ATTACHMENT 1

PROFESSIONAL SERVICES AGREEMENT

(INCLUDES REQUEST FOR PROPOSAL)

PROFESSIONAL SERVICES AGREEMENT FOR
HUD CONSOLIDATED PLAN

THIS AGREEMENT is made and entered into this _____ day of _____, 2004 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and COTTON/BRIDGES/ASSOCIATES, a Division of P&D Consultants, Inc., a Delaware corporation ("Consultant").

W I T N E S S E T H :

A. WHEREAS, City proposes to have Consultant prepare a Consolidated Plan submission for local jurisdictions to the U.S. Department of Housing and Urban Development as described herein below; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code, Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

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

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the City's Request for Proposal ("RFP") attached hereto as Exhibit "A" and incorporated herein by reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the

services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "B," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's compensation shall in no case exceed Forty-One Thousand One Hundred Fifty Dollars ($41,150.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Request for Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's Project Manager for approval on a progress basis, but no more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement

shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "C," attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of one (1) year, ending on July 31, 2005, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated as to the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4 Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific

written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

(a) Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence and aggregate.

(b) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence and aggregate.

(c) Workers' compensation insurance as required by the State of California.

(d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The comprehensive general liability insurance policy shall contain or be endorsed to contain the following provisions:

(a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, direct and express agents, and employees are additional insureds with respect to this subject project and contract with City."

(b) Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City."

(c) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

5.3. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.4. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant

may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:	IF TO CITY:
Cotton Bridges Associates	City of Costa Mesa
800 East Colorado Blvd., Suite 270	77 Fair Drive
Pasadena, CA 91101	Costa Mesa, CA 92626
Tel: 626-304-0102	Tel: 714-754-5167
Attn: Veronica Tam	Attn: Muriel Ullman

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit

"D" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless: Consultant shall protect, defend, indemnify and hold harmless City and its elected and appointed officials, officers, and employees from any and all claims, liabilities, expenses, including attorney fees, damage to property or injuries to or death of any person or persons or damages of any nature including, but not by way of limitation, all civil claims or workers' compensation claims arising out of or in any way connected with the intentional or negligent acts, error or omissions of Consultant, its employees, agents or subcontractors in the performance of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such

documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.12. Public Records Act Disclosure: Consultant has been advised and is aware that all reports, documents, information and data including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 et. seq.). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.13. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.14. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the RFP, such provision shall be deemed a part of this Agreement.

6.16. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.18. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.19. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.20. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.21. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.22. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.23. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.24. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

[SIGNATURES FOLLOW ON NEXT PAGE]

CITY OF COSTA MESA,
A municipal corporation

_____
Mayor of the City of Costa Mesa

ATTEST:

_____
Deputy City Clerk and ex-officio Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

_____
City Attorney

COTTON/BRIDGES/ASSOCIATES

_____

_____
Name and Title

_____
Social Security or Taxpayer ID Number

APPROVED AS TO CONTENT:

_____
Project Manager

EXHIBIT A

CITY'S REQUEST FOR PROPOSAL

SCOPE OF SERVICES

CITY OF
COSTA MESA, CALIFORNIA

REQUEST FOR PROPOSAL

FOR

A CONSOLIDATED PLAN SUBMISSION

TO THE

FEDERAL DEPARTMENT OF HOUSING

AND URBAN DEVELOPMENT (HUD)

APRIL 2004

REQUEST FOR PROPOSALS
CITY OF COSTA MESA CONSOLIDATED PLAN

PURPOSE:

The City of Costa Mesa is seeking the services of a qualified consultant to prepare a Consolidated Submission for local jurisdictions required for Housing and Community Development Programs in accordance with Regulations issued by the U.S. Department of Housing and Urban Development (HUD), Office of Community Planning and Development. The guidelines for preparing a Consolidated Plan submission are enclosed as part of this Request for Proposals.

