companies, please go to
http://www.acegroup.com/us-en/businesses/foreign-account-tax-compliance-act-fatca.aspx

Please be advised that we do not review Certificates of Insurance or Evidences of Commercial Property Insurance issued by you, or by any party, relating to this policy of insurance either for content or accuracy. Accordingly, we request that you do not provide copies of certificates or evidences to us for review or for our records. Authority is granted to you for the limited purpose of issuing unmodified ACORD Certificates (ACORD 25-S for Casualty and ACORD 24 for Property and Inland Marine) and unmodified Evidence of Commercial Property Insurance (ACORD 27 and 28) only. It is your responsibility to see that any Certificate or Evidence provides an accurate representation of the coverage form and endorsements applicable to this policy at the time the Certificates or Evidences is issued. Any modification of the approved ACORD forms specifically set forth above, or the issuance of a non-approved Certificates of Insurance ACORD or other is prohibited. Certificates of Insurance or Evidence of Commercial Property Insurance may only be issued as a matter of information. You have no authority by virtue of a Certificate, Evidence, or otherwise, to amend, extend or otherwise alter coverage afforded under this policy. Certificates of Insurance or Evidences of Commercial Property Insurance are never recognized as endorsements or policy change requests. You must submit a separate written request if an endorsement or policy change (including but not limited to adding additional insureds, loss payees and mortgagees and/or alteration of notice requirements for cancellation) is requested. In the event a policy change is requested, the underwriter will advise if the request is acceptable to the Company.

PREMIUM:		$ 52,963.00	
	Broker Fee	250.00	
	CA State Tax	1,588.89	Home State determined on Predominant Exposure: CA
	CA Stamp Fee	105.93	
	Total	$ **54,907.82**	

** Due to Non-Admitted & Reinsurance Reform Act (NRRA) and related modifications in state insurance laws, please be advised that at some future date, we may have to revise taxes to comply with insurance regulations and that may result in additional or return surplus lines tax dollars **

COMMISSION: 7.50%

25 % Minimum Earned Premium in the event of cancellation.

The responsibility for the accuracy of the information set forth in any certificate of insurance is the sole responsibility of the person or entity which issues the certificate.

Although Partners Specialty Insurance Services, LLC (hereafter “PSIS”) may retain copies of certificates of insurance forwarded to us, PSIS does so strictly without prejudice as to their accuracy. Neither the insurers, their representatives, nor PSIS will be responsible for any liability resulting from your issuance of any certificate of insurance.

We also draw your attention to the fact that unless the policy is physically endorsed, the issuance of a certificate does not amend, extend, or alter the coverage afforded by the policy or change the person(s) or entities to whom such coverage is afforded under the policy.

Moreover, neither the underwriters, their representatives, nor PSIS will be responsible for any liability resulting from the issuance of any unauthorized endorsement or the issuance of an endorsement which has been authorized by the insurer but where the authorized wording has been amended or revised in any way, without the prior written approval of the insurers.

PLEASE REFER TO THE POLICY FORM FOR FULL DETAILS ON TERMS AND CONDITIONS. SAMPLE FORMS ARE AVAILABLE ON REQUEST.

IMPORTANT: COVERAGE IS NOT BOUND. This coverage is subject to the terms and conditions of the specified insurance company forms currently in use including any listed amendatory endorsements. Should a change in insurance company be involved, terms and conditions may vary from those currently in force. A copy of the form to be used is available upon request. THE COVERAGE DESCRIBED IN THIS QUOTATION MAY NOT CONFORM TO THE TERMS AND CONDITIONS REQUESTED. In order to bind the coverage a request must be received in writing.

PARTNERS
Specialty Group, LLC

Q U O T E # 116367 A

5/7/15

TO: Keenan & Associates
ATTN: Sarah D'Anjou **FAX #:** (310) 212-0300

FROM: Amanda Berger
Broker
for Marc Rotter

New Business

We are pleased to offer the following quotation for your review, which is valid for 30 days.

INSURED: **City of Cudahy**
5220 Santa Ana Street
Los Angeles, CA 90201

POLICY PERIOD: 7/1/15 to 7/1/16

INSURER: **Hudson Specialty Insurance Co. Non-Adm**

COVERAGE: PERILS:
-All Risk of Direct Physical Loss or Damage
-Excluding: Earthquake, Flood, Equipment Breakdown(B&M) And as further outlined within the agreed upon policy wording

INTERESTS:
Including: All Personal Property, All Real Property And as further outlined within the agreed upon policy wording
Excluding: Time Element

LIMITS: 23,492,075 per occurrence excess of
$5,000,000 per occurrence excess of deductibles

It is understood and agreed that this Limit is inclusive of all sublimits, costs, fees, charges and expenses.

SUB LIMITS: All sublimits are per occurrence unless otherwise noted. Sublimits are part of and not in addition to the Limit stated above.
-To follow Primary Sublimits, subject to review and acceptance.

DEDUCTIBLE: Each "Occurrence" resulting in a claim for loss will be adjusted separately and the Company's liability will be limited to that amount by which the loss exceeds the Deductible amount shown hereunder, up to the applicable Limit of Liability.

To follow Primary Deductibles, subject to review and acceptance.

CONDITIONS: **Subject To: Coverage cannot be bound until Surplus lines affidavits, as required by the State surplus lines regulations, have been received by PSG.**

SUBJECT TO PRIOR TO BINDING:
1) Signed TRIA
2) Signed and completed D1 and SL2

Quote cont..

CONDITIONS:
-Subject to no major renovations or deferred maintenance / repairs being present
-60 Days notice of cancellation except 10 days for non-payment of premium

ADDITIONAL CONDITIONS:
- Loss Limit Of Liability applies
- Right to survey
- No Step Down/Drop Downon primary sub-limits

TOTAL INSURED VALUES: 28,492,075 100% Property Damage, 100% Time Element values as required to be reported by the Insured and on file with the company.

TERRITORY: United States

TERRORISM PREMIUM: $15,000 AP

VALUATION:
Replacement Cost:
The term "Replacement Cost" is defined as the cost to repair, rebuild or replace lost, damaged, or destroyed Insured Property with new material of equivalent size, kind, quality and capacity without deduction for depreciation, to an amount not exceeding the lesser of the following:
i) The limit of the Policy applicable to the lost, damaged, or destroyed property;
ii) The actual cost necessarily expended to repair damaged or destroyed property;
iii) The cost to rebuild or replace lost, damaged, or destroyed property on the same site for like occupancy with materials of equivalent size, kind, quality and capacity.
If not repaired or replaced or reconstructed, the maximum amount payable will be the Actual Cash Value as defined.

Actual Cash Value:
The term "Actual Cash Value" is defined as the amount it would cost to repair or replace lost, damaged or destroyed Insured Property, at the time and place of loss, with new material of like kind and quality, with proper deduction for obsolescence and physical depreciation.

Time Element at the Actual Loss Sustained

FORM AND ENDORSMENTS:
HUD CWP 8001 02 12 Excess Following Form
HUD CWP 3075 02 12 Certified Acts of Terrorism Exclusion
HUD CWP 3076 02 12 Limited Exclusion for Certified Acts of Terrorism
HUD CWP 4126 02 12 NCB Exclusion Endt - June 11 2008 Revision NB V003
HUD CWP 6009 02 12 Seepage and Pollution
HUD CWP 7006 02 12 Mold Excl. Endt
HUD CWP 4116 02 12 Arbitration Clause Endorsement
HUD CWP 6012 07 12 Loss Limit Liability Endorsement
HUD CWP 7001 02 12 Cyber Risk Exclusion Endorsement

Q U O T E # 116367 A

Quote cont..

HUD CWP 4053 02 12 Minimum Earned Premium Endorsement General Conditions
HUD CWP 4124 02 12 Cancellation Endorsement

PREMIUM:		$ 15,000.00	100%
	Broker Fee	250.00	
	CA State Tax	450.00	Home State determined on Predominant Exposure: CA
	CA Stamp Fee	30.00	
	Total	$ **15,730.00**	

** Due to Non-Admitted & Reinsurance Reform Act (NRRA) and related modifications in state insurance laws, please be advised that at some future date, we may have to revise taxes to comply with insurance regulations and that may result in additional or return surplus lines tax dollars **

COMMISSION: 7.50%

25 % Minimum Earned Premium in the event of cancellation.

The responsibility for the accuracy of the information set forth in any certificate of insurance is the sole responsibility of the person or entity which issues the certificate.

Although Partners Specialty Insurance Services, LLC (hereafter “PSIS”) may retain copies of certificates of insurance forwarded to us, PSIS does so strictly without prejudice as to their accuracy. Neither the insurers, their representatives, nor PSIS will be responsible for any liability resulting from your issuance of any certificate of insurance.

We also draw your attention to the fact that unless the policy is physically endorsed, the issuance of a certificate does not amend, extend, or alter the coverage afforded by the policy or change the person(s) or entities to whom such coverage is afforded under the policy.

Moreover, neither the underwriters, their representatives, nor PSIS will be responsible for any liability resulting from the issuance of any unauthorized endorsement or the issuance of an endorsement which has been authorized by the insurer but where the authorized wording has been amended or revised in any way, without the prior written approval of the insurers.

PLEASE REFER TO THE POLICY FORM FOR FULL DETAILS ON TERMS AND CONDITIONS. SAMPLE FORMS ARE AVAILABLE ON REQUEST.

IMPORTANT: COVERAGE IS NOT BOUND. This coverage is subject to the terms and conditions of the specified insurance company forms currently in use including any listed amendatory endorsements. Should a change in insurance company be involved, terms and conditions may vary from those currently in force. A copy of the form to be used is available upon request. THE COVERAGE DESCRIBED IN THIS QUOTATION MAY NOT CONFORM TO THE TERMS AND CONDITIONS REQUESTED. In order to bind the coverage a request must be received in writing.

NOTICE

1. THE INSURANCE POLICY THAT YOU ARE APPLYING TO PURCHASE IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.

5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED

STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Date: _____

Insured: _____

QUOTATION DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(1) of the Act. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE

You may accept or reject this offer of coverage. If you choose to accept this coverage, the premium for this coverage is payable according to the terms of your billing notice. You may reject this offer by completing and signing this statement and returning it to us. If you send us a signed rejection of coverage, your policy will exclude coverage for certified terrorism losses.

In the states of California, Connecticut, Georgia, Hawaii, Illinois, Iowa, Maine, Massachusetts, Missouri, New Jersey, New York, North Carolina, Oregon, Rhode Island, Virginia, Washington, West Virginia and Wisconsin a terrorism exclusion makes an exception for fire losses resulting from an act of terrorism. Accordingly, if you reject the offer of terrorism coverage as provided under the program, that rejection is not applicable to fire losses resulting from an act of terrorism. In these states, the coverage in your policy for such fire losses will continue. The premium for such fire coverage is stated below. This premium is due whether or not you reject the offer described above for terrorism coverage.

One of the following premiums is due:

If you accept this offer, the premium for terrorism coverage is $15,000
If you reject this offer, the premium for terrorism (fire only) coverage is $ Included

_____ I accept this offer of terrorism coverage and acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any covered losses resulting from certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

_____ I hereby reject this offer of terrorism coverage. I understand that an exclusion of certified terrorism losses will be made part of this policy. I also acknowledge that I have been notified that under the Terrorism Risk Insurance Act, as amended, any covered fire losses resulting from certified acts of terrorism under my policy will be partially reimbursed by the United States and I have been notified of the amount of my premium attributable to such coverage.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States under a formula established by federal law. However, your policy may contain other exclusions which

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might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States government generally pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium shown above does not include any charges for the portion of loss covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a $100 billion cap that limits U.S. government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds $100 billion. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

Name of Insured: City of Cudahy

Insured's Signature: _____ Date: _____

Print Name: _____ Title: _____

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City of Cudahy
Policyholder

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury---in consultation with the Secretary of Homeland Security, and the Attorney General of the United States---to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a $100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism is___$3,707_____, and does not include any charges for the portion of losses covered by the United States government under the Act.

MUNICIPAL INSURANCE COOPERATIVE

GENERAL LIABILITY PROGRAM

Coverage Period:

July 1, 2014 - July 1, 2015

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MEMORANDUM OF COVERAGE

PREAMBLE

A. It is the intent of the **Cooperative** to: provide broad forms of coverage to each **member** (and its **covered agencies**; avoid coverage disputes; eliminate misunderstandings regarding coverages; clarify the claims handling process; and provide a document which easily identifies what is or is not covered. It is not the intent of the **Cooperative** to cover all possible conduct, claims, costs or losses involving a **covered agency**. This **memorandum of coverage** includes important Terms of Coverage, Definitions, Limitations, Exclusions, Declarations and all other terms of the **memorandum** that should be carefully reviewed by a **covered party**. Throughout this **memorandum** certain words and/or phrases have specified definitions that are indicated by the words and/or phrases in boldface.

B. This **memorandum** does not constitute insurance, but instead describes coverage provided by the **Cooperative** to its **member**s consistent with sections 990.4 and 990.8 of the Government Code. This **memorandum** is a negotiated agreement among the members of the **Cooperative** and none of the parties to the **memorandum** are entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This **memorandum** shall be applied according to the principles of contract law, giving full effect to the intent of the members of the **Cooperative,** acting through the Board in adopting this **memorandum**. Failure to provide notice to a **covered party** of any coverage dispute shall not operate to waive any of the provisions of this **memorandum**.

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ARTICLE I – WHO IS COVERED

Any person, entity, organization, agency or enterprise included in the definition of **covered party** is covered by this **memorandum of coverage**.

ARTICLE II – WHAT IS COVERED

In consideration of the payment of the contribution by the **member** and the provisions of the **Cooperative's** Joint Powers Agreement, Bylaws, policies and procedures, the **Cooperative** agrees with each **member**, subject to the Declarations, Terms of Coverage, Exclusions, General Conditions, Definitions and all other terms and conditions of this **memorandum of coverage**, to provide the following coverage in excess of the applicable **member retained limit**:

Coverage A – Liability

1. The **Cooperative** will pay **damages** and **loss adjustment expenses** for each **loss occurrence**, except as to the **loss occurrence**s listed in the following paragraph or otherwise restricted in this **memorandum**.
2. The **Cooperative** will only pay **loss adjustment expenses** on behalf of a **covered agency** for the following **loss occurrence**s:
   a) Administration of **employee benefit programs** claims
   b) **breach of contract claims**
   c) **injunctive/non-monetary claims**
3. The **Cooperative** will pay **damages** and **loss adjustment expenses** for **Asbestos Claims** as set forth in the Declarations
4. The **Cooperative** will pay **damages** for **bodily injury** that a **covered individual** is legally entitled to recover from the owner of an **uninsured/underinsured motor vehicle** subject to the limitations contained in the Declarations, Limitations and the other terms of this **memorandum**.

Coverage B – Property

1. The **Cooperative** will pay due to a **loss occurrence**:

   a. to repair or replace **personal property** and **real property**,
   b. **loss adjustment expenses**, and
   c. **extra expense**.

   This coverage is subject to the limitations contained in the Declarations, Limitations and the other terms of this **memorandum**. Certain types of **loss occurrences**, property, and coverage extensions are subject to sublimits as set forth in the Declarations.

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ARTICLE III – TERMS AND LIMITATIONS OF COVERAGE

General

This **memorandum of coverage** applies to any **loss occurrence** which takes place during the Coverage Period anywhere in the world.

In the event other coverage for a **loss occurrence** is available to a **covered party** under any insurance contract, bond or other self-insurance, coverage under this **memorandum of coverage** will be excess pursuant to the Other Coverage condition.

Limits of Liability

Regardless of the number of **covered parties**, persons making claims, claims made or suits brought, the **Cooperative**'s total obligation to pay for **damages**, repair or replacement of **real property** or **personal property**, **loss adjustment expenses** and **extra expense** resulting from any one **loss occurrence** shall not exceed the Limits of Coverage per **member** set forth in the Declarations.

All loss or injury arising out of the continuation or repetition of substantially the same or similar harmful conditions or the same efficient proximate cause shall be considered as arising out of a single **loss occurrence**, which will be allocated in its entirety to a single **coverage period**, even though the **loss occurrence** may span multiple **coverage periods**. In no event will more than one **coverage period** apply to the entirety of all loss or injury arising out of any one **loss occurrence**. If loss or injury arising out of a single **loss occurrence** takes place during more than one **coverage periods**, whether or not the **Cooperative** is the coverage provider, the **loss occurrence** shall be allocated to the **coverage period** during which the earliest of the following takes place: (1) the date when the loss or injury had indisputably ceased to occur; (2) the date when the party seeking coverage first discovered the injury or damage was taking place; (3) the first date that the party seeking coverage received a claim pursuant to the Government Code regarding such loss or injury; (4) the first date that a party seeking coverage received any other unequivocal notice that a claim was being made; or (5) the initial filing date of any lawsuit alleging such loss or injury in which the party seeking coverage is named as a party or is later added as a party.

Member Retained Limit

The **member retained limit** is based upon the same rules of coverage and limitations as provided by this **memorandum**. Among other things, that means that third party claims administration costs paid by the **covered agency** shall not erode or be counted as part of the **member retained limit**.

In the case of the additional optional coverage for Crime Coverage, the member retained limit shall equal the deductible under the related insurance policies.

The Limit of Coverage per member set forth in the Declarations includes the member retained limit paid by the member.

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Limitations on Coverage A – Liability Coverage

Additional Covered Parties

1. The coverage afforded by this **memorandum** to **additional covered parties** shall be no broader and for no higher limit of liability than that which is required by the contract between a **covered agency** and the **additional covered party**
2. The coverage provided by this **memorandum** to **additional covered parties** shall only apply with respect to operations performed by or on behalf of the **coverage agency** or facilities owned or used by the **covered agency**.

Breach of Contract

1. All **breach of contract claims** arising out of the same contract regardless of the number of **claims** or lawsuits filed, shall be considered as one loss and subject to one **member retained limit** and one Limit of Coverage per **member** as set forth in the Declarations.
2. The coverage provided by this **Memorandum** to **Additional Covered Parties** shall only apply with respect to operations performed by or on behalf of the **Covered Agency** or facilities owned or used by the **Covered Agency**.

Uninsured/Underinsured Motor Vehicle Coverage Limits and Reductions

1. The amount payable to a **covered individual** under the **uninsured/underinsured motor vehicle** coverage shall be subject to a combined single limit per **loss occurrence** equal to the amount set forth in the Declarations minus the sum of the following:
   a) all amounts paid or payable by a **covered agency** as part of its **member retained limit** set forth in the Declarations for the **uninsured/underinsured motor vehicle** coverage; and
   b) all amounts paid or payable under workers' compensation law; and
   c) all amounts paid or payable as employment disability benefits; and
   d) all amounts paid or payable pursuant to any other liability coverage provisions in this memorandum; and
   e) all amounts paid or payable on behalf of the owner or operator of any involved **uninsured/underinsured motor vehicle**; and
   f) all amounts paid or payable as benefits under any uninsured or underinsured motorist insurance coverage; and
   g) all amounts paid or payable as medical payments by any insurance coverage; and;
   h) all amounts paid associated with adjustment, arbitration and resolution of the **uninsured/underinsured motor vehicle** claim hereunder; and
   i) any amounts attributable to the negligence of the covered individual.

2. As conditions precedent for **uninsured/underinsured motor vehicle** coverage to apply:
   a) the accident involving an **uninsured/underinsured motor vehicle** must involve direct physical contact with the **motor vehicle** occupied by the **covered individual**; and
   b) the **covered individual** has reported the accident to the local law enforcement agency within 24 hours of the accident; and

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c) the **covered individual** has promptly filed with the authority a statement under oath certifying the facts of the accident with the **uninsured/underinsured motor vehicle**.