The proposal must be submitted to:

Muriel Ullman
Neighborhood Improvement Manager
Housing and Community Development
City of Costa Mesa
P.O. Box 1200
Costa Mesa, California 92628-1200

Four (4) proposals must be received by **4:00 p.m. May 3, 2004.** Questions should be directed to Ms. Ullman at (714) 754-5167.

COMMUNITY PARTNERSHIP STRATEGY:

The Housing and Community Development Plan (HCD) will be developed through the Community Partnership Strategy (CPS) planning process. The CPS is a "bottom-up" approach, based on the belief that people who live and work in neighborhoods know their needs best. This planning process will include units of local government, outside agencies, community organizations, residents and the private sector. The CPS will allow these key stakeholders to coordinate and focus efforts to serve the neediest people and areas of the community.

The Plan will replace a patchwork of complex applications, planning requirements and performance reports for four (4) programs. These include: Community Development Block Grant (CDBG), HOME Investment Partnerships, Emergency Shelter Grants (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). The City of Costa Mesa receives formula allocations of only CDBG and HOME funds.

The HCD Plan will directly link program planning, budgeting and implementation together. The HCD Plan builds on the existing Consolidated Plan for 2000-2004. Copies are available at City Hall for a minimal charge. The Plan will describe how housing efforts will be coordinated with social/human services, infrastructure, facilities, recreation and other programs and services.
SCOPE OF WORK:

HUD has not given jurisdictions revised guidelines from which to prepare the Plan. Therefore, the elements described below are based on the guidelines for the 2000 Consolidated Plan.

Based on these guidelines, the Plan must contain the required elements described in the Scope of Work and all required tables. The City will provide Consultant with access to the HUD Community 2020 software developed for this Plan, if needed. Consultants may provide additions to the Scope, if they feel additional information is required. The City requires that the strategic component of the plan encompass years 2000-2004 and achieve the statutory goals of providing decent housing, suitable living environment and expanded economic opportunities principally focused for low, very low, and extremely low income residents.

The five (5) steps for preparing a HCD Plan for which the consultant would be responsible are summarized as follows:

STEP 1: CITIZEN PARTICIPATION PLAN

The Consultant will develop and implement a detailed Citizen Participation Plan that gives residents real responsibility for revitalizing their communities. Involvement of a broad cross-section of the community should be developed early and continued throughout the process. The Plan should also coordinate and build upon the work of existing City committees, community organizations and business/professional groups, to achieve credibility and effectiveness. Involvement of those individuals and organizations who may have different perspectives should be included.

The intent is to get below the surface on difficult issues, focus on root causes and concerns, and identify common values to guide decision making. Citizens and other interested parties must be afforded an opportunity to respond to proposals and comment at all the different stages in the process. The Plan should include the following elements:

The Consultant is expected to provide a schedule for project completion within the following time frame and guidelines:

1. Circulation of RFP	April 1, 2004
2. Receipt of proposal by	May 3, 2004
3. Review of proposals by Staff	June 3, 2004
4. Consultant interviews	June - July 2004
5. Award of contract	August 16, 2004
6. Adoption of Consolidated Plan at a public hearing no later than	May 15, 2004

A suggested schedule is provided following Section 5 of this RFP. Consultants are invited to provide revisions to the schedule and meeting requirements based on prior experience related to Consolidated Plan adoption and submission assignments. The Costa Mesa City Council meets on the first and third Mondays of each month. A revised schedule can include an earlier completion date but none later than May 15, 2005.

The City identifies a need for monthly meetings between the Consultant and City staff between August 2004 and May 2005 (8 meetings), in addition to meetings with the City Council and the Redevelopment and Residential Rehabilitation (3R) Committee (4 meetings), two (2) community outreach meetings with agencies, groups, organizations and other interested parties identified as having a concern with the successful adoption, submission and implementation of the Consolidated Plan. A review of the draft Plan with the 3R Committee as well as adoption of the plan at a City Council public hearing is required. The consultant is required to provide necessary documentation of public notices as required by HUD guidelines and regulations with proper and timely posting and publications. The consultant shall provide for the necessary dissemination of copies of the submission plan to appropriate public places as identified by the City. Costs associated with the printing and publication of required notices shall be assumed by the City.