3. No **uninsured/underinsured motor vehicle** coverage is provided if:
   a) the **uninsured/underinsured motor vehicle** is owned or operated by an individual residing in the same household as the **covered individual**; or
   b) the **uninsured/underinsured motor vehicle** is owned by the United States of America, Canada, a state or political subdivision of any of those governments or an agency of any of the foregoing; or
   c) the accident with the **uninsured/underinsured motor vehicle** did not occur on a public road or road owned by the **covered agency**.

Limitations on Coverage B - Property Coverage

1. The coverage provided by Coverage B – Property shall only cover **real property** and **personal property** (i) that is legally owned by the **covered agency** or (ii) for which a **covered agency** has assumed responsibility.
2. The amounts payable for **real property** or **personal property** shall not exceed the amount determined under the Valuations section below, and are subject to any sublimits specified in the Declarations page for particular types of property, loss or expense.

Vacant Real Property

1. Coverage is provided for **vacant real property** at which the **covered agency** has not conducted its normal activities for a period of 180 consecutive days, so long as the following "Vacancy Protective Safeguards" are maintained:
   a) The **covered agency** must notify the **Cooperative** of such locations within 180 consecutive days of vacancy
   b) External and internal inspections of the **vacant real property** are conducted on a monthly basis
   c) Heating is maintained to keep pipes from freezing
   d) Water supply has been turned off, if feasible
   e) Existing sprinkler, fire protection and heat or smoke detection systems are maintained in service, if feasible
   f) Existing intrusion detection systems are maintained in service
   g) Perimeter doors and accessible perimeter windows are secured
   h) Existing exterior and interior motion or timed lighting is maintained
   i) Any debris or hazardous materials, including unnecessary combustibles, pollutants or chemicals are removed
   j) Unnecessary electrical equipment is turned off
2. If the site location where loss or damage occurs has been vacant for more than 180 consecutive days before the loss occurs and the **covered agency** warrants that the Vacancy Protective Safeguards are being maintained, the **Cooperative** will value the loss or damage at the location at the lesser of **actual cash value**, the cost to repair, or the sale value of the property less the value of the land.

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3. If the Vacancy Protective Safeguards have not been maintained, the **Cooperative** will value the loss or damage at the location at 10% less than the lesser of **actual cash value**, the cost to repair, or the sale value of the property less the value of the land.

Builders Risk for Covered Projects

1. The coverage provided by this **memorandum** for **covered projects** shall be subject to the following conditions:
   a) **Covered projects** with a total cost in excess of $250,000 must be reported to the **Cooperative** at least 30 days prior to commencement of construction and such project must be endorsed to this **memorandum** pursuant to an endorsement and the payment of the additional contribution based upon the total project cost
   b) The **covered agency** shall maintain the following protective safeguards at the project site of the Covered Project:
      i. The site will be enclosed within a six-foot cyclone fence
      ii. Site will be fully lighted
      iii. Gates will be closed and securely locked during all non-construction hours, including but not limited to nights, weekends and holidays
      iv. A working fire hydrant must be within 1,000 feet of any building(s) under construction
2. The coverage for a **covered project** shall apply to materials, supplies, machinery, fixtures, equipment (not including construction equipment), and similar property that has become or is intended to become a permanent part of the building(s) or structure(s) while at the project site, in transit to the project site or at a temporary location. Property that is covered by a Covered Project shall not be treated as **personal property** covered by this **memorandum**.
3. The amount payable by the **Cooperative** as a result of a **loss occurrence** at a **covered project** shall be subject to the following additional sublimits and maximum amount of payment:
   a) Temporary offsite storage: $500,000 per **loss occurrence**
   b) Architects and engineering fees: $250,000 per **loss occurrence**, but not to exceed 15% of the **covered project** cost
   c) Plans, blueprints and drawings: $250,000 per **loss occurrence**
   d) Valuable Papers: $250,000 per **loss occurrence**
   e) Plants: $50,000 per **loss occurrence**
   f) Debris removal: 25% of loss up to a maximum $250,000 per **loss occurrence**
   g) Pollutant cleanup and removal: $25,000 per **loss occurrence** and **covered project** aggregate
   h) Preservation of property: $100,000 per **loss occurrence** and **covered project** aggregate
   i) **Extra expense**: $250,000 per **loss occurrence**

Equipment Breakdown Coverage

1. The additional optional coverage provided by the **Cooperative** for equipment breakdown, if selected, is subject to the following additional terms, limitations, restrictions, exclusions and limits:
   a) The limit of coverage (including the **member retained limit**) is $25,000 for any one **equipment breakdown** caused by or resulting from freezing caused by cold weather.

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b) The **equipment breakdown reinsurer** shall have the right to inspect all Covered Equipment and shall perform jurisdictional inspections required by state or municipality boiler and pressure vessel regulations on said risks. If any inspection discloses Covered Equipment which is found to be in, or exposed to, a dangerous condition, the inspector may suspend coverage for such Covered Equipment.

Valuation

The following valuations of property are established for the application of all provisions of this **memorandum**:

1. Books of account, drawings and other records, card index systems, film, tape, disc, drum, cell and other magnetic recording or storage Media for electronic data processing not to exceed the cost of blank books, blank cards, unexposed or blank film, tape, wire or other materials or recording media, plus the cost of research and other expense necessarily incurred by the **covered agency** to reproduce, replace or restore such records and papers
2. **Data processing equipment**:
   a) Payment by the **Cooperative** for or on account of **data processing equipment** shall be the lesser of:
      i. The cost to repair the damaged property
      ii. The cost to replace the damaged property with comparable replacement property
      iii. The amount the **covered agency** actually spends that is necessary to repair or replace the damaged property
   b) However, the **Cooperative** will not pay for:
      i. Property that is obsolete or useless to the **covered agency**
      ii. Any extra cost if the **covered agency** decides to repair or replace the damaged property with property of a better kind or quality or of a larger capacity
3. **Fine art** owned by the **covered agency** is valued at the current **fair market value** of each item as indicated on the books and records of the **covered agency** prior to the **loss occurrence**. F**ine art** that is the **property of others** for which the **covered agency** has assumed liability or the obligation to obtain coverage shall be valued at the amount agreed upon between the **covered agency** and the owner prior to the **loss occurrence**. In the absence of recorded or agreed values, **fair market value** applies.
4. Tenant improvements and betterments at **actual cash value**
5. **motor vehicle**s and **mobile equipment** at **fair market value**
6. Composite and synthetic surfaces:
   a) The **Cooperative** will pay the amount to repair or replace only that portion of the surface that is damaged
   b) If the **covered agency** elects not to repair or replace the damaged part of the surface, the **Cooperative** will pay **actual cash value** of the surface that is damaged
7. All other property at Replacement Cost
   a) With respect to any damaged or destroyed property to be valued at Replacement Cost, the **covered agency** must notify the **Cooperative** in writing within 180 days of the **loss occurrence** if the **covered agency** intends to repair and/or replace such property. If the **Cooperative** does not receive such notice of intent to repair and/or replace, the **Cooperative** will pay **actual cash value**

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8. In all circumstances, it shall be the **Cooperative**'s sole option whether to (a) repair, (b) replace or (c) pay the value of the property subject to a **loss occurrence**
9. In the event the **Cooperative** pays for new property or provides replacement property for any damaged property, then the damaged property shall become the **Cooperative**'s property
10. Builders Risk for **Covered Projects**:
    a) The **Cooperative** will pay the actual cost of repairing, replacing or rebuilding the **covered project**, whichever is less, with materials of comparable type and quality. The actual cost can include labor, reasonable profit and overhead, provided that these costs are included in the Builders Risk endorsement. In the event of a **loss occurrence** the value of the property will be determined as of the time of the loss
    b) Property in Transit at invoice cost plus shipping charges

Additional Optional Coverages

1. Crime Coverage – The **Cooperative** offers optional coverage for criminal conduct that is excluded from coverage under this **memorandum**. The additional coverage is offered pursuant to and is subject to all of the terms and conditions of the separate insurance policies for such coverage and the **Cooperative** is not responsible for such coverage.

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ARTICLE IV – EXCLUSIONS

Under Coverage A - Liability, for the following exclusions apply:

1. Coverage A does not apply to **damages** or **loss adjustment expenses** related to **employee benefit programs**, **breach of contract**, or **injunctive/non-monetary claims**, except to the extent provided by the sublimits for **loss adjustment expenses** for **employee benefit programs Claims**, **breach of contract Claims**, or **injunctive/non-monetary claims** in the Declarations
2. Coverage A does not apply to any claim arising out of the contamination of the environment by **pollutants** introduced at any time into, under or upon land, the atmosphere, or any watercourse or body of water or aquifer.
    a) "Contamination" includes any unclean, unsafe, or unhealthful condition, either actual or potential, which arises out of the presence in the environment of any pollutant whether permanent or transient. "Environment" includes land, bodies of water, underground water or water table or aquifer, the atmosphere, and any other natural feature of the earth, whether or not altered, developed or cultivated.
    b) This exclusion does not apply to firefighting activities, including training burns, or intentional demolition or burns for the purpose of limiting a fire, or to the discharge of pollutants for the purpose of controlling a fire or to police use of mace, oleoresin capsicum (O.C. or pepper gas), or tear gas, or to weed abatement, or to tree spraying, or to claims arising from sudden and accidental **backup of sewers or drains**, but the coverage provided under this exception is limited to an amount up to $100,000 over the retained limit per occurrence.
    c) This exclusion does not apply to claims arising from the sudden and accidental discharge, dispersal, release, or escape of **pollutants**, but coverage under this exception is limited to an amount up to $100,000 over the retained limit per loss occurrence. As used in this exception, "sudden" means abrupt or immediate, and occurring within a period not exceeding twenty-four (24) hours; "accidental" means causing harm neither expected nor intended by a covered party.
    d) This exclusion does not apply to claims arising from materials being collected as part of any drop off or curbside recycling program implemented and operated by the covered party, if the materials have not been stored by the covered party or parties for a continuous period exceeding sixty (60) days. Notwithstanding what is stated in the applicable Declarations, the limit of coverage for claims described in this exception will be subject to a sub limit of $100,000.
    e) This exclusion does not apply to claims arising from mold and/or fungus, with coverage under this exception limited to an amount up to $100,000 over the retained limit per occurrence.
    f) This exclusion does not apply to property damage or bodily injury caused by a covered party's response to "contamination" caused by a third-party unrelated to the covered party. "Response" includes cleanup, removal, containment, treatment, detoxification and neutralization of pollutants.

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3. Coverage A does not apply to any cost or expense arising out of any governmental order, direction, or request that the **covered party** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **pollutants**.
4. Coverage A does not apply to **bodily injury** to:
    a) An employee of the **covered party** arising out of and in the course of:
        i. Employment by the **covered party**.
        ii. Performing duties related to the conduct of the **covered party's** business.
    b) The spouse, child, including unborn child or fetus, parent, brother, or sister of the employee as a consequence of paragraph (a) above.

    This exclusion applies:
    a) Whether the covered party may be liable as an employer or in any other capacity; and
    b) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

    However, this exclusion does not apply to **claims** for a **wrongful employment practice**.
5. Coverage A does not apply to any obligation for which the **covered party** or any insurance company as the **covered party's** insurer may be held liable under any workers' compensation, unemployment compensation, or disability benefits law or any similar law. This exclusion does not apply to claims of retaliation or discrimination against an employee for filing a claim for workers' compensation or for disability benefits.
6. Coverage A does not apply to **claims** arising out of ownership, maintenance, management, supervision, or the condition or operation of any hospital, airport, or marina, or to the maintenance, use or entrustment of any **automobile** while used on the premises of any such hospital, airport, or marina.
7. Coverage A does not apply to **claims** arising out of any professional **medical malpractice:**
    a) Committed by a doctor, osteopath, chiropractor, dentist, or veterinarian; or
    b) Committed by any health care provider as defined in Business & Professions Code Section 6146(c)(2), working for any hospital or hospital-operated out-patient, in-patient, or other clinic at the time of the **occurrence** giving rise to the loss.
8. Coverage A does not apply to **claims** arising out of partial or complete structural failure of a **dam**.
9. Coverage A does not apply to fines, assessments, penalties, restitution, disgorgement, exemplary **damages**, punitive **damages** or the multiplied portion of any damages award that is subject to a multiplier. This exclusion applies whether such amounts are awarded by a court or by an administrative or regulatory agency. "Restitution" and "disgorgement" as used herein refer to the order of a court or administrative agency for the return of a specific item of property or a specific sum of money, because such item of property or sum of money was not lawfully or rightfully acquired or retained by the **covered party**.
10. Coverage A does not apply to **claims** for injury or damage caused by intentional conduct done with willful and conscious disregard of the rights or safety of others, or with malice. However, where the **covered party** did not authorize, ratify, participate in, consent to, or have knowledge of such conduct by its past or present employee, elected or appointed official, agent or volunteer, and the claim against the **covered party** is based solely on its vicarious liability arising from its relationship with such employee, official, or volunteer, this exclusion does not apply to said **covered party**.

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11. Coverage A does not apply to **claims** arising out of the hazardous properties of **nuclear material**.
12. Coverage A does not apply to **claims** arising out of or in connection with inverse condemnation caused by the construction of a public work or public improvement; land use regulation or planning; annexation; eminent domain; or other condemnation proceedings by whatever name called and no matter how or under what theory such claim is brought. However, this exclusion does not apply to **claims** for property damage resulting from weather, acting with or upon the **covered party's** property or equipment, accidental failure of the **covered party's** property or equipment, or negligent or inadequate design or inadequate maintenance of a public work or public improvement.
13. Coverage A does not apply to **claims** arising out of the design, construction, ownership, maintenance, operation or use of any water treatment plant or wastewater treatment plant, no matter how or under what theory the such claim is alleged, except a claim for property damage resulting from the accidental failure of the equipment utilized or contained within the water treatment plant or the wastewater treatment plant.
14. Coverage A does not apply to **claims** arising out of the initiative process, whether or not liability accrues directly against the covered party by reason of any agreement into which the covered party has entered.
15. Coverage A does not apply to **claims** arising out of ownership, operation, use, maintenance, or entrustment to others of: (a) any **aircraft** or (b) any watercraft being used for commercial purposes. Ownership, operation, use, or maintenance as used herein does not include static displays of **aircraft** or watercraft in a park or museum setting.
16. Coverage A does not apply to **claims** arising out of the failure to supply or provide an adequate supply of gas, water, electricity, or sewage capacity, when such failure is a result of the inadequacy of the **covered party's** facilities to supply or produce sufficient gas, water, electricity, or sewage capacity to meet the demand. This exclusion does not apply if the failure to supply results from direct and immediate accidental damage to tangible property owned or used by any **covered party** to procure, produce, process, or transmit the gas, water, electricity, or sewage.
17. Coverage A does not apply to **claims** arising out of ownership, operation, maintenance, or use of any trampoline or other rebound tumbling device, other than bounce houses.
18. Coverage A does not apply to **claims** arising out of the ownership, operation, maintenance, or use on any land, other than on highways, of any off-highway motor vehicle, including but not limited to any motorcycle or motor-driven cycle or bicycle, snowmobile, or other vehicle specifically designed to travel over snow or ice, or any vehicle commonly referred to as a sand buggy, dune buggy, or all-terrain vehicle. This exclusion shall not apply to the operation of any such vehicle if operated by an employee, agent, or volunteer of the **covered party** while acting for or on behalf of the **covered party**.
19. Coverage A does not apply to **claims** arising out of or in the course of any special event not sponsored or co•sponsored by the **covered party**. As to any special event sponsored or co-sponsored by the **covered party,** the **Cooperative** will pay up to $100,000 over and above the **covered party's retained limit** but no greater amount, unless the injury or damage is caused by the actions of a **covered party** in which case the $100,000 cap will not apply. A "special event" is a event open to the public or to invitees of the sponsoring organization, which is held in or on property owned or controlled by a **covered party** or which is sponsored or co-sponsored by a **covered party**.

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20. Coverage A does not apply to **claims** arising out of the private use of a firing range owned, operated, or maintained by a **covered party,** where such private use is not in the course and scope of the **covered party's** business activities.
21. Coverage A does not apply to **claims** for refund of, or restitution for, taxes, fees, service charges, or assessments.
22. Coverage A does not apply to **claims** in whole or in part arising out of the **covered party's** obtaining remuneration or financial gain to which the **covered party** was not legally entitled.
23. Coverage A does not apply to **claims** arising in whole or in part out of the violation of a statute, ordinance, order or decree of any court or other judicial or administrative body, or rule of law, committed by or with the knowledge or consent of the **covered party**.
24. Coverage A does not apply to **claims** against a **covered party**, other than for **property damage**, arising out of:
    a) Estimates of probable cost or cost estimates being exceeded, or
    b) Faulty preparation of bid specifications or plans, including architectural plans, unless prepared by a qualified licensed and/or registered engineer or architect who is the appointed City Engineer or an employee of the **covered party**.
27. Coverage A does not apply to **claims** arising out of liability assumed under any contract or agreement, except liability that would be imposed by law in the absence of the contract or agreement, or when such assumption is the subject of a duly issued certificate of additional **covered party** status; but such assumption is covered only up to the **limit of coverage** stated in the certificate. This exclusion does not apply to liability assumed in a contract or agreement that is a **covered indemnity contract**, provided the **bodily injury** or **property damage** occurs subsequent to the execution of the contract or agreement. This exclusion is not applicable to mutual aid agreements.
28. Coverage A does not apply to **claims** arising out of ownership, maintenance, management, supervision, or the condition of any property owned, operated, or controlled by a **housing authority,** unless all of the individuals involved in the operation of the **housing authority** are officials or employees of the **covered party**.
29. Coverage A does not apply to **claims** arising out of relief or redress in any form other than **damages** regardless of whether a prevailing claimant may be entitled to recover attorney's fees and costs.
30. Coverage A does not apply to **claims** arising out of bungee jumping or propelling activities sponsored, controlled, or authorized by a **covered party**.
31. Coverage A does not apply to **claims** by any **covered party** against its own past or present elected or appointed officials, employees, volunteers, or additional **covered parties** where such claim seeks **damages** payable to the **covered party**.
32. Coverage A does not apply to **claims** arising out of radon, asbestos, asbestos fibers, asbestos products or by•products, or any asbestos-containing material, including any supervision, instructions, recommendations, notices, warnings, or advice given or which should have been given in connection therewith, including:
    a) Any obligation of the **covered party** to indemnify or to contribute with another because of such claims; or
    b) Any obligation to defend any suit or claims against the **covered party** because of any such claim.

    However, the **Cooperative** will provide a defense up to the amount of $100,000 over the **retained limit** per **occurrence**.
33. Coverage A does not apply to **claims** arising out of oral or written publication of material, if done by or at the direction of the **covered party** with knowledge of its falsity.