Citizens must be given at least thirty (30) days to comment on the final document before it is submitted to HUD. Consultant will provide written answers to written questions, complaints and grievances, within fifteen (15) days after the comment period. A summary of citizens comments will be included in the final document.

This is a suggested format for a Citizen Participation Plan. Consultants are encouraged to include alternate work plans. **If an alternate work plan is proposed, Consultant must specify the proposed number of meetings to fulfill the Citizen Participation Plan elements which must be met. Proposed number of meetings should be reflected in fee.**

Consultant should have a strong background in Community Outreach. The Consultant will be responsible for leading the town meetings and for ensuring that the town meetings and public hearings are adequately publicized and scheduled to reach those who might benefit from the programs proposed. Consultant to include City's HUD Community Planning and Development representative in scheduled meetings, subject to availability. Meetings must be accessible to people with disabilities and non-English speaking persons. The consultant should have a member who is fluent in Spanish.

The public must have timely access to information and records during all stages of the process. The Consultant must produce and distribute information to fully inform citizens regarding the amount of assistance available, the use of funding (for at least five (5) years), and the range of activities that can be undertaken.

The Consultant will provide technical assistance to citizen groups that request such assistance in developing proposals for funding under the programs covered by the Plan.

STEP 2: HOUSING AND COMMUNITY DEVELOPMENT NEEDS

The Consultant shall be responsible for implementing the Community Partnership Strategy (CPS) process for determining priority housing and community development needs. This involves analyzing key indicators and trends that describe the community's physical, economic, and social conditions and identifying priorities. This will be accomplished by combining participants' perceptions with data and relevant information on needs and opportunities.

Communities are made up of various systems, all of which must work for the community to thrive. Economic, physical and human development must all be coordinated. Listing data without this type of analysis does not support the overall purpose of the CPS. The analysis should address a wide range of issues that impact the quality of life, such as employment, health, crime, recreation, human services and housing. This type of information should help set priorities and serve as a basis for decision making.

Using available and appropriate information derived from citizens, relevant reports and studies, and consultations with social service agencies, the Consultant shall describe the following:

1. Significant Characteristics of the Local Housing Market: In terms of supply, demand, condition and cost. This shall include the number of assisted units by income and household type served, and whether any such units are expected to be lost.

2. Barriers to Affordable Housing: Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, which may include tax policy, land use controls, zoning ordinances, building codes, fees, charges and other policies that affect the return on residential investment. Identify other barriers that impede community and economic development including the mortgage credit needs of area residents, and the capacity of non-profit community development organizations.

3. Housing Needs: Provide five (5)-year projections for extremely low, very low, low and moderate income households by renter and owner status, and different categories including large families, single persons, the elderly, persons with disabilities, and persons with HIV/AIDS and their families; and a description of those experiencing cost burden, severe cost burden, substandard housing and overcrowding. The Consultant shall also determine the extent to which any racial or ethnic group has a disproportionately greater need within any income category in comparison to the needs of the City as a whole, and completes an assessment of such specific needs.

4. The Nature and Extent of Homelessness: Address separately the need for facilities and services for homeless individuals, homeless families with children and homeless youths including homeless persons with severe mental illness and/or alcohol and other drug abuse problems, and homeless victims of domestic violence or persons with HIV/AIDS.

   Inventory existing facilities and services to assist the above, including outreach and assessment, emergency shelters and services, transitional housing, permanent supportive housing, and activities to prevent very low income households from becoming homeless.

5. Lead-Based Paint Hazards: Estimate the number of housing units that are occupied by low, very low, and extremely low income residents, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, that contain lead-based paint.