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34. Coverage A does not apply to **claims** for any costs or expenses incurred to make premises accessible to persons with disabilities as required by:
    a) The Americans with Disabilities Act of 1990;
    b) The Fair Employment and Housing Act;
    c) Any similar federal, state or local law;
    d) Any amendments to such laws; or
    e) Any regulations promulgated under any such laws.
35. Coverage A does not apply to **claims** arising under or for violation of:
    a) The Employee Retirement Income Security Act of 1974;
    b) The Comprehensive Omnibus Budget Reconciliation Act;
    c) The Worker Adjustment and Retraining Notification Act;
    d) The Fair Labor Standards Act, including but not limited to any wage and hour or other claim arising under the FLSA or any California Wage Orders; or
    e) Any similar federal, state or local laws; amendments to such laws; or regulations promulgated under such laws.
36. Coverage A does not apply to **claims** arising out of any claim, fact, circumstance, situation, transaction or event concerning a **Wrongful Employment Practice** of which any **covered party** had received a prior **claim**, or which was the subject of any notice given under any insurance policy or coverage prior to the **covered party** obtaining coverage under this **memorandum**.
37. Coverage A does not apply to **claims** that arise out of a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations.
38. Coverage A does not apply to hearings of internal administrative matters or actions involving the review of any final administrative order or decision made as the result of an administrative hearing, regardless of whether such action seeks **damages** or attorneys' fees.
39. Coverage A does not apply to a claimant's attorney's fee and costs unless so order by the court.
40. Coverage A does not apply to the actual or alleged use, misuse or loss of funds, grants or appropriations, or **claims** for the return of such funds, grants or appropriations for any reason; however, the **Cooperative** will pay **loss adjustment expenses** for any action brought against the **covered agency** seeking resulting **damages**.
41. Coverage A does not apply to the failure of performance of contract by any insurer or bond issuer.
42. Coverage A does not apply to the failure of any investment program, individual securities or savings program to perform as represented.
43. Coverage A does not apply to **claims** arising from advice given by a **covered party** in connection with participation or non-participation in securities or savings programs.
44. Coverage A does not apply to any time element, indirect or consequential loss, **claim**, or suit of any nature resulting from the ownership, maintenance, use or design of any power and/or energy generation or co-generation facility, whether actively or inactively engaged in the generation of energy and/power; but this exclusion shall not apply to solar energy panels.
45. Under Coverage A.2.c) - injunctive/non-monetary claims, Coverage A does not apply to:
    a) Any **damages**;
    b) Any legal fees or costs awarded to the complaining party or paid as part of a settlement; or
    c) Any fees, costs or expenses other than **loss adjustment expenses**.

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Under Coverage B - Property, the following exclusions apply:

1. Coverage B shall only apply to **real property** and **personal property** (i) that is legally owned by the **covered agency** or (ii) for which a **covered agency** has assumed responsibility.
2. Coverage B does not apply to any **loss occurrence** resulting from or related to **aircraft**.
3. Coverage B does not apply to any **loss occurrence** resulting from or related to **watercraft** over 27 feet in length, other than scheduled **watercraft** and **watercraft** held for sale by the insured.
4. Coverage B does not apply to any **loss occurrence** resulting from or related to rolling stock, other than light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
5. Coverage B does not apply to any **loss occurrence** resulting from or related to standing timber, bodies of water, and growing crops.
6. Coverage B does not apply to any **loss occurrence** resulting from or related to land (including land on which **covered property** is located) and land values, other than improvements such as athletic fields, landscaping, sand traps, tees and greens.
7. Coverage B does not apply to any **loss occurrence** resulting from or related to property in due course of ocean marine transit.
8. Coverage B does not apply to any **loss occurrence** resulting from or related to shipment by mail after delivery into the custody of the United States Post Office or any other common carrier.
9. Coverage B does not apply to any **loss occurrence** resulting from or related to power transmission lines, feeder lines and underground pipes more than 1,000 feet from the premises of the **covered party** unless specifically approved by the **Cooperative**.
10. Coverage B does not apply to any **loss occurrence** resulting from or related to unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, to the extent they exceed the sublimit terms provided on the Declaration Page
11. As respects Business Interruption Coverage, the **Cooperative** shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this **memorandum**, and in that event the **Cooperative** shall only be liable for such loss as affects the **covered party**'s earnings during and limited to, the period of indemnity covered under this **memorandum**.
12. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, the length of time for which the **Cooperative** shall be liable hereunder shall not exceed:
    a) Thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less.
    b) The length of time that would be required to rebuild, repair or replace other such property, but not exceeding eighteen (18) calendar months
13. Coverage B does not apply to any **loss occurrence** resulting from or related to moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, rust,

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corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.

14. Coverage B does not apply to any **loss occurrence** resulting from or related to physical loss or damage by normal settling, shrinkage or expansion in building or foundation.
15. Coverage B does not apply to any **loss occurrence** resulting from or related to delay or loss of markets, but this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein.
16. Coverage B does not apply to any **loss occurrence** resulting from or related to breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then coverage exists only for such ensuing loss.
17. Coverage B does not apply to any **loss occurrence** resulting from or related to misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the **covered party**, its employees or agents, others to whom the property may be entrusted (bailees and carriers for hire excepted), or any other party with an interest in the property
18. Coverage B does not apply to any **loss occurrence** resulting from or related to electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
19. Coverage B does not apply to loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock and Flood coverage shall only apply to locations that are scheduled for Earthquake Shock and Flood).
20. Coverage B does not apply to loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
21. Coverage B does not apply to any **loss occurrence** caused directly or indirectly, by:
    a) War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack:
        i. By any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces;
        ii. By military, naval or air forces; or
        iii. By an agent of any such government, power, authority or forces.
    b) Any weapon of war employing atomic fission or radioactive force whether in time of peace or war.
    c) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
22. Coverage B does not apply to any **loss occurrence** resulting from or related to nuclear reaction or nuclear radiation or radioactive contamination from any cause, whether direct or indirect, controlled or uncontrolled, proximate or remote, or contributed to or aggravated by a covered cause of loss. However:

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a) If fire not otherwise excluded results, Coverage B will apply to the direct physical loss or damage by such resulting fire, but not including any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination.
b) This exclusion shall not apply to physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the **covered party**'s premises.

23. Coverage B does not apply to the following losses in connection with Course of Construction:
    a) The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
    b) The cost of non-compliance of, or delay in completion of contract.
    c) The cost of non-compliance with contract conditions.
    d) Contractors' equipment or tools not a part of or destined to become a part of the installation.
24. Coverage B does not apply to loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:
    a) The recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the **covered party** or not; or
    b) Any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the **covered party** or not.

    Except as provided in the next paragraph, this Electronic Date Recognition Exclusion shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

    If direct physical loss or damage not otherwise excluded results, then subject to all its terms and conditions, this **memorandum** shall apply only to such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.
25. Coverage B does not apply to loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to: mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any such substance whose presence poses an actual or potential threat to human health. This exclusion applies regardless whether there is:
    a) Any physical loss or damage to **covered property**;

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b) Any covered peril or cause, whether or not contributing concurrently;
c) Any loss of use, occupancy, or functionality; or
d) Any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for such losses.

26. Coverage B does not apply to loss, damage, cost or expense directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.
27. Coverage B does not apply to the following losses with regard to animals:
    a) Death of any animal from natural causes or disease;
    b) Death of any animal that dies from an unknown cause unless:
        i. Upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian; and
        ii. The veterinarian's post-mortem report shows the cause of death is directly attributable to traumatic injury sustained by the animal while performing its duties for the **covered party**.
    c) Death of any animal as a result of surgical operation, including inoculation, unless the necessity for same arises from traumatic injury sustained by the animal while performing its duties for the **covered party**.
    d) The death or destruction of any animal caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals, unless such death or destruction is the direct result of traumatic injury to the animal sustained while performing its duties for the **covered party**.
    e) The death of any animal caused directly or indirectly by the neglect or abuse committed by the **covered party** or the **covered party**'s agents, employees or bailees (carriers for hire excepted), unless such death is directly attributable to traumatic injury sustained by the animal while performing its duties for the **covered party**.
    f) The loss by death of any animal as a result of parturition or abortion.
    g) Loss resulting from depreciation in value due to the animal becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended, unless such depreciation is directly attributable to traumatic injury sustained by the animal while performing its duties for the **covered party**
    h) Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.
    i) The removal or disposal of the remains of any animal(s) or the expense thereof unless the need for such removal or disposal is the result of traumatic injury sustained by the animal while performing its duties for the **covered party**.
28. Coverage B does not apply to any **loss occurrence** directly or indirectly caused by any seepage, pollution and/or contamination. However, this exclusion shall not apply to otherwise covered loss directly caused by any fire resulting from such seepage, pollution and/or contamination. Further, this exclusion shall not apply to direct physical loss of or damage to scheduled property.

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The **covered party** shall give notice to the **Cooperative** of intent to make a claim for loss within the exceptions to this exclusion no later than ninety days after the date of the original physical loss or damage.

Notwithstanding the provisions of this exclusion or any provision respecting seepage, pollution, contamination, debris removal and/or cost of cleanup in the **memorandum**, in the event of direct physical loss or damage to the property covered hereunder, this **memorandum** (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable sublimit) also applies, within the sum covered, to:

a) Expenses reasonably incurred in removal from a scheduled premises any debris of property destroyed or damaged as a direct result of otherwise excluded seepage, pollution and/or contamination; and
b) Cost of cleanup at a scheduled premises made necessary as a result of otherwise excluded seepage, pollution and/or contamination.

Provided, however, that this **memorandum** does not apply to the costs of decontamination or removal of water, soil or any other substance on or under such premises.

29. Coverage B does not apply to fines, penalties or costs that the a **covered party** is required to pay at the order of any government agency, court or other authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.
30. Except as to any sublimit of coverage indicated on the Declaration Page, Coverage B does not apply to damage, cost or expense directly or indirectly caused by, resulting from or in connection with any **act of terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the loss. This includes, damage, cost or expense directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any **act of terrorism**.
30. Coverage B does not apply to any **loss occurrence** arising out of or related to any accounts, bills, deeds, evidences of debt, money, notes, securities, bullion, stamps, letters of credit, passports, tickets, manuscripts.
31. Coverage B does not apply to any **loss occurrence** arising out of or related to any contraband or property in the course of illegal transportation or trade.
32. Coverage B does not apply to any **loss occurrence** arising out of or related to any walks, roadways or paved surfaces, curbs, piers, bulkheads, wharves or docks, beach or diving platforms, retaining walls not constituting a part of a building; but this exclusion does not apply to permanently installed composite or synthetic surfaces used in the **covered agency**'s operations.
33. Coverage B does not apply to any **loss occurrence** arising out of or related to fur, fur garments, jewelry and watches, watch movements, jewels, pearls, precious and semi-precious stones, gold, silver, platinum and other precious metals or alloys.
34. Coverage B does not apply to any **loss occurrence** arising out of or related to land, land value, cost of grading, excavations or fillings, engineer's fees, water, underground flues, underground foundations, pipes, pipelines, tanks or drains; except as respects Builders Risk coverage.
35. Coverage B does not apply to any **loss occurrence** arising from or related to any property while waterborne outside of United States territorial waters.

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36. Coverage B does not apply to any **loss occurrence** to any **data processing equipment** or **media** caused by electrical surge or lightning, unless at the time of loss there is an **approved surge suppression device** installed between said **data processing equipment** and any electrical or telecommunications lines
37. Coverage B does not apply to any **structure**, **building**, or other property under construction or awaiting installation, except as to Builders Risk for **Covered Projects**.

ARTICLE V – GENERAL CONDITIONS

This **memorandum of coverage** is subject to the following conditions.

Duties in the Event of a Loss Occurrence
In the event a **covered party** does not comply with these conditions, causing prejudice to the **Cooperative**, the **Cooperative** may at its sole discretion deny or limit coverage or any payment otherwise due under this **memorandum**.

1. As soon as a **covered party** becomes aware of a **claim** or a **loss occurrence** (including an **injunctive/non-monetary claim**) that may result in a claim under this **memorandum**, the **covered party** must notify the **Cooperative** in writing as soon as possible, but not later than 30 days after discovery of the **loss occurrence**; except as stated below.
2. The following **loss occurrence**s shall be immediately reported to the **Cooperative**:
    a) **loss occurrence**s where the costs incurred and reserves established exceed 50% of the **member retained limit**
    b) Fatality
    c) Errors and omissions
    d) Discrimination
    e) Spinal cord injury
    f) Loss of limb
    g) Serious head injury
    h) Serious burns
    i) Disfiguring or permanent injury
    j) Multiple fractures
    k) Wrongful Employment Practice, Wrongful Termination or Discrimination
    l) Molestation/sexual assault
    m) Loss of any senses, e.g. sight, hearing
    n) **injunctive/non-monetary claim**
    o) **breach of contract**
    p) Civil rights violation
3. If the **covered party** fails to comply with any of these notice conditions and the **Cooperative**'s Board of Directors find by a majority vote that the delay was unreasonable, the **Cooperative** shall limit the coverage provided herein as follows:
    a) If notice is given to the **Cooperative** within 180 days after the date on which it should have been given, any amount that would have been owing to the **covered party**, if notice had been timely given to the **Cooperative**, shall be reduced by twenty-five percent (25%).

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b) If notice is given to the **Cooperative** between 181 days and 365 days after the date on which it should have been given, any amount that would have been owing to the **covered party**, if notice had been timely given to the **Cooperative**, shall be reduced by fifty percent (50%).
c) If notice is given to the **Cooperative** between 366 days and 730 days after the date on which it should have been given, any amount that would have been owing to the **covered party**, if notice had been timely given to the **Cooperative**, shall be reduced by seventy-five percent (75%).
d) If notice is given to the **Cooperative** over 730 days after the date on which is should have been given, the **Cooperative** shall deny any coverage and shall pay nothing.

In determining whether or not the delay was unreasonable, the **Cooperative's** Board of Directors shall consider all facts and circumstances that caused the delay. Prejudice to the **Cooperative** is a factor but is neither conclusive nor required.

Written notice containing particulars sufficient to identify the **covered party**, the claimant (if applicable), and also reasonably obtainable information with respect to the time, place, and circumstances thereof, and the names and addresses of the **covered party**, the claimant (if applicable), and of available witnesses, shall be given to the **Cooperative** within the timeframes described above.

4. In the event of any unintentional delay or omission in reporting hereunder, the **Cooperative** may at its sole discretion extend the time for reporting, provided, however, that the **covered party** shall be responsible for any prejudice caused to the **Cooperative**.
5. If claim is made or suit is brought against a **covered party**, the **covered party** shall immediately forward to the **Cooperative** every demand, notice, summons or other process received by the **covered party** or its representative.
6. In connection with a **loss occurrence**, the **covered party** must:
   a) Submit to examination under oath at the **Cooperative**'s request and give the **Cooperative** a signed statement of the **covered party**'s answers;
   b) Provide the **Cooperative**, or its designated agents, on a timely basis (but not longer than 90 days) with all available information reasonably requested in connection with a **loss occurrence**, including a detailed statement of the loss; and
   c) With respect to any forgery loss, include with its statement of the loss any instrument involved in that forgery loss, or, if not possible, an affidavit setting forth the amount and cause of loss
7. The **covered party** shall perform the following:
   a) Notify the appropriate law enforcement authorities if a law may have been broken;
   b) Take all reasonable steps to protect the **covered property** from further damage, and keep a record of all expenses necessary to protect the **covered property**, for consideration in the settlement of the **loss occurrence**;
   c) If feasible, set any damaged property aside and in the best possible order for examination;
   d) As often as may be reasonably required, permit the **Cooperative** to inspect the property proving the loss or damage;
   e) Examine and copy relevant books and records; and

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f) Permit the **Cooperative** to take samples of damaged and undamaged property for inspection, testing and analysis.

8. The written notice shall contain particulars sufficient to identify the covered party; reasonably obtainable information respecting the time, place, and circumstances of the loss occurrence; and where applicable, the names and addresses of the injured, and the names of any witnesses.

Duties in the Event of a Liability Claim

1. If a **claim** is made or suit is brought against **the covered party**, the **covered party** shall be obligated to immediately forward to the **Cooperative** every demand, notice, summons, or other process received by it or its representatives.
2. The **covered party** shall not, except at its own cost, voluntarily make any payment, assume any obligation, make any settlement, or incur any expense, other than for such immediate relief as shall be reasonable and necessary at the time of the **loss occurrence**.
3. As to any claim for which the **Cooperative** has accepted responsibility and has so notified the **covered party**, if the **covered party** prevents settlement of the claim for a reasonable amount, defined as the amount the **Cooperative** is willing to pay and the claimant is willing to accept, and increases the **covered party's** potential liability for damages and continued **loss adjustment expenses**, the **covered party** shall pay or shall reimburse the **Cooperative** for those **loss adjustment expenses** incurred after the claim could have been settled, and for any damages awarded or settlement agreed upon in excess of the amount for which the **claim** could have been settled.
4. The **Cooperative** shall be entitled to complete access to the **covered party's** claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The **covered party** shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the **Cooperative**, and to provide the **Cooperative** with simultaneous copies of all correspondence provided to the **covered party** by its defense attorneys and/or agents

Defense of Claims by the Cooperative

1. The **Cooperative** shall have the right to:
   a) Associate with any **covered party** in the defense of any **claim** covered by this **memorandum**;
   b) Select and appoint counsel to defend the **covered party** in any **claim** covered by this **memorandum**;
   c) Control, defend and settle any **claim** covered by this **memorandum**;
   d) If the Liability **damages** or **property damage** for any **claim** appear likely to exceed the **member retained limit**, require the **member** to tender the remaining **member retained limit** to the **Cooperative** and allow the **Cooperative** to control, defend and settle such **claim**, provided that the **Cooperative** shall not settle a **claim** within the **member retained limit** without the approval of the **member**, which shall not be unreasonably withheld; and
   e) Control, defend and settle any covered **injunctive/non-monetary c**laim.
2. No **loss adjustment expenses** or other payment obligation shall be incurred on behalf of the **Cooperative** without its prior consent.
3. A **covered party** shall cooperate with the **Cooperative** and, upon the **Cooperative's** request, shall assist in making settlements, in the conduct of suits, and in enforcing any right of contribution or indemnity against any person or organization which may be

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liable to such **covered party** because of a **loss occurrence**, and such **covered party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

Conditional Defense for Non-Covered Conduct

1. In the event of a **claim** that is based upon alleged conduct that is excluded from coverage under this **memorandum**, the **Cooperative** will pay **loss adjustment expense** for such **covered party** until such conduct, on the part of the **covered party**, is established in fact pursuant to a civil or criminal trial or administrative proceeding to be excluded under the **memorandum of coverage**.
2. If the **Cooperative** agrees to pay for independent counsel selected by the **covered party** due to a conflict of interest, the **Cooperative's** obligation to pay fees of the independent counsel is limited to the rates which are actually paid by the **Cooperative** to attorneys it retains in the ordinary course of business to defend similar actions in the community where the claim is being defended, and the **covered party** being defended by such independent counsel will be responsible for any additional amounts charged by such counsel. Any dispute between the **Cooperative** and a **covered party** concerning such attorney's fees shall be resolved by arbitration as described in the Dispute Resolution condition. The independent counsel selected must have at least five years of civil litigation practice which includes substantial defense experience in the subject at issue in the litigation, and errors and omissions coverage.

Concealment, Misrepresentation or Fraud

This **memorandum of coverage** is void in any case of fraud by the **covered party** as it relates to this **memorandum of coverage** at any time. It is also void if the **covered party**, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This **memorandum of coverage**;
2. The **covered property**;
3. The **covered party**'s interest in the **covered property**; or
4. A claim under this **memorandum of coverage**.

Inspection

The **Cooperative** shall be permitted but not obligated to inspect the **covered party**'s property and operations at any time. Neither the **Cooperative**'s right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking on behalf of or for the benefit of the **covered party** or others to determine or warrant that such property or operations are safe or healthful or are in compliance with any law, rule or regulation.

Dispute Resolution

1. Any question or dispute under this **memorandum** shall first be resolved by an appeal to the Claims and Coverage Committee and then the **Cooperative**'s full Board or Executive Committee. In the event this does not produce an acceptable resolution, any claim related to coverage or a dispute between the **Cooperative** and a **member** or **covered agency** shall be resolved exclusively through final and binding arbitration as set forth below.
2. Arbitration shall be before a single arbitrator at a location selected by the **Cooperative** within the county of the official address for the **Cooperative** or at such location as the parties to the arbitration may mutually select. The arbitrator shall be an attorney, retired

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judge or professional with significant experience in the matters relating to the operation of pooled self-insured entities. If the parties cannot agree on the selection of the arbitrator, the **Cooperative** shall petition the court for the appointment of a neutral arbitrator. The arbitrator shall apply the California Arbitration Act and California substantive law, and shall accompany the award with a reasoned opinion. The arbitrator shall have no authority to award punitive or other **damages** not measured by the prevailing party's actual **damages**. The award will be final and binding and without right to appeal except as provided for in Code of Civil Procedure Sections 1286.2 and 1286.6. A judgment of any court having jurisdiction may be entered upon the award.