6. Public Facility Needs: Describe the need for senior centers, youth centers, neighborhood facilities, child care centers, park and recreational facilities, health facilities, and infrastructure improvements including streets and sidewalks, sewers, solid waste, flood control, water, accessibility needs, and asbestos removal.

7. Public Service Needs: Estimate the nature and extent of drug and alcohol abuse and the capacity of rehabilitation, treatment and diversion programs, and the need for youth/family and senior services including recreational, nutrition and counseling. Inventory the available child and adult day care services, health care services, handicapped services, transportation services, and fair housing and landlord/tenant counseling services. Document the nature and extent of crime (including graffiti) and reduction and prevention efforts. Upon request, the City will provide lists of nonprofit organizations who have previously applied for or received CDBG funding.

8. Economic Development Needs: Identify the extent of unemployment and the capacity of job training and related services, the need for commercial-industrial improvements, micro-business and other business needs including technical assistance needs and any barriers that impede economic development.

9. Historic Preservation and Planning Needs: Identify the residential and non-residential historic preservation needs within the City.

10. Other Community Development Needs: Identify the need for residential energy efficiency improvements and residential code enforcement services.

The Consultant shall develop maps and graphic information to help citizens provide informed input and help shape goals. These include identification of market conditions, geographic relationships and concentrations of various housing and community development needs, and locations of essential human services and recreational facilities. Consultant will have access to existing documents such as General Plan and Open Space Master Plan Study.

STEP 3: HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

An important role for the Community Partnership Strategy is focusing on the future. Low income communities especially desire change, but the need to focus on current problems and limited access to resources make it difficult for residents to envision a better future. This is a means by which citizens can learn to prioritize their needs and create plans to strengthen neighborhood and human development.

Making the transition from broader visions to realistic goals and objectives takes a targeted approach that makes the most of existing resources and applies them in a coordinated manner. There are three elements to this step:

* Setting Priorities and Objectives
* Identifying Specific Actions
* Defining Benchmarks.

Through this process, the Consultant will produce a five (5)-year plan that provides a clear sense of direction, timing, organizational responsibility, and financing. The Strategic Plan must include the following:

1. **Housing and Community Development Resources:** Identify public and private sources, including those from HUD formula grant programs, that are reasonably expected to be made available to carry out the plan. Explain how additional funds will be leveraged and, if publicly owned land or property is available, how it will be utilized.

2. **Housing and Community Development Objectives:** Describe actions, projects, and programs to be undertaken over the five (5)-year period, how they will be coordinated to maximize their benefit to low, very low and extremely low income residents, and how the specific objectives are consistent with the following statutory goals: Provide Decent Housing, Create a Suitable Living Environment and Expand Economic Opportunities.

The narrative must include the reasons for the choice of the priority needs and allocation priorities identified in Table 2, and the obstacles to addressing underserved needs. Specific objectives for each of the priority needs identified in Table 2 must be stated.

Each objective must: 1) identify key results to be achieved in quantitative terms; 2) include measurable indicators of progress; 3) target dates for completion; 4) identify the number of housing units to be affordable under Sec. 215; and 5) clearly describe the connection to priority needs.

The following concerns must be addressed:

A. Priority Housing Needs:

Describe the process for developing housing priority needs, the basis for assigning relative priority, and indicate the reasons for allocating resources geographically for the following activities: rental assistance, production of new units, rehabilitation of old units or acquisition of existing units. Objectives should address needs of extremely low, very low, low, and moderate income households by renter and owner status, and different categories of households including large families, single persons, the elderly, and persons with disabilities (including HIV/AIDS).

B. Priority Homeless Needs:

Describe the strategy for developing a system to address the needs of homeless individuals, homeless families with children, homeless youth, and homeless persons with severe mental illness and/or alcohol and other drug abuse problems, homeless victims of domestic violence, or persons with HIV/AIDS. Describe the proposed efforts to be made in such areas as outreach and assessment, emergency shelters and

services, transitional housing, permanent supportive housing, and activities to prevent very low income households from becoming homeless.