3. Either party to the arbitration may (a) apply to the arbitrator seeking injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved, or (b) without waiving any remedy under this **memorandum**, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the establishment of the arbitral tribunal or its determination of the merits of the controversy.
4. In the event that any provision of this **memorandum** requirement is held to be void, voidable or unenforceable, the remaining portions shall remain in full force and effect.

No Benefit to Bailee

No person or organization, other than a **covered party**, having custody of **covered property** or liability for **covered property** by stipulation in a bill of lading or other contract will benefit from the coverage provided by this **memorandum**.

Other Coverage

The coverage afforded by this **memorandum of coverage** is excess to any other coverage available to the **covered party** under any insurance contract or contract of self-insurance and such coverage as is afforded under this **memorandum of coverage** shall not apply until all such contracts of insurance or self-insurance are exhausted.

Excess Coverage

Permission is hereby granted to procure coverage in excess of the limits stated in the Declarations. Such excess coverage shall not be considered "Other Coverage" for the purpose of the Other Coverage clause.

Protective Safeguard

It is a condition of this **memorandum** that the **covered party** shall maintain so far as possible within the **covered party**'s control such protective safeguards as were in effect at the inception of this **memorandum**.

Reporting of Additional Property

1. If a **covered agency** acquires an interest in any **real property** whether owned, leased or under contract the **covered agency** shall report 100% of the Replacement Cost to the **Cooperative** within 120 days of such acquisition
2. Approval for occupancy must have been received in order to add a newly constructed Building or Structure to **real property**

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Subrogation

1. In the event of any payment under this **memorandum**, the **Cooperative** shall be subrogated to all the rights of recovery against any person or organization and the **covered party** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **covered party** shall do nothing after loss to prejudice such rights
2. Recoveries will apply in the following order:
    a) First, to reimburse any interests that have paid any amount in excess of the **Cooperative**'s liability, for a covered **loss occurrence**, under the **memorandum of coverage**
    b) Then, to reimburse the **Cooperative**, for all amounts paid under the **memorandum of coverage** for a covered **loss occurrence**
    c) Finally, to reimburse all other interests, including those of the **covered party** with respect to the remaining amounts, if any

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ARTICLE VI – DEFINITIONS

Act of terrorism means:

1. A violent act or an act that is dangerous to:
    a) Human life,
    b) Property, or
    c) Infrastructure.
2. An act resulting in damage within the United States, or outside of the United States in the case of:
    a) An air carrier or vessel described in paragraph (5)(B) of the Terrorism Risk Insurance Act of 2002, or
    b) The premises of a United States mission.
3. An act certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to have been committed as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Actual cash value means the purchase price or fair market value of an item at the time of its acquisition, minus depreciation over the expected useful life of such property.

Additional covered party means any person or other legal entity to whom or to which the covered agency is obligated by a written contract to provide coverage such as is afforded by this memorandum.

Administration means the following acts authorized by the **covered agency:**

1. Giving counsel to Employees with respect to the **employee benefit programs**;
2. Interpreting the **employee benefit programs**;
3. Handling of records and processing of claims in connection with the **employee benefit programs**;
4. Effecting enrollment, termination or cancellation of employees under the **employee benefit programs**.

Aircraft means a vehicle designed for the transport of persons or property, principally in the air.

Approved surge suppression device means a surge suppression device that is Underwriters Laboratory (UL) listed and that bears any of the following words or abbreviations:

1. Transient Voltage Surge Suppressor or TVSS;
2. Uninterruptible Power Supply or UPS; or
3. secondary protector for communications circuits.

Asbestos claim means a **claim** arising, directly or indirectly, out of exposure to asbestos or products containing asbestos, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such liability.

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Automatic sprinkler system means:

1. Any automatic fire protective or extinguishing system, including connected:
    a) Sprinklers and discharge nozzles
    b) Ducts, pipes, valves and fittings
    c) Tanks, their component parts and supports
    d) Pumps and private fire protection mains
2. When supplied from an automatic fire protective system:
    a) Non-automatic fire protective systems
    b) Hydrants, standpipes and outlets

Automobile means a land motor vehicle, trailer, or semi-trailer.

Backup of sewers or drains means damage caused by the blockage and subsequent overflowing of plumbing lines designed to remove sewer and waste water.

Bodily injury means bodily injury, sickness, emotional distress or disease sustained by any person, including death at any time resulting therefrom.

Breach of contract means the non-performance by the **covered agency** of a written or oral agreement with a third party, other than an employment contract, regardless of the theory of liability asserted.

Building means a permanent structure with walls and a roof that is affixed to a permanent site and capable of occupancy, including portable or modular structures that have been installed.

Claim means:

1. a legal action;
2. a demand for compensation;
3. a claim filed or made in accordance with the California Government Code against a **covered party**;
4. a written demand or notice which is made or brought by an Employee;
5. an oral demand or notice by an Employee which is memorialized by the **covered party** in writing within fifteen (15) days of the oral demand or notice, and seeks or alleges **damages** or alleges injury, harm, or invasion of rights, and which contains an allegation that a Wrongful Employment Practice or a series of Wrongful Employment Practices has been committed during the Coverage Period;
6. an administrative proceeding or charge commenced before the Equal Employment Opportunity Commission or similar state or other agency having jurisdiction over the **covered party**; or
7. an alternative dispute resolution proceeding or action brought by a person or entity acting on behalf of an Employee of the **covered party**.

Claim does not include a Union Grievance, or any type of criminal proceeding, or any claim arising under the FLSA or any California Wage Orders or any similar federal or state law.

Cooperative means the Municipal Insurance Cooperative, a joint powers authority formed by its **member**s for the purpose of providing property and liability programs.

Coverage Period means the period of time as set forth in the Declarations

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Covered agency means the **member**, other public agency or agencies listed on the Declarations, and any and all boards (including the governing board), councils, commissions, departments, constituent agencies, districts, authorities, and other similar entities under such **member's** direction or control or for which such **member**'s board members sit as the governing body. However, **covered agency** does not an airport or hospital board or commission, regardless of how such body is denominated.

Covered equipment means:

1. the following types of equipment owned by a **covered agency**:
    a) Air conditioning and refrigeration systems;
    b) Electrical systems, including transformers, panels and cables;
    c) Boilers and pressure vessels used for heat, hot water, steam production and processing;
    d) Computers and communications systems, including phone, television, satellite, security, fire systems and other systems which rely on electronic technology; and
    e) Mechanical systems, including water pumps, ventilation fans, elevator and escalator machinery, motors, engines, etc.
2. None of the following is **covered equipment**:
    a) Structure, foundation, cabinet, compartment or air supported structure or building;
    b) Insulating or refractory material;
    c) Sewer piping, any underground vessels or piping, any piping forming a part of a sprinkler system or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
    d) **motor vehicle** and **mobile equipment**; or
    e) **data processing equipment**.

Covered indemnity contract means that part of any contract or agreement pertaining to the **covered party's** routine governmental operations under which the **covered party** assumes the tort liability of another party to pay for **bodily injury** or **property damage** to a third person or organization. This definition applies only to tort liability arising out of a **loss occurrence** to which this **memorandum** applies. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Covered individual means:

1. Persons who are past or present elected or appointed officials, employees, or volunteers of the **covered agency**, whether or not compensated, while acting for or on behalf of the **covered agency**, including while acting on outside boards at the direction of the **covered agency**, except any airport or hospital board or commission, regardless of how such body is denominated, or any other joint powers authority, or any separate agency or entity, created by a joint powers agreement, subject to the provisions of subparagraph (e), provided, however, that an airport board or commission may be added to this **memorandum** by endorsement on approval of the **Cooperative**'s governing board.
2. Any officer or director of the **Cooperative**, and the staff and employees of the administrator thereof while in the course and scope of their duties for the **Cooperative**, with respect to **public officials' errors and omissions** coverage.

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Covered party means:

1. A **covered agency**
2. A **covered individual**
3. An **additional covered party**

However, notwithstanding the foregoing, **covered party** does not include any person, organization, trust, or acting on behalf of any other joint powers authority, unless added hereto by endorsement. However, as to any person who is an official, employee, or volunteer of the **covered agency** and is participating in the activities of any other joint powers authority or any separate agency or entity created under any joint powers agreement on behalf of that named entity, the coverage afforded by this **memorandum** will apply in excess of and shall not contribute with any collectible insurance or other coverage provided to or through the other joint powers authority or joint powers agreement covering a loss also covered hereunder (whether on a primary, excess, or contingent basis).

Covered project means a project by a **covered agency** to construct, renovate, modernize or reconstruct property that is intended to become **real property** covered by this **memorandum** and subject to such project:

1. Having a total project value or cost no greater than $250,000
2. Being a project with a total project value or cost in excess of $250,000 that has been specifically endorsed on to this **memorandum**

Covered property means any **real property** or **personal property** covered by this **memorandum**.

Cyber liability means any liability arising out of or related to the acquisition, storage, security, use, misuse, disclosure, or transmission of electronic data of any kind including, but not limited to, technology errors and omissions, information security and privacy, privacy notification costs, penalties for regulatory defense or penalties, website media content, disclosure or misuse of confidential information, failure to prevent unauthorized disclosure or misuse of confidential information, improper or inadequate storage or security of personal or confidential information, unauthorized access to computer systems containing confidential information, or transmission or failure to prevent transmission of a computer virus or other damaging material.

Dam means any artificial barrier, together with appurtenant works, which does or may impound or divert water, and which either (a) is 25 feet or more in height from the natural bed of the stream or watercourse at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel, or watercourse, to the maximum possible water storage elevation; or (b) has an impounding capacity of 50 acre-feet or more. However, **dam** does not include the following:

1. Any such barrier which is not in excess of 6 feet in height, regardless of storage capacity, or which has a storage capacity not in excess of 15 acre-feet, regardless of height, shall not be considered a **dam**.
2. No obstruction in a canal used to raise or lower water therein or divert water therefrom, no levee, including but not limited to a levee on the bed of a natural lake the primary purpose of which levee is to control floodwaters, no railroad fill or structure, no road or highway fill or structure, no circular tank constructed of steel or concrete or of a combination thereof, no tank elevated above the ground, no water

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or waste water treatment facility, and no barrier which is not across a stream channel, watercourse, or natural drainage area and which has the principal purpose of impounding water for agricultural use or storm water detention or water recharging or use as a sewage sludge drying facility shall be considered a **dam**.

3. No obstruction in the channel of a stream or watercourse which is 15 feet or less in height from the lowest elevation of the obstruction and which has the single purpose of spreading water within the bed of the stream or watercourse upstream from the construction for percolation underground shall be considered a **dam**.
4. No impoundment constructed and utilized to hold treated water from a sewage treatment plant be considered a **dam**.
5. No waste water treatment or storage pond exempted from state regulation and supervision by Water Code Section §6025.5 be considered a **dam**.

Damages means compensation in money recovered by a party for loss or detriment it has suffered through the acts of a **covered party**, or liability assumed by the covered party under a covered indemnity contract. **Damages** includes: (i) attorney fees not based on contract awarded against the **covered party**, (ii) interest awarded on money **damages**, and (iii) costs for which the covered party is liable either by adjudication or by from a **loss occurrence** to which this **memorandum** applies. However, **damages** does not include the following:

1. **Damages** with respect to an **wrongful employment practice** also shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement, nor sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

Data means information or instructions stored in digital code capable of being processed by machinery.

Data processing equipment means electronic computers and peripheral equipment used in conjunction with such computers. **Data processing equipment** does not mean any of the following:

1. Equipment used to provide building utility service, other than communications or data processing;
2. equipment used to manufacture products other than **data**; or
3. equipment used to provide a service other than **data** processing or communications.

Declarations means the declarations page(s) approved and issued by the **Cooperative** to evidence and describe essential variables of the coverage provided pursuant to this **memorandum**.

Discrimination means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit, or the taking of any adverse or differential employment action because of race, color, creed, religion, age, sex, disability, pregnancy, sexual orientation, national origin, AIDS, or other protected category or characteristic established pursuant to any applicable federal, state, or local statute.

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Earthquake means a series of vibrations induced in the earth's crust by the abrupt rupture and rebound of rocks in which elastic strain has been slowly accumulating.

Employee means any natural person:

1. While in the **covered agency**'s service;
2. Whom the **covered agency** compensates directly by salary, wages or commissions;
3. Whom the **covered agency** has the right to direct and control while performing services for the **covered agency**.

However, Employee does not mean any independent agent, broker, or independent contractor of the **covered agency**. The exclusion of independent contractor or subcontractors from the definition of **employee** shall not apply to a **claim** for sexual harassment specifically authorized under Cal.Gov. Code 12940(j)(4) and (5)

Employee benefit program means any group life insurance, group accident or health insurance, retirement plans, workers' compensation, unemployment insurance, social security and disability benefits insurance or any other similar plan provided in whole or in part by the **covered agency**.

Equipment breakdown means a fortuitous event resulting in direct physical damage to Covered Equipment caused by:

1. Mechanical breakdown;
2. Artificially generated electrical current;
3. Explosion of steam equipment, other than combustion explosion;
4. An internal event inside steam equipment;
5. An internal event inside boilers or pressure vessels; or
6. Bursting, cracking or splitting.

Equipment Breakdown Reinsurer means the reinsurer of the Equipment Breakdown coverage offered by and through the **Cooperative.**

Explosives, Fireworks or Pyrotechnic Devices means any combination of materials, which, by the agency of fire, electricity or chemicals, produce a sudden loud, bright, hot, and/or rapidly expanding effect designed and intended to be useful for industrial, agricultural, personal safety, entertainment or recreational purposes.

Extra expense means the reasonable and necessary additional costs incurred by the **covered agency** in order to continue, as nearly as possible, the normal conduct of the **covered agency**'s operations had a **loss occurrence** not occurred, until the **covered agency**'s operations are restored to a condition comparable to the condition prior to the **loss occurrence**. In the event of such **loss occurrence**, coverage will apply to **extra expense** incurred for only such time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace the part of the property that has been damaged or destroyed, without regard to the expiration date of this **memorandum**.

Fair market value means the cost to replace **covered property** in an open market with substantially comparable property.

Fine Arts means paintings, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac, and other articles of art, rarity, or antiquity.

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Gross earnings is defined as the sum of total net sales and other earnings derived from the operation, less the cost of:

1. merchandise sold including packaging materials; and
2. materials and supplies consumed directly in supplying the service(s) sold by the Insured; and
3. service(s) purchased from outside (not employees of the Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings. In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that **real property** and/or **personal property** that does not normally produce an income, sustains damage covered under this policy, the actual recovery under this **memorandum** shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

Hired motor vehicle means a **motor vehicle** used on behalf of the **covered agency** provided such **motor vehicle** is not owned in full or in part by or registered in the name of (1) the **covered agency** or (2) any **covered party** who is granted an operating allowance of any sort for the use of such **motor vehicle**.

Hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be.

Housing authority means a public corporation created pursuant to California Health & Safety Code Sections §34200 et. seq.

In-flight means the period from the time the Aircraft moves forward in taking off or in attempting to take off until it has completed its landing.

Injunctive/non-monetary claim means a legal action, claim or demand against a Covered Party seeking primarily non-monetary recourse, relief or redress, and which does not include a material demand for the payment of **damages** caused to other third parties, other than the payment of legal fees and costs awarded to the complaining party or its legal counsel.

Loss adjustment expenses means:

1. All expenses incurred in connection with the investigation, adjustment, defense, mediation, settlement, arbitration and/or litigation in connection with a **loss occurrence**, including but not limited to fees and expenses incurred by legal counsel, expert fees, duplication and court reporter costs, court costs, interest on judgments, and premiums on bonds
2. Expenses sustained to obtain recoveries, subrogation, salvages or other reimbursements, or to secure the reverse or reduction of a verdict or judgment

However, l**oss adjustment expenses** shall not include the salaries of the **covered agency**'s employees, or its claims administrator's employees, in adjusting specific claims or suits.

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Loss occurrence means.

1. For Coverage A – Liability: an accident or event, including continuous or repeated exposure to conditions, which results or may result in a **claim** for **damages** or the payment of **loss adjustment expenses** pursuant to this **memorandum**
2. For Coverage B – Property: an event causing (a) physical injury to tangible property, (b) direct physical loss of tangible property, or (c) destruction of tangible property resulting in the loss of use of such tangible property.

Loss of revenue means those sums that the **covered agency** would have received had a **loss occurrence** not occurred, but excluding any local, state or federal funds whatsoever.

Media means all forms of electronic, magnetic and optical tapes and discs for use in any electronic computer or electronic **data processing equipment**.

Medical malpractice means a negligent act or omission in the rendering of or failure to render, during the policy period, any of the following services:

1. Medical, surgical, dental, psychiatric, psychological counseling, X-ray or nursing service or treatment or the furnishing of food or beverages in connection therewith, or any services provided by a health care provider as defined in Section §6146 (c)(2) of the California Business and Professions Code
2. Furnishing or dispensing drugs or medical, dental, or surgical supplies or appliances.

However, **medical malpractice** does not include emergency medical services or first aid administered by employees of a **covered party**, nor does it include advice or services rendered by a 911 emergency dispatcher.

Member means a public agency that is a member of the **Cooperative** pursuant to the terms of a joint powers agreement.

Member retained limit or **MRL** shall mean the amount per **loss occurrence,** for each type of coverage set forth in the **declarations**, that shall be retained and paid by a **member** before coverage is provided by this **memorandum**.

Memorandum of coverage or **memorandum** means this contract between the **Cooperative** and the **member.**

Mobile equipment means any of the following types of land vehicles, whether self-propelled or not, including attached machinery or equipment: bulldozers, farm machinery, forklifts, crawler tread vehicles, power cranes, shovels, loaders, diggers or drills, graters, scrapers or rollers, snow removal equipment, street cleaning equipment, and any other vehicles designed for use principally off public roads. However, **mobile equipment** does not include **motor vehicle**s.

Motor vehicle means a land motor vehicle, trailer or semi-trailer, subject to motor vehicle registration and designed for use principally on public roads.

Newly acquired property means property which is either purchased by the **covered agency** or in which the **covered agency** acquires a coverable interest during the Coverage Period, and is reported to the **Cooperative** within 120 days of acquisition.

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Nuclear material means source material, special nuclear material, or byproduct material meanings given to them by the Atomic Energy Act of 1954 or in any law amendatory thereof.

Occupying means in, upon, getting in, on or off.

Off-site property means **personal property** not located within 1,000 feet of the **covered agency**'s **real property** that is being used by or for the benefit of the **covered agency** or its curriculum, but not property being stored.

Personal property means tangible items, other than **real property**, that are located in or on the **covered agency**'s **real property** or within 1,000 feet of the **covered agency**'s **real property**; along with **motor vehicle**s and **mobile equipment** being used by or for the benefit of the **covered agency** or its curriculum, wherever located.

Personal property of others means **personal property** owned by a third party other than the **covered agency**, that is in the custody of the **covered agency** and for which the **covered agency** is legally liable.

Plants means organisms capable of photosynthesis that have a stem, leaves, roots and sometimes flower and grow in soil or water, including shrubs and trees.

Pollutants means any solid, liquid, gaseous or thermal irritant, contaminant or hazardous substance, including smoke, vapors, soot, fumes, acids, alkalis, chemicals, waste material, and spores or other byproducts or components of mold, fungi, bacteria or viruses. Waste material includes materials to be recycled, reconditioned or reclaimed. The term Pollutants as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users or smoke and related matter resulting from a Hostile Fire.

Pollution means the discharge, dispersal, release or escape of Pollutants into, under or upon land, the atmosphere, or any watercourse or body of water or aquifer.

Preservation of property means movement of property from a **covered project** to protect it from loss or damage:

1. While it is being moved or while temporarily stored at another location
2. Only if the loss or damage occurs within 30 days after the property is first moved

Property damage means physical injury to tangible property, including resulting loss of use of tangible property.

Property in transit means **personal property** not located within 1,000 feet of the **covered agency**'s **real property** that is being moved from one location to another.

Public official errors and omissions means any actual or alleged act, omission, misstatement or misleading statement by any **covered party** (individually or collectively) arising in the course and scope of their duties with the **covered agency** or claimed against them solely by reason of their being or having been public officials or employees, and which results in injury or damage neither expected nor intended from the standpoint of the **covered party**. All claims involving the same act,

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omission, misstatement or misleading statement or a series of continuous or interrelated acts, omissions, misstatements or misleading statements will be deemed a single **loss occurrence**.

Real property means completed **buildings** and **structures**, including their permanently installed fixtures, machinery and equipment. **Real property** does not include **buildings** and **structures** under construction, unless the project is a **covered project**.

Rental Payment Interruption means those sums that a **covered agency** would have received had a **loss occurrence** not occurred for use and occupancy financial lease payment obligations of the **covered agency** required by lease purchase agreements or similar.

Replacement Cost means the cost to replace **covered property** in an open market with substantially comparable new property.

Rodeo means any exhibition of cowboy skills, such as bronco riding, calf roping, or a roundup, steer wrestling, Brahma bull riding or the use of any mechanical rodeo apparatus.

Sprinkler Leakage means leakage or discharge of any substance from an automatic sprinkler system.

Structure means a tangible item built or constructed on, and attached to, land. **Structures** include fencing and enclosures, garages, gazebos, greenhouses, kiosks, sheds and utility buildings.

Transmission & Distribution Lines means electrical transmission or distribution lines that are (i) owned by the **covered agency,** (ii) located on or in the **real property** of the **covered agency**, and (iii) used in connection with the business or operations of the **covered agency**. **Transmission & Distribution Lines** does not include off-premises poles, towers, underground lines, or overhead lines used for electrical transmission or distribution.

Uninsured/underinsured motor vehicle means a **motor vehicle**:

1. For which the sum of all available liability bonds, self-insurance or insurance policies at the time of a **loss occurrence** is less than the **uninsured/underinsured motor vehicle** coverage limits stated in the Declarations,
2. That collides with a **motor vehicle** that a **covered individual** is **occupying** at the time of the **loss occurrence**.

Union grievance is limited to labor negotiations with respect to wages or working conditions, union organizing efforts, or unfair labor practice charges within the jurisdiction of the National Labor Relations Board or the Public Employment Relations Board.

Vacant means a site location at which less than 30% of the total square feet of real property at the site is:

1. Used by the **covered agency** to conduct customary operations; or
2. Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations.

Valuable papers or **records** means papers or records, including those which exist on electronic or magnetic media, that have been lost or damaged for which duplicates do not exist.

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Volunteer means a natural person who has been authorized or approved by a **covered agency** to perform specific duties for such **covered agency**.

Watercraft means a vessel designed to transport persons or property in, on or through water.

Workplace tort means any of the following acts alleged to have been committed in violation of law or because of any protected category or characteristic:

1. Actual or constructive termination of an employment relationship in a manner which is alleged to have been against the law or wrongful, or in breach of an implied employment contract or breach of the covenant of good faith and fair dealing in the employment contract
2. Allegations of negligent or wrongful evaluation, wrongful demotion, wrongful discipline, failure to promote, failure to grant tenure, or wrongful deprivation of career opportunity
3. Allegations of misrepresentation or defamation made by an employee which arise from an employment decision
4. Allegations of infliction of emotional distress, mental injury, mental anguish, shock, sickness, disease or disability made by an employee which arise from an employment decision
5. Allegations of false imprisonment, detention, or malicious prosecution made by an employee which arise from an employment decision
6. Allegations of libel, slander, defamation of character, invasion of privacy made by an employee which arise from an employment decision
7. Other personal injury allegations made by an employee which arise from an employment decision.

However, **workplace tort** does not include violation of a written contract of employment or an obligation to make payments, including but not limited to severance payments, in the event of the termination of employment. **Workplace torts** shall not include any allegations other than those set forth above.

Wrongful Employment Practice means any actual or alleged **wrongful termination**, **discrimination**, harassment, retaliation, or **workplace tort**.

Wrongful termination means termination of an employment relationship in a manner which is alleged to have been committed in violation of law or because of any protected category or characteristic or in breach of an implied agreement to continue employment. However, **wrongful termination** shall not include violation of an express contract of employment or an express obligation to make payments in the event of the termination of employment.

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MUNICIPAL INSURANCE COOPERATIVE

WORKERS' COMPENSATION PROGRAM

Coverage Period:

July 1, 2014 - July 1, 2015

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Municipal Insurance Cooperative
WORKERS' COMPENSATION PROGRAM
MEMORANDUM OF COVERAGE

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WORKERS' COMPENSATION PROGRAM (WCP)
MEMORANDUM OF COVERAGE

This Memorandum of Coverage (MOC) sets forth the terms, conditions, and limitations of coverage provided under the Workers' Compensation Program (WCP). The terms of this MOC may not be changed or waived except by amendment made a part of this MOC.

Throughout this MOC, words and phrases that appear in **bold** have special meaning. They are defined in General Section A, "Definitions".

GENERAL SECTION

A. DEFINITIONS

The terms in bold print are defined as follows:

1. **Authority** shall mean the Municipal Insurance Cooperative.

2. **Bodily injury** shall mean bodily injury by accident or disease, including death resulting therefrom, but shall not include **occupational disease**.

3. **Covered Party** shall mean a **Participant** in this WCP which has sustained a **loss** which is covered under this MOC of Coverage.

4. **Employee** shall mean any person performing work which renders the **Covered Party** legally liable as an employer under the Workers' Compensation Act of the State of California, or under the common law of the State of California. Employee shall also include volunteer workers while acting within the scope of their duties on behalf of the **Covered Party** provided that the **Covered Party** has first adopted a resolution as provided in Division 4, Part 1, Chapter 2, Article 2 of the California Labor Code declaring such volunteer workers to be **employees** of the **Covered Party** for purposes of Workers' Compensation Law.

5. **Loss** shall mean only such amounts as are actually paid by the **Covered Party** in payment or benefits under the applicable Workers' Compensation Law, in settlement of claims or in satisfaction of awards or judgments for liabilities imposed by the Workers' Compensation Act or other law for **bodily injury** or **occupational disease** to an **employee**.

6. **Occupational Disease** shall include (1) death resulting therefrom and (2) cumulative injuries.

7. **Participant** shall mean a **Member Entity**, which shall mean a signatory to the **Agreement** establishing the Municipal Insurance Cooperative, who has elected to participate in the WCP.

8. **Retained limit** shall mean the amount stated on the Declarations page and all endorsements listed on the Declarations page, which will be paid by the **Covered Party** before the **Authority** is obligated to make any payment.

B. THE MEMORANDUM OF COVERAGE

This MOC includes at its effective date the Declarations Page and all endorsements listed on the Declarations Page. This MOC is the coverage document between the **Covered Party** and the **Authority**. The terms of this MOC may not be changed or waived except by endorsement issued by the **Authority** to be part of this MOC.

C. COVERAGE PERIOD

The coverage period is as stated in the Declarations.

D. WHO IS COVERED

The **Covered Party** is a **Participant** in the **Authority's** WCP. If a **Covered Party** loses its status as a **Member Entity**, the coverage under this MOC shall terminate immediately upon such change in status.

E. WORKERS' COMPENSATION LAW

Workers' Compensation Law means the workers' or workmen's compensation law and **occupational disease** law of the State of California, or any similar law. It includes any amendments to that law that are in effect during the term of this MOC. It does not include any federal workers' or workmen's compensation law, any federal **occupational disease** law, or the provisions of any law that provide non-occupational disability benefits.

F. QUALIFIED SELF-INSURER

The **Covered Party** represents that it is a duly qualified self-insurer under the Workers' Compensation Law of the State of California and will continue to maintain such qualifications during the term this MOC is in effect. If the **Covered Party** should fail to qualify or fail to maintain such qualifications, the coverage provided under this MOC shall automatically terminate at the first date of such failure.

PART I – WORKERS' COMPENSATION COVERAGE

The **Authority** will provide coverage for workers' compensation **losses** up to the **Authority's** Limit of Liability stated in the Declarations Page.

This coverage applies to **bodily injury**.

1. **Bodily injury** by accident must occur during the coverage period.

2. **Bodily injury** by disease must be caused or aggravated by the conditions of employment by the **Covered Party.** The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the coverage period.

A. DEFENSE OF SERIOUS AND WILLFUL CLAIMS AND 132a ACTIONS

The **Authority** will provide a defense for serious and willful claims and Labor Code Section 132a actions, as set forth below, brought before the Workers' Compensation Appeals Board

(WCAB), but in no event shall the **Authority** provide any indemnity for any such claim or action:

1. Serious and willful misconduct by the **Covered Party** against an **employee** involved in a claim for workers' compensation benefits. (Labor Code §4553.).

2. Discrimination by the **Covered Party** against an **employee** involved in a claim for workers' compensation benefits. (Labor Code §132a.)

Such defense will be provided only until such time as the underlying claim for workers' compensation has concluded. The **Authority** shall have the sole discretion to determine when and whether the underlying claim has "concluded." The **Authority** may, at any time, exercise its right to withdraw from the defense of these claims, and such decision shall be final.

B. PAYMENTS THE COVERED PARTY MUST MAKE

The **Authority** is not responsible for any payments in excess of benefits regularly provided by the Workers' Compensation Law including any payment based on the following conduct by the **Covered Party**:

1. Serious and willful misconduct;

2. Knowing employment of an **employee** in violation of law;

3. Knowing failure to comply with a health or safety law or regulation;

4. Discharge, coercion or otherwise discriminating against any **employee** in violation of the Workers' Compensation Law; or

5. Violation of or failure to comply with any Workers' Compensation Law.

If the **Authority** makes any payments in excess of the benefits regularly provided by the Workers' Compensation Law on the **Covered Party's** behalf, the **Covered Party** will reimburse the **Authority** promptly for such payment.

PART II – EMPLOYER'S LIABILITY COVERAGE

The **Authority** will provide coverage for employer's liability **losses** up to the **Authority's** Limit of Liability stated in the Declarations Page.

This coverage applies to **bodily injury**. This coverage will apply to amounts awarded against the **Covered Party** in excess of the **Covered Party's Retained Limit** and subject to the Limit of Liability set forth herein, provided that those amounts awarded are the direct consequence of **bodily injury** that arises out of and in the course of the injured **employee's** employment by the **Covered Party,** and are claimed against the **Covered Party** in a capacity other than as employer.

1. The **bodily injury** must arise out of and in the course of the injured **employee's** employment by the **Covered Party**.

2. **Bodily injury** by accident must occur during the coverage period.

3. **Bodily injury** by disease must be caused or aggravated by the conditions of employment by the **Covered Party.** The **employee's** last day of last exposure to the conditions causing or aggravating such **bodily injury** by disease must occur during the coverage period.

PART III – POLICY EXCLUSIONS

This MOC shall not apply to:

A. Liability imposed by the Workers' Compensation Laws because of **bodily injury** to prisoners or inmates who receive compensation from an entity, other than the **Covered Party**, for the work performed except for liability imposed by the Workers' Compensation Laws because of **bodily injury** to participants of a work release program or other community service program established by a county of the State of California;

B. Employer's Liability Coverage herein does not apply to any obligation imposed by a workers' compensation, **occupational disease**, unemployment compensation, or disability benefits law, or any similar law.

C. **Bodily injury** intentionally caused or aggravated by the **Covered Party**.

D. **Bodily injury** to an **employee** while employed in violation of law with the actual knowledge of the **Covered Party**.

E. Liability for additional compensation imposed on the **Covered Party** under Labor Code Section 4557 by reason of injury to an **employee** under sixteen years of age and illegally employed at the time of the injury.

F. Liability imposed by Labor Code Section 4856.

PART IV – THE COVERED PARTY'S RETENTION AND AUTHORITY'S LIMIT OF LIABILITY

A. LIMIT OF COVERAGE BY AUTHORITY

The **Authority** will indemnify the **Covered Party** for **loss** under Workers' Compensation Laws, but will not exceed the Limit of Liability stated in the Declarations Page on any one **loss**. Coverage will include all benefits required under Workers' Compensation Laws, including full salary benefits listed in Labor Code Section 4850. The **Authority** will pay on behalf of the **Covered Party** for Employer's Liability **losses** but will not exceed the Limits of Liability stated in the Declarations Page on any one **loss**.

B. HOW THE LIMIT OF COVERAGE APPLIES

The **Authority's** Limit of Coverage stated in the Declarations Page applies to claims covered under the Workers Compensation Coverage or Employer's Liability Coverage as follows:

1. To one or more **employees** for **bodily injury** or death in any one accident; and

2. To any one **employee** for **bodily injury** or death by disease.

Nothing contained herein shall operate to increase the **Authority's** Limit of Coverage under this MOC.

PART V – CONDITIONS

A. NOTICE OF ACCIDENT OR CLAIM

1. The Covered Party shall give written notice within five days of the Covered Party's knowledge to the **Authority** if a claim for a **bodily injury** or disease occurs which appears to involve coverage by the **Authority**.

2. Notice of accident given to the **Authority** shall contain complete details on the **bodily injury**, disease, or death. If a suit, claim, or other proceeding is commenced which appears to involve coverage by the **Authority**, the **Covered Party** shall give the **Authority**:

   a) All notices and legal papers related to the claim, proceeding, or suit, or copies of these notices and legal papers; and

   b) Copies of reports on investigations made by the **Covered Party** on such claims, proceedings, or suits.

3. If written notice is not provided by the **Covered Party** to the **Authority** within thirty (30) days of knowledge of such claim, coverage may not be provided under this MOC. This requirement is a condition precedent to coverage under this MOC.

B. SUBROGATION – RECOVERY FROM OTHERS

The **Authority** has the **Covered Party's** rights, and the rights of persons entitled to compensation benefits from the **Covered Party**, to recover the **Authority's loss** from any third party liable for the **bodily injury**. The **Covered Party** will do everything necessary to protect those rights for the **Authority** and to assist in enforcing them. Any recovery, after deducting the **Authority's** recovery expenses, will first be used to reduce the **Authority's loss**. The balance, if any, will be returned to the **Covered Party**.

If the **Covered Party** waives its rights to subrogation on a claim covered under, or that may be covered under, this MOC, and if the amount of the claim exceeds the **Covered Party's Retained Limit** (and therefore comes within the **Authority's** layer), then the **Authority's** coverage shall not apply to the claim and the **Authority** shall not be liable for any indemnity, reimbursement, payment, or costs on the claim exceeding the **Covered Party's Retained Limit**, unless the **Authority's** Workers' Compensation Program Manager approves the waiver of subrogation in writing.

The exclusion of coverage for waiver of subrogation shall apply only to a waiver of subrogation made or approved by a **Covered Party** after the date of the injury or illness that resulted in the claim. This exclusion shall not apply to a waiver of subrogation contained in an agreement or contract that was approved by the **Covered Party** prior to the date of the injury or illness that resulted in the claim.

C. MEMORANDUM CONFORMS TO LAW

If any provision of this MOC is in conflict with Workers' Compensation Laws applicable to this MOC, the **Authority's Agreement**, the **Authority's** Bylaws, or the **Authority's**, this statement amends this MOC to conform to such law or document.

Risk Pool Coverage Comparison Matrix

Comparison Point	CJPIA	MIC
Coverage Features	2015-16	2015-16
Liability Limit	$50 million per member, per occurrence	$50 million per member, per occurrence
Member Liability Self-Insured Retention/Deductible	First dollar coverage	$50,000
Pool Liability Program Retention	$2 million ($10 million for subsidence claims)	N/A - Non Risk Sharing Pool
Liability Coverage Includes General, Auto, Public Officials, Employment Practices	Yes	Yes
Front and back wages for EPL claims	No	Yes
Administration of Employee Benefit Program	?	Loss Adjustment Expenses included
Breach of Contract Claims	No	Yes, $50,000
Injunctive relief / non-monetary claims	?	Yes, $100,000
Land Subsidence Sub-Limit	$25 million	Included
Unemployment Protection Payment for CEO	Six Months Salary	Not Included
Cost of Coverage in dollars - includes indemnity, LAE, admin, excess	$168,038	$149,762
Claim Administration - GL	included	$5,000
Workers' Compensation Program Limit	Statutory	$100M
Member Workers' Compensation Self-Insured Retention/Deductible	First dollar coverage	$75,000
Pool Workers' Compensation Program Retention	$2 million	N/A - Non Risk Sharing Pool
Cost of Coverage in dollars - includes indemnity, LAE, admin, excess	$126,055	$85,605
Claim Administration - WC	included	$7,500
LC 4850 Benefits	No	Yes
Program Cost- audit, professional development, legal fees, website	inlcuded	$5,667
Management Fee/Commsion - negotiating lower premiums, standard commission - calucated based on coverage fees	n/a	$41,042
Group Purchase Insurance Programs Offered	Property, earthquake/flood, machinery breakdown, pollution legal liability, commercial crime bond, special events, vendors and contractors	Liability, Employment Practices Liability, Property including Machinery Breakdown & Workers' Compensation. Anciliary Lines such as Earthquake/Flood, Pollution Legal Liability, Special Events can be secured on a stand alone basis.
Crime		
Cost of Coverage in dollars	$992	$2,500
Deductible	$5,000	$10,000
Crime coverage limits	$1 million	$1 million
Property		
Cost of Coverage in dollars	14-15 premium $6,063	inlcuded
Deductible	$5,000	$10,000
Property Limit		$28,698,462
Liability Program Financial Features	(as of June 30, 2014)	(as of June 30, 2014)
Cost of Reinsurance and excess insurance included in the quote?	Yes	Yes
Cost of TPA included in the quote?	Yes	Yes; price is outlined seperately from coverage
Cost of attorney fees included in the quote?	Yes	Yes
Liability Program Net Assets	$71 million	N/A. MIC is a non pooling JPA. Members band together to achieve greater purchasing power and achieve a lower cost of risk without the tradional risk sharing pool that includes assessments to cover funding shortfalls.
Gross Member Contributions	$45 million	
Net Member Contributions (Gross contributions minus cost of reinsurance)	$39 million	
Loss Reserves (claims payable on the pool's balance sheet)	$82 million	
General operating expenses	$2.4 million	
Direct investment in training and risk management support	$1.8 million	
Liability Program Financial Ratio Comparison	(as of June 30, 2014)	(as of June 30, 2014)
Net contributions to net assets <3.0	0.55	N/A. MIC is a non pooling JPA. Members band together to achieve greater purchasing power and achieve a lower cost of risk without the tradional risk sharing pool that includes large assessment to cover funding shortfalls.
Loss reserves to net assets <2.5-3.5	1.15	
Net assets to SIR >10.0	35.5	
Operating expense ratio	6.2%	
Workers' Compensation Program Financial Features	(as of June 30, 2014)	(as of June 30, 2014)
Cost of Reinsurance and excess insurance included in the quote?	Yes	Yes
Cost of TPA included in the quote?	Yes	Yes; price is outlined seperately from coverage
Cost of attorney fees included in the quote?	Yes	Attorney's fees are billed to the claim file, if any
Workers' Compensation Program net assets	$25 million	N/A. MIC is a non pooling JPA. Members band together to achieve greater purchasing power and achieve a lower cost of risk without the tradional risk sharing pool that includes large assessment to cover funding shortfalls.
Member contributions	$29 million	
Loss Reserves (claims payable on the pool's balance sheet)	$88 million	
General operating expenses	$1.7 million	
Direct investment in training and risk management support	$1.3 million	
Workers' Compensation Program Financial Ratios	(as of June 30, 2014)	(as of June 30, 2014)
Member contributions to net assets <1.5	1.16	N/A MIC is a non pooling JPA. Members band together to achieve greater purchasing power and achieve a lower cost of risk without the tradional risk sharing pool that includes large assessment to cover funding shortfalls.
Net assets > one-third of loss reserves (net assets > 1.0)	0.85	
Net assets to SIR >10.0	12.50	
Operating expense ratio	5.9%	

Risk Pool Coverage Comparison Matrix

Comparison Point	CJPIA	MIC

Risk Pool Coverage Comparison Matrix

Comparison Point	CJPIA	MIC
Membership		
Number of Liability Program Members	117	3 Member Agencies
Total Payroll of Pool Members	$800 million	$30,834,966
Average Payroll Per Member	$6.8 million (range from $66,000 to $34.2 million)	$15,417,483
Average Population	30,779 (range from 1,048 - 105,808)	76,813
Percentage of California residents served by California JPIA members	20%	N/A
Number of Liability program members that have police departments	33	1
Number of Liability program members that have fire departments	25	1
Number of Liability program members that have police and fire departments	17	1
Membership/Withdrawal Features		
Minimum Commitment Period	1 year	3 year membership requirement but not required to purchase for second or third year
Notice of Withdrawal Requirement	12 months	Voluntary termination available after completing a 3 year term. (Coverage not required to be purchased in second or third year)
Withdrawal Penalties	None	None
Member Retains Eligibility for Equity Distributions Post Withdrawal	Member remains eligible for retrospective computation deposits/refunds	N/A
Underwriting Features		
Pooled Program Rating Basis	Payroll and loss experience relative to other members in pool. Liability program: police and non-police rated separately; WC program: public safety (fire and police) and non-public safety rated separately	Members are rated individually based upon payroll and loss experience.
Is Each Pooled Program Assessable	Yes	N/A. MIC is a non pooling JPA
Pooled Program Dividends are Calculated	No dividend. Refund of total net assets to members when surplus above 95% confidence level and other factors met	N/A. MIC is a non pooling JPA
Claim Management		
Cost Included in premium/contribution	Yes	No
Member manages Third Party Administrator	No	Yes
Member responsible for self-administration of claims	No	No
Member manages defense counsel	No (member can express preference)	Yes
Claim administration (in-house or contracted services)	Contracted (Liability-Carl Warren; WC - York)	Contracted (Keenan & Associates for WC & Liability)
Program Governance Features		
Number of Board Members	117 (one from each member agency)	3
Annual Board Meetings	1 (plus special meetings if necessary)	MIC has quarterly meetings
Number of Executive Committee Members	9	No Executive Committee
Annual Executive Committee Meetings	12 (plus special meetings if necessary)	No Executive Committee
Liability program administration staff expressed as FTE, whether in-house or contracted	23	Contracted (Keenan & Associates) - 23
Services contracted out	Investment advisor, actuary, auditor, broker, general counsel, defense counsel, bill review & other WC cost containment vendors, risk management evaluation of members; IT support; training instructors	As needed
General administration (in house or contract)	In house	Contracted (Keenan & Associates)

Risk Pool Coverage Comparison Matrix

Comparison Point	CJPIA	MIC
Member Services		
Number of training sessions FY 13/14	25,537 member employees and volunteers trained; 532 instructor led events to 12,880 employees, 10,687 web-based trainings	17,328 member employees & volunteers trained through Keenan SafePersonnel. 71 courses avaialable.
Training format	Instructor led, live webinars, on-demand webinars, DVD/Video	Live trainings & Keenan Safe Personnel online trainings available.
Areas of Training offered annually	Annual risk management education forum; seven specialized multi-day academies (elected officials, executives, public works, park & recreation, human resources, managers, and supervisors),OSHA required training, safety, driver training, insurance requirements for contracts, EPL, CPR/First Aid, other specialized programs	Loss Control and safety trainings specific to member's loss drivers, Keenan SafePersonnel trainings available broken out into six different categories: Emergency Management; Employment Practices/Supervosry; Environmental; Health; Human Resources; Transportation that are geared towards OSHA compliance as well as best best practices.
Learning Management System	Yes; offers members the ability to perform online tracking of employee training registration, attendance, and programs	Yes; members are provided access to Keenan SafePersonnel. A complete Web-based online training management system that proivdes training modules & the ability to perform tracking for all trainings (live or online). Members can also upload specific policies and assign as trainings.
Loss Control Inspections	Yes. Risk management evaluations are conducted every 2-4 years, and include in-depth review of health & safety, facility, playground, public safety, fleet, and transit exposures. In addition, annual property inspections are conducted for properties valued over a certain dollar amount (in conjunction with the Property Program).	Yes, available to address loss drivers.
Loss Control Services	Yes; in addition to programs mentioned above, members are provided with unlimited loss control services, including contract review, upon request.	Yes; Loss Control and safety trainings specific to member's loss drivers
Loss Control Budget	$2.1 million (risk management + training division budgets; additional funding for loss control services available through the claims budget was not included in calculation)	Included in MIC / Keenan contract. Additional loss control services can be scheduled as a separate contract between Keenan and the city.
Average Loss Control Expenditure per Member	$17,213 (no limit)	$0 services provided through MIC membership.
Evidence of Coverage letters	Online interface which allows members the ability to request and print evidence of coverage letters	E-Certs provides evidence of coverage directly to the members and any outside parties via email, fax and US mail.
Risk Management Assistance	Yes; help desk, 24-hour on-call system	Yes; Dedicated Account Management Team as well as online resources addressing risk management trainings and compliance tools available through P&C Bridge
Video Materials Library	Yes (DVD library has over 100 DVDs)	Yes; Keenan Safe Personnel training modules are both with audio and visual that allows to be shown in a group setting with laptop/projector
Annual or Periodic On-Site Risk Assessments	Yes; approximately every 2 years and upon request for specialized concerns	
Lexipol Services	Authority Pays Annual Fees; Set Up Fees Included, Policy Updates, Daily Bulletins, and Renewal Fees	Deep discount provided to members
Employment Practices Liability Consulting	Yes	No
Comprehensive Contract Review	Yes	Yes
Annual claim audits	Yes	No
File reviews with Members	Yes	Yes
Attendance at City Council meetings and closed sessions	Yes	Yes, as needed
Nurse Case Management (workers' compensation)	Yes	Yes
Return to Work Monitoring (workers' compensation)	Yes	Yes
Utilization Review and Bill Review (workers' compensation)	Yes	Yes
ScripNet Prescription Cards (workers' compensation)	Yes	Yes; Express Scripts
Member Communication		
Website	Yes	No
Annual Report to Members	Yes; CEO gives presentation at annual BOD meeting	Members are provided with quarterly presentations
Periodic Newsletter to Members	Yes; emailed monthly (articles, white papers, and template policies are always available in the online Resource Center)	Legislative Updates

RESOLUTION NO. 14-09

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CUDAHY, TO TERMINATE MEMBERSHIP IN THE CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (THE "JPIA") AT THE EARLIEST OPPORTUNITY AS PROVIDED FOR UNDER ARTICLE 24 OF THE JPIA'S JOINT POWERS AGREEMENT ADOPTED AUGUST 12, 2011

WHEREAS, the City of Cudahy is currently a member of the California Joint Powers Insurance Authority (the "JPIA"), subject to the Joint Powers Agreement adopted August 12, 2011; and

WHEREAS, the City Council wishes to explore alternative insurance coverage options with competing joint power authorities, municipal government insurance pools, or private insurance providers in the market, which provide a more compelling/ advantageous combination of economic and pricing factors, customer service, policy-making flexibility for the City, and training opportunities for council members and employees; and

WHEREAS, Article 24, subparagraph (c) of the Joint Powers Agreement adopted August 12, 2011 allows for withdrawal of membership as follows:

"After the initial one-year non-cancellable commitment to membership in the [JPIA] or participation in a joint protection program, a Member may withdraw only at the end of any protection period, provided it has given the [JPIA] a twelve-month written notice of its intent to withdraw from this Agreement and/or any joint protection programs in which it participates."

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 City Council directs the City Manager (or applicable City representative to the JPIA) to present the JPIA with a written notice of the City's intent to withdraw membership in the JPIA, and to present the written notice as soon as practicable.

SECTION 2. The notice should specify the City's intention to withdraw from the JPIA at the termination date allowed under Article 24, subparagraph (c) of the Joint Powers Agreement, which is described as the "end of the protection period, provided it has given the [JPIA] a twelve-month written notice", or June 30, 2015;

SECTION 3. This resolution shall take effect immediately upon its adoption, except as otherwise provided herein. The Mayor shall sign this resolution and the City Clerk shall attest and certify to the passage and adoption thereof.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Cudahy at its regular meeting on this 21st day of January, 2014.

Jack Guerrero, Mayor

ATTEST:

Angela Bustamante,
Deputy City Clerk

APPROVED AS TO FORM

~~Rick Olivarez~~, RICHARD Padilla
Asst. City Attorney

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

I, Angela Bustamante, Deputy City Clerk of the City of Cudahy, hereby certify that the foregoing Resolution No. 14-09 was passed and adopted by the City Council of the City of Cudahy at a regular meeting held on the 21st day of January, 2014 and that said Resolution was adopted by the following vote, to-wit:

AYES: Councilmember Markovich, Oliva, Vice Mayor Garcia, Mayor Guerrero

NOES: Councilmember Sanchez

ABSENT:

ABSTAIN:

Angela Bustamante
Deputy City Clerk

Municipal
Insurance
Cooperative

MUNICIPAL INSURANCE COOPERATIVE
JOINT EXERCISE OF POWERS AGREEMENT

Supersedes any prior agreement

MUNICIPAL INSURANCE COOPERATIVE (MIC)
JOINT EXERCISE OF POWERS AGREEMENT

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MUNICIPAL INSURANCE COOPERATIVE (MIC)
JOINT EXERCISE OF POWERS AGREEMENT

TO ESTABLISH, OPERATE, AND MAINTAIN A JOINT PROGRAM

THIS AGREEMENT is entered into pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Sections 6500, et seq.) of the California Government Code, relating to the joint exercise of powers, between the public agencies signatory hereto, and also those which may hereafter become signatory hereto, for the purpose of operating an agency to be known and designated as Municipal Insurance Cooperative (MIC) (hereinafter referred to as the Authority).

WITNESSETH:

WHEREAS, it is to the mutual benefit of the parties herein subscribed and in the best public interest of said parties to join together to establish this Joint Exercise of Powers Agreement to accomplish the purposes hereinafter set forth; and

WHEREAS, the signatories hereto have determined that there is a need, by public agencies, for a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability and optional Crime insurance; and

WHEREAS, it has been determined by such signatories that a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability and optional Crime insurance is of value on an individual and mutual basis; and

WHEREAS, Title 1, Division 7, Chapter 5, Article 1, of the California Government Code authorizes joint exercise by two or more public agencies of any power common to them; and

WHEREAS, it is the desire of the signatories hereto to jointly provide for a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability and optional Crime insurance for their mutual advantage and concern; and

WHEREAS, it is the desire of the signatories hereto to study and from time to time to incorporate other forms of property, casualty or employee benefit health and welfare programs into a Joint Purchasing Program such as that described herein.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL ADVANTAGES TO BE DERIVED THEREFROM, AND IN CONSIDERATION OF THE EXECUTION OF THIS AGREEMENT BY OTHER PUBLIC AGENCIES, EACH OF THE PARTIES HERETO DOES AGREE AS FOLLOWS:

1. CREATION OF THE JOINT POWERS ENTITY

A joint powers entity, separate and apart from the public agencies signatory hereto, shall be and is hereby created and shall hereafter be designated as the Municipal Insurance Cooperative (MIC) (hereinafter referred to as the Authority).

2. FUNCTIONS OF THE AUTHORITY

A. The Authority is established for the purposes of administering this Agreement, pursuant to the provisions of the California Government Code, and of providing the services and other items necessary and appropriate for the establishment, operation and maintenance of a Joint Purchasing Program for Workers' Compensation, General Liability, Property, Employment Liability, and optional Crime Insurance Program protection for the public agencies who are Members thereof, and to provide a forum for discussion, study, development and implementation of recommendations of mutual interest regarding other programs.

B. The functions of the Authority are:

(1) To provide a Joint Purchase Program and system for Workers' Compensation, General Liability (including Employment Liability), Property, optional Crime insurance, and such other optional individual coverages as are required by a Member, and as such, to perform, or contract for the performance of, the financial administration, policy formulation, claim service, legal representation, safety engineering, and other services as necessary for the payment and handling of all Workers' Compensation, General Liability, Property, Employment Liability, and Crime insurance claims, and such other optional individual coverages as are required by Members.

(2) To pursue the Member's right of Subrogation against a third party when in the discretion of the Authority the same is appropriate. Any and all proceeds resulting from the assertion of such Subrogation rights shall accrue to the benefit of the Member.

3. POWERS OF THE AUTHORITY

The Authority shall have the power and authority to exercise any power common to the public agencies which are parties to this Agreement, provided that the same are in furtherance of the functions and objectives of this Agreement as herein set forth. Pursuant to Section 6509 of the California Government Code, the exercise of the aforesaid powers of the Authority shall be subject to the restrictions upon the manner of exercising such powers by a public agency having the same status as a member agency or joint powers authority except as otherwise provided in this Agreement.

In specific, the Authority shall have the following powers:

(1) To enter into contracts.

(2) To obtain appropriate other coverage as determined by the Authority.

(3) To acquire, hold, and dispose of property, real and personal, all for the purpose of providing the membership with the necessary administration, education, study, development, and implementation of a Joint Program including, but not limited to, the acquisition of facilities and equipment, the employment of personnel, and the operation and maintenance of a system for the handling of the Joint Program.

(4) To incur debts, liabilities, and obligations necessary to accomplish the purposes of this Agreement.

(5) To receive gifts, contributions, and donations of property, funds, services, and other forms of assistance from persons, firms, corporations, associations, and any governmental entity.

(6) To invest funds as deemed appropriate by the Authority, and as subject to law.

(7) To provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other Joint Programs.

(8) To sue and be sued in the name of the Authority.

(9) To perform such other functions as may be necessary or appropriate to carry out this Agreement, so long as such other functions so performed are not prohibited by any provision of law.

(10) To join other joint powers authorities to provide services and coverages to the Authority.

4. TERM OF THE AGREEMENT

This Agreement shall be effective and binding on any signatory thereto upon execution. This Agreement shall continue in effect until lawfully terminated as provided herein and in the Bylaws. In the event of a reorganization of one or more of the public agencies participating in this Agreement, the successor or successors in interest to the assets and/or obligations of any such reorganized public agency shall succeed as a party or as parties to this Agreement. However if the reorganization creates a material change in the risk profile of the public agency as determined by the Authority's Board of Directors, then continuing membership by such reorganized agency will be subject to Board approval.

5. BYLAWS

A. The Authority shall be governed pursuant to certain Bylaws, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference, and by such amendments to the Bylaws as may from time to time be adopted. Wherever in this Agreement "Bylaws" are referred to, said Bylaws shall be those set forth in Exhibit "A", as may be amended. Each party to this Agreement agrees to comply with and be bound by the provisions of said Bylaws and further agrees that the Authority shall be operated pursuant to this Agreement and said Bylaws.

B. Procedures for amending the Bylaws shall be as provided in the Bylaws so long as not inconsistent with this Agreement.

6. MEMBERSHIP IN THE AUTHORITY

A. Each party to this Agreement must be eligible for membership in the Authority as defined in this Agreement and shall become a Member of the Authority on the effective date of this Agreement, except as provided herein below. Each party which becomes a Member of the Authority shall be entitled to the rights and privileges of, and shall be subject to the obligations of, membership as provided in this Agreement and in the Bylaws.

B. Upon two-thirds (2/3) vote of the Members present at a Board of Directors' meeting, any public agency that is not a party hereto but that desires to join the Authority created hereby, may become a Member hereof by executing a copy of this Agreement whereby said public agency agrees to comply with the terms of this Agreement and of the Bylaws effective as of the date of such execution.

7. WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

A. Any party to this Agreement which has completed a three year term as described in the Bylaws as a Member of the Authority may voluntarily terminate this Agreement as to itself and withdraw from membership in the Authority. Such termination and withdrawal of membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.

B. Termination by any party to the Agreement shall not be construed as a completion of the purpose of the Agreement and shall not require the repayment or return to the parties of all or any part of any contributions, payments, or advances made by the parties until the Agreement is terminated as to all parties.

C. A Member may be involuntarily terminated from the Authority upon two-thirds (2/3) vote of the Members present at a Board of Directors' meeting, as provided in the Bylaws. Such removal from membership shall become effective subject and according to the conditions, manner and means set forth in the Bylaws.

8. TERMINATION OF AGREEMENT

This Agreement may be terminated effective at the end of any fiscal year by a two thirds (2/3) vote of the Members present at a Board of Directors' meeting, provided, however, that the Authority and this Agreement shall continue to exist for the purpose of disposing of all obligations, distribution of assets, and all other functions necessary to conclude the affairs of the Authority.

9. DISPOSITION OF PROPERTY, FUNDS AND OBLIGATIONS

A. In the event of the dissolution of the Authority or other final termination of this Agreement by the public agencies then a party hereto, any property interest remaining in the Authority following a discharge of all obligations shall be disposed of as provided for in the Bylaws.

B. In the event a Member withdraws from this Agreement, any property interest of that Member remaining in the Authority following discharge of all obligations shall be disposed of as provided for in the Bylaws.

C. After the completion of the Authority's purpose, any surplus money remaining shall be returned to the current members hereto in proportion to the contributions made.

10. AMENDMENTS

This Agreement may be amended at any time by a subsequent written agreement signed by two thirds (2/3) of the parties hereto. Any such amendment shall be binding upon all parties hereto upon the date of final execution of the subsequent written agreement by two thirds (2/3) of the parties thereto.

11. SEVERABILITY

Should any portion, term, condition, or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or any other applicable law, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

12. LIABILITY

A. Pursuant to Section 6508.1 of the California Government Code, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the parties to this Agreement. However, the Members remain liable to the Authority for contributions assessed by the Authority to pay its debts, liabilities or obligations.

B. The Authority may insure/reinsure itself, to the extent deemed necessary or appropriate by the Board of Directors, against loss, liability, and claims arising out of or connected with this Agreement.

13. ENFORCEMENT

The Authority is hereby given authority to enforce this Agreement.

14. MULTIPLE COUNTERPARTS

The Agreement may be executed in multiple counterparts, each of which shall be considered an original.

15. DEFINITIONS

The terms used herein and in the Bylaws shall have the following meanings:

A. the Authority shall mean the Municipal Insurance Cooperative, a joint powers authority created by this Agreement.

B. "Board of Directors" shall mean the governing board of the Authority established by the Bylaws to direct and control the Authority.

C. "Claim Liability" shall mean those liabilities established by the Authority which represent Joint Program liabilities as respects to claims that have been incurred but unpaid and incurred but not reported.

D. "Contribution" shall mean money paid by a Member to the Authority, or monies assessed a Member of the Authority.

E. "Joint Program" shall mean the group purchasing of insurance/reinsurance or the setting aside of funds and reserves to pay for a self-insured retention or for losses not covered by insurance/reinsurance.

F. "Member" shall mean an individual California public agency, or joint powers authority comprised solely of California public agencies, that has executed this agreement.

G. "Memorandum of Coverage" shall mean the description of the scope of protection provided to the Members for Program claims.

H. "Obligations" shall mean, but not be limited to, all payments required by law together with all Claim Liabilities and any other legal obligations incurred by the Authority pursuant to this Agreement and Bylaws.

J. "Program Year" shall mean one year of the Joint Program, separate from each and every other Program Year and shall operate on a fiscal year from July 1st through June 30th, or as otherwise determined by the Board of Directors.

L. "Subrogation" shall mean the recovery of payments which the Authority has made on behalf of a Member. Subrogation monies received are the properties of the Authority and for the Basis of Contribution are credited to the account of the Member.

16. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Authority and the Members, and as such, supersedes all prior agreements, understandings, negotiations and representations. All section headings in this Agreement are for convenience only and are not to be construed as modifying or governing the language in the section referred to or to define or limit the scope of any provision of this Agreement.

17. CONTROLLING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized officers thereunto duly authorized as set forth herein below.

Member: _____

Date: _____

Print Name: _____

By: _____

Title: _____

Municipal Insurance Cooperative

Exhibit A

BYLAWS

BYLAWS

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BYLAWS

MUNICIPAL INSURANCE COOPERATIVE

PREAMBLE

Municipal Insurance Cooperative (MIC) ("Authority") is established for the purpose of providing the services and other items necessary and appropriate for the establishment, operation, and maintenance of a Joint Purchasing Program for Workers' Compensation, General Liability, Property, and Employment Liability and an optional Crime Insurance Program protection for the public agencies who are Members hereof, and to provide a forum for discussion, study, development, and implementation of recommendations of mutual interest regarding other programs of insurance and self insurance.

ARTICLE I
BOARD OF DIRECTORS

A. A Board of Directors is hereby established to direct and control the Authority.

B. Each Member of the Authority shall be entitled to appoint one representative and one alternate to the Board of Directors. The Board representative and the alternate must be employees or authorized agents of the Member and shall serve at the pleasure of the member by whom appointed. Only the designated Board representative or designated alternate may represent a Member, and the alternate may act as Director only in the absence of the representative. The designated representative and designated alternate may invite members of their agencies' staffs or consultants to attend meetings of the Board of Directors in an advisory capacity only.

C. The Board of Directors will conduct meetings consistent with the Ralph M. Brown Act, provided, however, that it will hold at least one regular meeting each fiscal year. The date, time, and place for each such regular meeting shall be fixed by the Board of Directors, which shall be publicly posted prior to the meeting on a public bulletin board to be designated by the Board of Directors and filed with each Member of the Authority. All meetings of the Board of Directors shall be called, held, and conducted in accordance with the terms and provisions of the Ralph M. Brown Act (Sections 54950, et seq., of the California Government Code), as said Act may be modified by subsequent legislation, and as the same may be augmented by rules of the Board of Directors not inconsistent therewith. The Board of Directors will cause minutes of its meetings to be kept, and post the true and correct copies of the minutes of such meetings after Board approval

D. The Board of Directors, by resolution, shall designate a specific location at which it will receive notices, correspondence, and other communications. All notices shall be in writing and shall be sufficient if delivered to the notice address of each party, as previously designated or as otherwise designated by a party in writing to each of the other parties.

E. The Board of Directors may establish and dissolve operating committees and establish the authority granted to such committees and their operating policies. The Board Chair shall appoint the Chairperson and members of committees from the Authority's active membership.

F. The Board of Directors may establish, revise and discontinue policies related to the operation of the Authority and such approved policies are binding upon the Members unless otherwise specified by policy by the Board of Directors.

G. The Board of Directors shall determine contributions and the method by which contributions will be paid to a General Fund. The Board of Directors shall also provide for additional assessments during the year, if necessary or appropriate, to allow for increased costs and expenses that may occur. The Board of Directors shall insure that a complete and accurate system of accounting of the General Fund shall be maintained at all times consistent with established auditing standards and accounting procedures.

H. The Board of Directors shall review coverages that are provided to Members through the Memorandum of Coverage, established policies and procedures for claims administration.

I. The Board of Directors shall approve the terms of all related insurance, excess insurance, reinsurance and other agreements, including the terms of coverage, claims services, cost and compensation.

J. The Board of Directors shall directly or by contract provide for services required to effectively implement all aspects of this Joint Program.

ARTICLE II
RULES OF THE BOARD OF DIRECTORS

A. The Board of Directors may establish rules governing its own conduct and procedure and have such expressed or implied authority as is not inconsistent with, or contrary to, the laws of the State of California, these Bylaws, or the Joint Powers Agreement.

B. A quorum for the transaction of business by the Board of Directors shall consist of a majority of the Board of Directors.

C. No one serving on the Board of Directors shall receive any salary or compensation from the Authority.

D. The Board of Directors may approve reimbursement for expenses incurred at its direction.

E. Each Member shall have one vote.

ARTICLE III
OFFICERS

A. Principal Officers shall be a Chair, a Vice Chair, Secretary, and a Treasurer. The Officers of the Authority shall serve a term of two years, beginning July 1 of even-numbered years, except in the formation year the initial term will run from the date of formation until July 1.

B. Election of Officers:

1. The Board shall elect a Chair and Vice-Chair, Secretary, and Treasurer from among the Directors.

2. Officer elections shall take place at the last regularly scheduled Board of Directors meeting in even-numbered Program Years. Directors may make nominations of individuals who meet the requirements for the office at the time of election. If such nomination is seconded, the nominated individual shall be a candidate for that office for which the candidate was nominated. The candidate with the greatest number of votes shall assume the office.

3. Any person elected as an officer may be removed at any time, with or without cause, by a majority vote of the Board of Directors.

4. All vacancies arising may be filled at any time by a two-thirds vote of the Directors present at that Board of Directors meeting using the same procedures as specified above. Officers elected by such procedure shall serve the remaining term of the vacant position.

C. The Chair shall sign all contracts on behalf of the Authority and shall perform the duties normal to such office, and shall perform such other duties as may be imposed by the Board. The Vice-Chair shall perform all of the Chair's duties in the absence of the Chair.

D. The Secretary shall be the chief administrative officer of the Authority. The Secretary's duties include recording all votes and the minutes of all proceedings. As soon as possible after each meeting, the Secretary shall cause a draft copy of the minutes to be forwarded to each Director and to the Authority. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors when notice is required by law or these Bylaws, and shall cause a copy of this Agreement and any amendments thereto to be filed with the Secretary of State within 30 days of the effective date thereof pursuant to Government Code Section 6503.5. The Secretary shall have such other powers and perform such other duties as may be prescribed from time to time by the Board of Directors or the Chair.

E. The Treasurer shall serve as the chief financial officer of the Authority, without the need to post an official bond, and fulfill the requirements of the California Government Code. The Treasurer shall oversee third party professionals, approved by the Board of Directors, in connection with the following:

1. Receipt of all money of the Authority and place it in the designated depository to the credit of the Authority.

2. Be responsible for the safekeeping and disbursement of all money of the Authority.

3. Pay, when due, out of money of the Authority all legitimate and verifiable sums payable by the Authority.

4. Verify and report in writing at least annually to the Board of Directors the amount of money held for the Authority, the amount of receipts since the last Treasurer's Report, and the amount paid out since the last Treasurer's Report.

5. Cause to be established suitable funds and accounting procedures to carry out the purposes of the Authority.

6. Act as custodian of the Authority's property.

7. Cause the books and records of the Authority in the hands of the Treasurer to be open for inspection at reasonable times by all Members of the Authority.

The Treasurer shall have such other powers and perform such other duties as may be prescribed from time to time by law or by the Board of Directors or the Chair.

ARTICLE IV
MANAGER

All decisions related to the Authority and the Joint Program shall be made by the Board of Directors and/or Officers. The Authority may contract with a company with demonstrated expertise and experience to assist the Authority with the management and operation of the Authority (the "Manager"). The services to be provided by the Manager and the compensation to be earned shall be as determined and approved by the Board of Directors.

ARTICLE V
FINANCE

A. The Authority shall operate on a fiscal year from July 1 through June 30.

B. The Board of Directors shall adopt, on or before June 1st, a preliminary budget estimating the amount of money that will be needed for the ensuing year. On or before June 30, the Authority shall adopt a final budget showing each of the purposes for which the Authority will need money and the estimated amount of money that will be needed for each purpose for the ensuing fiscal year. A copy of the budget shall be provided to each of the Directors.

C. Each Member that actually purchases coverage from the Authority shall pay to the Authority a Contribution as calculated and adopted by the Board of Directors pursuant to the following:

1. Member's premium based upon each Member's Payroll, Total Insurable Values, Loss History, Unusual Exposures and other information relative to providing coverage purchased by the Member as determined by the reinsurers. This shall be considered the Base Contribution Rate.

2. A share of all other costs as determined by the Authority based on each Member's percentage of premium paid as defined in C.1 to the total premium of all Members purchasing products.

3. Contributions are due and payable on receipt of invoice unless payment terms defined differently on invoice. Late Payment of Contributions are subject to late payment penalties as determined and approved by the Board of Directors.

D. Each Program Year of the Authority shall be accounted for separately from every other Program Year in regard to its assets and Obligations.

E. A General Fund if necessary shall be established and maintained to receive monies, pay operating expenses, hold reserves and pay claims of the Authority. The Authority shall accept and deposit in the General Fund all monies received.

F. An Operating Account if necessary shall be established and maintained out of monies received and deposited in the General Fund for:

1. Insurance/reinsurance premiums;
2. Claims management expenses;
3. Safety engineering;
4. Data processing costs;
5. Administration and Professional Services, and Miscellaneous operating expenses;
6. Loss Control.

ARTICLE VI
MEMORANDUM OF COVERAGE

A. As soon as practicable following the effective date of each Program Year, the Board of Directors shall issue to each Member a Memorandum of Coverage.

B. The Memorandum of Coverage shall contain:

1. Declarations of coverage and Member Contributions;
2. The scope of protection provided; and
3. Other terms and conditions determined by the Board of Directors.

ARTICLE VII
ACCOUNTS AND RECORDS

A. The Authority shall designate a depository in accordance with California Government Code 6505.5 and 6505.6.

B. The Authority is strictly accountable for all funds received and disbursed by it and, to that end, the Authority shall establish and maintain such funds and accounts as may be required by the Governmental Accounting Standards Board or by any provision of law or any resolution of the Authority. Books and financial records of the Authority shall be open to inspection at all reasonable times by representatives of the Members. The Authority, as soon as practical after

the close of each fiscal year, shall give, or cause to be given, a complete written report of all financial activities for such fiscal year to each Member of the Authority.

C. The Board of Directors shall make, or contract with a Certified Public Accountant to make, an annual audit of the accounts, records, and financial affairs of the Authority. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for Special Districts under Section 26909 of the California Government Code and shall conform to Generally Accepted Auditing Standards and accounting principles. When such an audit of accounts and reports is made by a Certified Public Accountant, a report thereof shall be filed within twelve (12) months of the end of the fiscal year under examination with the State Controller and county auditor. Any costs of the audit, including contracts with, or employment of Certified Public Accountants in making the audit(s) provided for herein, shall be appropriate administrative charges against the funds of the Authority.

ARTICLE VIII
RISK MANAGEMENT

The Board of Directors of the Authority may adopt recommended minimum standards for risk management/loss control practices. These standards and best practices shall be reviewed by each Member as part of each Member's risk management practices.

ARTICLE IX
WITHDRAWAL FROM OR TERMINATION OF MEMBERSHIP

A. Any Member having completed three complete program years as a Member of the Authority may withdraw from its status as a Member and party to the Joint Powers Agreement at the end of the fiscal year subject to the following terms and conditions. Provisional notice must first be submitted by notifying the Board of Directors of the Authority of its intention, in writing, prior to December 31 of the fiscal year.

B. The Member filing the provisional notice of withdrawal may then effectuate its withdrawal by giving the Authority final written notice, together with a copy of the Member's Board resolution or meeting minutes authorizing such action, at least three (3) months prior to the start of the new Program year.

C. The incurred claims, incurred but not reported claims, and all unearned contributions of the withdrawing Member shall leave with the Member.

D. A Member may be involuntarily terminated from the Authority upon a vote of two-thirds (2/3) of the Directors representing the remaining Members. Involuntary termination shall become effective at the end of the Program year in which the action is taken or upon such other date as the Board of Directors may specify, but in no case less than sixty (60) days after notice of involuntary termination is given. The responsibility and participation of an involuntarily terminated Member shall be the same as stated in Paragraph C of this Article.

E. Grounds for involuntary termination include, but are not limited to, the following:

1. Failure or refusal to abide by the Agreement or Bylaws;

2. Failure or refusal to fulfill the Member's responsibility to participate in Authority governance.

3. Failure or refusal of a Member to abide by an amendment which has been adopted by the Board of Directors or by the Members of the Authority as provided in the Agreement or these Bylaws;

4. Failure or refusal to pay Contributions or assessments to the Authority as provided in the Agreement or Bylaws;

5. Failure to comply with risk management or safety standards implemented by the Authority

6. Failure of a Member to disclose a material fact to the Authority or its Manager.

ARTICLE X
DISPOSITION OF PROPERTY AND FUNDS

A. In the event of the dissolution of the Authority or other final termination of the Joint Powers Agreement, any funds or property interest remaining in the Authority following a discharge of all Obligations shall be distributed to current Members in proportion to contributions made.

B. If the Authority determines a return of contributions is to be declared, such return of contributions shall be computed in proportion to contributions made.

ARTICLE XI
INVESTMENT OF SURPLUS FUNDS

A. The Authority shall have the power to invest or cause to be invested, in compliance with Section 6509.5 of the California Government Code, such funds as are not necessary for the immediate operation of the Authority as allowed by Section 53600 et seq of the California Government Code.

B. The level of cash to be retained for the actual operation of the Authority shall be determined by the Authority.

ARTICLE XII
AMENDMENT

A. Amendment to these Bylaws may be proposed by any Member of the Authority.

B. All amendments to these Bylaws must be approved by a two-thirds (2/3) vote of the Directors present at a Board of Directors meeting before the amendment shall become effective. Such amendments shall be binding upon all Members of the Authority. The effective date of any amendment will be on the first day of the next month following adoption, unless otherwise stated.

ARTICLE XIII
SEVERABILITY

Should any portion, term, condition, or provision of these Bylaws be decided by a court of competent jurisdiction to be illegal or in conflict with any law of the State of California, or be otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms, conditions, and provisions shall not be affected thereby.

ARTICLE XIV
EFFECTIVE DATE

These Bylaws, as they may be amended from time to time, shall become effective immediately upon the effective date of the Joint Powers Agreement. Amendments to these Bylaws become effective as stated in Article XI.

The Agreement may be executed in multiple counterparts, each of which shall be considered an original.

ARTICLE XV
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Funds of the Authority may be used to defend, indemnify, and hold harmless any Officer or Director of the Authority for any liability arising from their actions on behalf of the Authority, except that liability arising from willful misconduct may not be indemnified. Nothing herein shall limit the right of the Authority to purchase insurance to provide such coverage.

ARTICLE XVI
SEPARATION OF ENTITIES

No officer, agent, or employee of the Authority shall be deemed, by reason of such position, to be an officer, agent or employee of a Member or be subject to any of the requirements of a Member.

Item Number
10B

STAFF REPORT

Date: May 19, 2015

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

From: Jose E. Pulido, City Manager/Executive Director
By: Victor H. Ferrer, Deputy City Clerk

Subject: **Consideration of Adopt Ordinance No. 647 by Second Reading Amending Cudahy Municipal Code Section 5.08.070 to Allow Charitable Bingo Games**

RECOMMENDATION

The City Council is requested to adopt Ordinance No. 647, allowing charitable bingo games in the City, by a second reading of the title only.

BACKGROUND

1. In early 2014, the Aging and Senior Commission expressed an interest in conducting raffles and bingo games for charitable purposes.

2. On April 15, 2014, during a regular City Council meeting, the City Attorney's Office presented a report to the City Council outlining the manner in which bingo games and raffles may be conducted under state law. To summarize the presentation, raffles and bingo games conducted by City commissions have not been done correctly.

3. On October 13, 2014, during an Aging and Senior Commission meeting, the City Attorney presented a report to the Commission to outline the manner in which bingo games and raffles may be conducted under state law. At the conclusion of the presentation, the Commission expressed a desire to continue to play bingo with the understanding that the games would be donation-based (no tickets may be sold and participants cannot be required to purchase a ticket), and further, sale-based charitable bingo games may not be conducted by any person or organization in the City without an ordinance authorizing such games.

4. On April 21, 2015, during a City Council meeting, special counsel and former U.S. Prosecutor from the law firm of Arent Fox LLP made a presentation before the City Council advising the City Council and staff of the State and criminal laws that govern bingo games when played for consideration. Upon conclusion of the presentation, the City Council directed staff to draw up the necessary documentation for a first reading of the proposed bingo games ordinance at the

May 5, 2015 City Council meeting.

5. On May 5, 2015, the during a City Council meeting, the City Council introduced Ordinance No. 647 by first reading.

6. On May 14, 2015, the City Clerk's Office published a summary of Ordinance No. 647 on the Press-Telegram newspaper that circulates in the South East Los Angeles area.

ANALYSIS

In order to authorize charitable bingo games within the City of Cudahy, the City must adopt an ordinance authorizing such games. The proposed ordinance is compliant with state law and similar to cities' ordinances regulating bingo games across the state. The adoption of the proposed ordinance will allow eligible organizations to conduct charitable bingo games in the City of Cudahy. The attached ordinance will authorize certain organizations to conduct charitable bingo games within the City of Cudahy, so long as they are conducted pursuant to state and local law.

Raffles and bingo games are considered lotteries under state law, which are generally illegal. Operators of such games are subject to prosecution by the District Attorney. See *People v. Shira* (1976) 62 Cal.App.3d 442; California Attorney General Opinion No. 98-1101 (1999). A lottery has three essential elements: (1) a prize, (2) distributed by chance, and (3) payment of consideration. Under state law, raffles and bingo games are permitted for charitable purposes, under certain conditions, conducted by eligible organizations, and charitable bingo games must be authorized under a municipal ordinance. At the moment, the City does not have the required ordinance permitting charitable bingo by eligible organizations to make such games legal when conducted within the City.

Upon the adoption of the proposed ordinance, eligible organizations will be able to conduct charitable bingo games. Unfortunately, City commissions likely do not qualify as eligible organizations. However, if the City wishes to be involved in assisting charitable bingo games for seniors, the City Attorney's Office recommends that staff no longer accept donations from seniors in connection with the bingo games. The City does not have sufficient staff to oversee the operation of the bingo games and the collection of funds to ensure compliance with state law. Instead, the City Attorney recommends that the City consider two options listed below after adoption of an ordinance authorizing charitable bingo games.

Option #1: The City may contact any eligible seniors' organizations that have been in existence to see whether the organization would be interested in conducting charitable bingo games (which would require a City license). Receipts of the game must be used for charitable purposes.

Option #2: A new seniors' organization is created and that organization may get a license to conduct charitable bingo raffles. Note: this organization cannot be created with the sole purpose of operating charitable bingo games. Receipts of the game must be used for charitable purposes.

Under Government Code section 36931 et seq. the adoption of the attached ordinance requires the City Council to make two readings, once to introduce it and a second time to adopt it, at least five days later, at a regular City Council meeting. To be valid, all ordinances must be signed by the Mayor

(or Vice Mayor if no Mayor is in place) and attested by the City Clerk. [1] The City Clerk is required to post ordinances within 15 days, which take effect on the 31st day after passage. [2]

CONCLUSION

The City Attorney's office recommends that the City Council approve the proposed Ordinance authoring charitable bingo games.

FINANCIAL IMPACT

The Council's adoption of an ordinance authorizing charitable bingo games will not increase or impact City costs once the ordinance becomes effective.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT)

The actions contemplated herein do not constitute a project subject to the California Environmental Quality Act, Public Resources Code §§ 21000 et seq. "CEQA" and its implementing regulations, 14 Cal. Code Regs. §§ 15000 et seq. (the "CEQA Guidelines"), and they will not result in a direct or reasonably foreseeable indirect physical change to the environment. CEQA Guidelines §§ 15060(c)(2)-(3), 15378

ATTACHMENT

A. Ordinance No. 647

[1] Government Code section 36932.
[2] Government Code section 36933(a).

ORDINANCE NO. 647

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CUDAHY, CALIFORNIA, AMENDING SECTION 5.08.070 (BINGO) OF CHAPTER 5.08 (BUSINESS LICENSE TAX – PARTICULAR BUSINESSES) OF TITLE 5 (BUSINESS LICENSES AND REGULATION) OF THE CUDAHY MUNICIPAL CODE RELATING TO THE REGULATION OF BINGO GAMES AND REMOTE CALLER BINGO GAMES

THE CITY COUNCIL OF THE CITY OF CUDAHY DOES ORDAIN AS FOLLOWS:

Section 1. Code Amendment. Section 5.08.070 of Chapter 5.08 of Title 5 of the Cudahy Municipal Code is hereby deleted in its entirety.

Section 2. Code Amendment. Section 5.08.070 of Chapter 5.08 of Title 5 of the Cudahy Municipal Code is hereby added to read as follows:

"SECTION 5.08.070"

BINGO GAMES

A. Short title.
B. Authority for enactment.
C. Definitions.
D. Bingo games authorized; remote caller bingo authorized.
E. California Penal Code Section 326.3 incorporated.
F. California Penal Code Section 326.5 incorporated.
G. Permit required.
H. Application for permit.
I. Contents of permits.
J. Permit Fee.
K. Duration of Permit.
L. Investigation by police.
M. Change in facts must be reported.
N. Posting of permit and rules.
O. Operation and staffing of games.
P. Bingo manager.
Q. Bingo manager permit.

R. Hours and days of operation.
S. Rules of operation.
T. Proceeds from games must be kept in separate fund.
U. Inspection of premises.
V. Permit revocation.
W. Appeal.
X. Audit and accounting requirements.
Y. Civil remedies and criminal penalties.

Section A. Short title.

This chapter may be cited as the City of Cudahy Bingo Ordinance.

Section B. Authority for enactment.

This chapter is enacted pursuant to Article IV, Section 19(c) of the California Constitution and Penal Code Sections 326.3 and 326.5.

Section C. Definitions.

Unless specifically defined below, words or phrases used in this chapter shall be interpreted so as to give them the meaning they have in common usage and to give this chapter its most reasonable application:

"Bingo" has the meaning set forth in Penal Code Section 326.5(o) as it now exists or may hereafter be amended.

"Calendar week" means Monday through Sunday.

"City manager" means the city manager of the City of Cudahy or any person he or she designates to enforce the requirements of this chapter.

"Conduct," "operate" and "staff' all mean persons directly involved in the conduct of a bingo game and include, but are not limited to, calling numbers, distributing cards, and the awarding of prizes.

"Permittee organization" means an organization to which the city manager has issued a permit to conduct bingo games under this chapter.

"Premises" means real property within the city on which bingo games are or may be permitted under this chapter and which are: (i) owned or leased by an organization, or property the use of which is donated to the organization, and (ii) which is used by that organization for an office or for performance of the purposes for which the organization is organized. Premises need not be used or leased exclusively by, or donated exclusively to, a permittee organization.

"Remote caller bingo game" has the meaning set forth in Penal Code Section 326.3(u)(1) as it now exists or may hereafter be amended.

"Security personnel" means one or more persons exclusively employed to protect persons and property at bingo games.

Section D. Bingo games authorized; remote caller bingo games authorized.

1. Nothing in this chapter shall prohibit the holding of any bingo games in compliance with the requirements of this chapter by organizations exempted from payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23791k, 23701/ and 23701w, and of the Revenue and Taxation Code, or by mobilehome park associations and senior citizens organizations, and school districts, provided that the proceeds of such games are used solely for charitable purposes.

2. Bingo games for charitable purposes are authorized pursuant to Section 19, Article IV of the California Constitution, and Penal Code Section 326.5, and in accordance with the provisions of this chapter. Eligible organizations may apply for a permit to conduct bingo games in the city under the provisions of Penal Code Section 326.5 and the provisions of this chapter.

3. Remote caller bingo games for charitable purposes are authorized pursuant to Section 19, Article IV of the California Constitution, and Penal Code Sections 326.3 and 326.4. Remote caller bingo games shall be conducted in accordance with Penal Code sections 326.3 and 326.4 and this chapter and only by organizations exempted from payment of the bank and corporation tax by Sections 23701a, 23701b, 23701d, 23701e, 23701f, 23701g, 23791k, 23701/ and 23701w, and of the Revenue and Taxation Code, or by mobilehome park associations, senior citizens organizations, and charitable organizations affiliated with school districts. In addition, no organization shall be authorized to conduct remote caller bingo games unless the organization (i) has been incorporated or in existence for three or more years; and (ii) has a city-issued permit to conduct bingo games.

Section E. California Penal Code Section 326.3 incorporated.

The provisions of Penal Code Section 326.3 and 326.4 are incorporated herein by this reference and apply along with provisions of this chapter to control remote caller bingo games authorized by this chapter. In the event of any conflict between the provisions of this chapter and Penal Code Section 326.3 and 326.4, Penal Code sections 326.3 and 326.4 shall control.

Section F. California Penal Code Section 326.5 incorporated.

Notwithstanding the provisions of Penal Code Section 326.5(a), the provisions of Penal Code Section 326.5 are incorporated herein by this reference and apply along with provisions of this chapter to control bingo games authorized by this chapter. In the event of any conflict between the provisions of this chapter and Penal Code Section 326.5, Penal Code Section 326.5 shall control.

Section G. Permit required.

No person or organization may conduct or allow another to conduct bingo games, and no person may act as a bingo manager, in the city without first obtaining a permit from the city manager to do so.

Section H. Application for permit.

1. Applications for a permit to conduct bingo games in the city must be in writing on a form provided by the city manager and shall contain the following information:

a. The name of the applicant organization and evidence that the applicant is an eligible organization under Section 5.08.070(D);

b. The names, and addresses and signature of the presiding officer and at least one other officer of the applicant organization;

c. The name, address and signature of each person designated as a "Bingo Manager" pursuant to Section 5.08.070(P);

d. The mailing address of the applicant organization;

e. The mailing and street addresses of the premises on which bingo games will be conducted, together with the occupancy load of the room or rooms in which bingo will be played provided by the Fire Code in effect in the City when the application is made;

f. The proposed day or days of the week and hours during which the applicant organization proposes to conduct bingo games;

g. A statement that the applicant agrees to conduct bingo games in strict accordance with the provisions of Penal Code Section 326.5 and this chapter, as they may be amended from time to time, and understands that the city manager may revoke the permit for a violation of any such provision;

h. A statement setting forth the character, location and extent of the charitable work of the applicant organization;

i. A statement of the charitable use to which the proceeds of bingo games will be put;

j. A statement that the applicant(s) have read and are familiar with the provisions of this chapter and will require all persons who operate or staff bingo games to read and be familiar with all provisions of this chapter prior to operating or staffing bingo games;

k. A statement that the applicant intends or does not intend to conduct remote caller bingo games.

l. If applicable, a statement that the applicant agrees to conduct remote caller bingo games in strict accordance with the provisions of Penal Code Sections 326.3 and 326.4 and this chapter, as they may be amended from time to time, and understands that the city manager may revoke the bingo game permit for a violation of any such provision;

m. If applicable, a valid and current license to conduct remote caller bingo issued by the California Gambling Control Commission;

n. Such other information as may be required by the city manager.

2. Such application shall be signed under penalty of perjury by a person or persons with authority to bind the applicant organization.

3. An applicant shall submit with an application a certificate of determination of exemption from the California Franchise Tax Board showing that the organization is exempt from tax under subsections (a), (b), (d), (f), (e), (k), (g), (l) or (w) of Revenue and Taxation Code Section 23701, or a letter of good standing from the Exemption Division of the Franchise Tax Board showing an exemption under one of said sections. This subsection shall not apply to a mobilehome park association, a senior citizens organization, or a school district.

Section I. Contents of permits.

Upon determining that an applicant is qualified to conduct bingo games in the city, the city manager shall issue a permit stating:

1. The name and legal nature of the organization to which the permit is issued;

2. The address of the premises on which bingo games may be conducted;

3. The capacity of the room or rooms in which bingo games may be conducted;

4. The date the permit expires;

5. Any bingo managers designated pursuant to Section 5.08.070(P);

6. Any rules for the conduct of bingo games imposed pursuant to Section 5.08.070(S); and,

7. Such other related information as may be necessary or desirable for the enforcement of this chapter.

Section J. Permit fee.

Each initial application for an organization or bingo manager permit and any renewal request related to such permit shall be accompanied by a fee of $50 or such larger amount as may be established by resolution of the City Council consistently with Penal Code Section 326.5(*l*) as it now exists or may hereafter be amended. If the applicant for a permit is denied or the renewal thereof is denied, one- half of such fee shall be refunded to the applicant.

Section K. Duration of permit.

A permit issued under this chapter shall expire one year after issuance or at such earlier time that the permittee organization no longer meets the requirements of this chapter.

Section L. Investigation by police.

Upon the filing of an application for a permit, the city manager shall forward the application to the chief of police for study and investigation. The chief of police shall investigate all persons listed on the application. Background investigations related to remote caller bingo shall be conducted in accordance with the Gambling Control Act (Business and Professions Code § 19800 et seq.). No person may operate or staff a bingo game who has been convicted of embezzlement, theft, fraud or gambling. Based on the study and investigation, the chief of police shall recommend to the city manager either denial or approval of the permit application.

Section M. Change in facts must be reported.

A permittee organization or a permitted bingo manager shall immediately report to the city manager any change in the information provided on an application for a permit under this chapter. Prior to conducting remote caller bingo games, a permittee organization shall supplement its permit application by providing the city with (i) a statement that the permittee organization agrees to conduct remote caller bingo games in strict accordance with the provisions of Penal Code Section 326.3 and 326.4 and this chapter, as they may be amended from time to time, and understands

that the city manager may revoke the bingo game permit for a violation of any such provision; and (ii) a valid and current license to conduct remote caller bingo issued by the California Gambling Control Commission.

Section N. Posting of permit and rules.

At all times during which bingo is played, the permittee organization shall post conspicuously at the public entrance to the room or rooms in which bingo is played: the permittee organization permit, the bingo manager(s) permit, any rules and regulations established by the city manager for the conduct of bingo games under the permit, and the permittee organization's rules of bingo operation. The posted rules shall be legible and accessible to all players.

Section O. Operation and staffing of games.

1. Bingo games shall be operated and staffed only by members of the permittee organization, who shall not receive a profit, wage, or salary from any bingo game.

2. Only the permittee organization shall operate any bingo game or participate in the promotion, supervision or conduct of bingo games.

3. This section does not preclude a permittee organization from employing or contracting another to employ security personnel who are not members of the permittee organization. Security personnel shall not operate or staff bingo games.

Section P. Bingo manager.

1. One or more members of the permittee organization shall be designated as bingo managers on an application for a permit under this chapter and on any permit issued under this chapter. A permitted bingo manager shall be present at all times that a permittee organization conducts bingo games and that bingo manager shall be responsible for the conduct and operation of the bingo games and for compliance with all applicable laws, rules and regulations.

2. No person may be a bingo manager unless he or she is a nonsalaried, noncompensated member of the permittee organization for at least six months before he or she is designated as a bingo manager and first obtains a bingo manager permit under this Section 5.08.070(Q).

Section Q. Bingo manager permit.

An applicant for a bingo manager permit shall file a written application stating, in addition to such information as may be required by the city manager:

1. Neither the bingo manager nor the members of the permittee organization will receive any profit, wage or salary, or any other direct or indirect consideration from any bingo game;

2. The bingo manager applicant has read and understands all requirements of this chapter for the conduct of bingo games in the city and accepts full responsibility for the conduct of such bingo games consistently with the requirements of this chapter.

Section R. Hours and days of operation.

1. Except as provided in paragraph 2 of this Section 5.08.070(R), bingo games shall be conducted between noon and midnight for a maximum of six (6) hours per calendar week by any permittee organization or on any one premises whether or not more than one organization is permitted to conduct bingo games on those premises.

2. The city manager may issue a permit to allow bingo games to be played in excess of six hours per week over a consecutive three-day period provided that such permit is granted only once per calendar year to any permittee organization. A request for a permit under this paragraph 2 shall be made on a form provided, and as otherwise specified, by the city manager.

Section S. Rules of operation.

1. Except as provided in paragraph 3 of Section 5.08.070(O), no person shall receive or pay a profit, wage or salary from the proceeds of any bingo game conducted in the city. No person other than a permittee organization shall have, hold or obtain any financial interest in the conduct of bingo games.

2. No permittee organization or bingo manager shall permit:

a. any person to participate in a bingo game when that player is not physically present when the bingo game is conducted, except for remote caller bingo games;

b. any person to play any game of bingo on credit;

c. any minor to play bingo;

d. any alcoholic beverage to be served or consumed in a room where a bingo game is conducted during or between the playing of the games.

3. The total value of prizes awarded shall not exceed five hundred dollars ($500) in cash, kind, or both, for each separate bingo game which is held.

4. All persons who operate or staff bingo games shall wear on the outside of their clothing an identification insignia or badge, no less than two and one-half by three and one-half inches in size, bearing the name of the permittee organization and the name and any title of the staff member.

5. Bingo games authorized under this chapter shall be conducted only on premises identified on the permit pursuant to which they are conducted.

6. Bingo games shall be open to the public and may not be limited to the members of the permittee organization.

Section T. Proceeds from games must be kept in separate fund.

1. All profits derived from a bingo game shall be kept in a special fund or account and shall not be commingled with any other fund or account. Such profits shall be used only for charitable purposes of the permittee organization, except as provided in paragraph 2 of this section.

2. Any permittee organization other than an organizations exempt from the bank and corporation tax under Section 23701d of the Revenue and Taxation Code, shall use the proceeds of bingo games only for the charitable purposes of the permittee organization, except as follows:

a. Such proceeds may be used for prizes and to pay permit and application fees under this chapter; and

b. The portion of such proceeds specified by Penal Code Section 326.5(k) may be used for rental of property; overhead, including the purchase of bingo equipment; administrative expenses; security equipment; and security personnel.

Section U. Inspection of premises.

1. No person shall interfere with, prevent or refuse to permit a duly authorized representative of the city manager, the fire department or any peace officer to inspect any place in which bingo games or remote caller bingo games are conducted in the city, whether or not bingo games or remote caller bingo games are being conducted at the time of the inspection.

2. Failure to allow, or interference with, an inspection constitutes a violation and shall be grounds for revocation of a permit or denial of a bingo application or permit.

Section V. Permit revocation.

1. Whenever it shall be shown or whenever the city manager has knowledge that a permittee, or agent thereof, has violated any of the provisions of this chapter, the city manager shall immediately suspend the permit and give the organization or bingo manager written notice ("Notice of Suspension") by registered mail of the suspension and a brief statement of the reasons therefor.

2. Upon receipt of the notice of suspension, the organization or bingo manager shall cease conducting any bingo game or remote caller bingo game, and the failure to do so shall constitute a separate and further violation of this chapter.

Section W. Appeal.

1. In the event of any finding or decision of the city manager which is adverse to the application of an organization or bingo manager for a permit or renewal thereof under this chapter, or if a permit is suspended or revoked, the organization or bingo manager may appeal to the city council, provided, that such appeal is filed with the city clerk within fifteen (15) calendar days from the date of the finding or decision of the city manager. The city manager shall notify the organization or bingo manager of this right to appeal, and such notice shall accompany each and every adverse finding and decision of the city manager. The finding or decision and the notice of this right to appeal shall be mailed by registered mail, to the organization or bingo manager at the address which appears on the application for a permit or renewal thereof.

2. Failure of the city manager to receive a timely request for an appeal constitutes a waiver of the right to contest the finding or decision. Unless a timely appeal is filed, a finding or decision of the city manager becomes final and unappealable.

3. Within thirty (30) calendar days of the filing date of an appeal, the city council shall conduct a hearing on the appeal. The city shall give the appellant at least five (5) calendar days' mailed notice of the date, time, and location of the hearing at the address(es) specified on the appeal. The failure of any appellant to receive a properly addressed notice of hearing shall not invalidate any action or proceeding by the city pursuant to this chapter.

4. Appeal hearings are informal, and formal rules of evidence and discovery do not apply. Within ten (10) calendar days after conclusion of the hearing, the city council shall render its decision. The decision of the city council shall be a final decision.

5. The failure of any appellant to appear at the hearing without such cause as the city council may deem sufficient to justify a continuance shall constitute a default and the finding or decision of the city manager shall thereupon be final and unappealable.

Section X. Audit and accounting requirements.

1. Prior to July 31st and prior to January 31st of each year, a permittee organization shall, at its own expense, submit on a form to be provided by the city manager a report of gross revenues, expenses and other information reasonably required by the city manager to enforce this chapter. A permittee organization shall annually submit to the city manager a copy of its federal tax return not later than sixty (60) calendar days after that return is filed with the Internal Revenue Service.

2. A permittee organization shall maintain complete and accurate records of income received from, and prizes and other expenses disbursed in connection with, the operation and staffing of bingo games.

3. The city manager may at any time demand a complete and detailed accounting of the records required under paragraph 2 of this section and any other data or information pertaining to the operation of bingo games maintained by a permitted organization. The city manager may subject that accounting and such data and information to, an agreed upon procedures examination, audit, and/or any other accounting review which may extend to, without limitation: (i) proceeds from the operation of bingo games, (ii) an accounting of the number of players and number of games played over a designated period, (iii) an inspection of bingo cards, funds, equipment or any other records or documentation in connection with the operation of games over a designated period. Such detailed accounting or further data or information shall be provided at the expense of the permittee organization if, in the sole discretion of the city manager, such detailed accounting or further data or information is necessary for the enforcement of this chapter.

4. In the event a permittee organization fails to render an accounting or provide information pursuant to the provisions of this section within sixty (60) calendar days of the city manager's request, the city manager may suspend that organization's permit until the requested accounting or information provided.

Section Y. Civil remedies and criminal penalties.

1. The city attorney may bring an action to enjoin a violation of this chapter.

2. A violation of paragraph 1 of Section 5.08.070(P) and Penal Code section 326.3(c) shall be punishable by a fine not to exceed ten thousand ($10,000.00) dollars, which fine shall be deposited in the general fund of the city. A violation of any other provision of this chapter constitutes a misdemeanor punishable under Section 3.24.160 of this code.

Section 3. Severability. Should any section, clause, or provision of this Ordinance be declared by a court of competent jurisdiction to be invalid or unenforceable, the same shall not affect the validity of any other portion of this Ordinance and, to that end, the provisions of this Ordinance are severable.

Section 4. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption pursuant to California Government Code section 36937.

Section 5. Certification. Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause it to be posted according to law.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Cudahy on this 19th day of May, 2015.

_____
Cristian Markovich, Mayor

ATTEST

_____
Victor H. Ferrer, Deputy City Clerk

APPROVED AS TO FORM

_____
Isabel Birrueta, Assistant City Attorney

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

I, Victor H. Ferrer, Deputy City Clerk of the City of Cudahy, hereby certify that this Ordinance was introduced at a regular meeting of the City Council of the City of Cudahy on 19th day of May, 2015, and adopted and passed at a regular meeting of the City Council of the City of Cudahy held on the 19th day of May, 2015, by the following vote:

AYES:

NOES:

ABSENT:

_____
Victor H. Ferrer,
Deputy City Clerk