C. Priority Non-Housing Community Development Needs:

Identify priority needs **for which CDBG funds may be used,** in terms of both activities and geographic locations, that are allocated to public services, public facilities, public improvements and economic development. These should reflect the results of the citizen participation process and the required consultations with adjacent units of local government, and must flow logically from the needs analysis section.

E. Other Special Needs Populations:

Describe the priority housing and supportive service needs for the elderly, persons with disabilities, persons with HIV/AIDS and their families.

F. Anti-Poverty Strategy:

Describe the goals, programs and policies for reducing the number of persons with incomes below the poverty line and, in consultation with other appropriate public and private agencies, state how goals, policies and programs set forth in the Housing Strategy will be coordinated with other programs **for which the City is responsible**, and the extent to which they will reduce or assist in reducing the number of households with incomes below the poverty line.

G. Lead-Based Paint:

Describe actions to evaluate and reduce lead-based paint hazards and how that reduction will be integrated into the City's housing policies and programs.

H. Institutional Structure:

Describe how the City will overcome gaps in the institutional structure in carrying out its strategy.

I. Reduction of Barriers:

Identify and describe actions to be undertaken to eliminate or reduce barriers to addressing underserved needs.

3. Coordination: Describe the means of cooperation and coordination among different jurisdictions, departments, agencies, organizations, people and facilities to achieve stated objectives and to reduce the number of households with incomes below the poverty line.

STEP 4: ACTION PLAN - ONE YEAR USE OF FUNDS

The Consultant will describe programs and activities to be undertaken with CDBG and HOME funds and anticipated program income to be received during the next year and their relationship to priority housing, homeless and community development objectives. This section must include reasons for allocations and the connection between the priority needs and the projected use of funds. This information must be presented on HUD Table 3.

The Annual Funding Plan must also include the following:

1. Locations:

   Describe geographic locations in sufficient detail to allow citizens to determine the degree to which they may be affected.

2. Lead Agencies:

   Identify a lead agency for each project, indicating their assigned responsibility.

3. Monitoring:

   Describe standards and procedures which will be used to monitor activities to ensure long term compliance with applicable regulations and statutes.

4. Homeless:

   Describe the strategy for addressing the priority needs of homeless individuals, homeless families with children, and homeless youth; include homeless persons with severe mental illness and/or alcohol and other drug abuse problems, and homeless victims of domestic violence or persons with HIV/AIDS. Outreach and assessment, emergency shelters and services, transitional housing, permanent supportive housing, and activities to prevent very low income households from becoming homeless should also be addressed in the strategy.

5. Anti-Poverty Strategy:

   Describe the goals, programs and policies for reducing the number of persons with incomes below the poverty line and, in consultation with other appropriate public and private agencies, state how goals, policies and programs set forth in the Housing Strategy will be coordinated with other programs **for which the City is responsible,** and the extent to which they will reduce or assist in reducing the number of households with incomes below the poverty line.

6. Coordination:

   Describe the means of cooperation and coordination among different jurisdictions, departments,

agencies, organizations, people and facilities to achieve stated objectives and to reduce the number of households with incomes below the poverty line.

7. Tenant-Based Rental Assistance:

Describe how tenant based rental assistance programs will meet the minimum guidelines described in the HOME regulations under 24 CFR 92.210 and/or 92.211.

8. Affirmative Marketing:

Describe the policy and procedures to be followed to meet affirmative marketing and minority and women business outreach requirements as defined in 24 CFR 92.350 and 92.351.

STEP 5: CERTIFICATIONS

The Consultant will prepare all certifications required by HUD to be submitted with the Plan as specified in section 91.225 of HUD Regulations. The Plan must contain a certification that an analysis of impediments to fair housing has been conducted, although that analysis is not required to be included in this Plan. **Consultant will be responsible for responding to all HUD inquires, preparation of all draft documents and final revisions as required by HCD staff and/or HUD.**

EXHIBIT B

FEE SCHEDULE

FEE SCHEDULE

CONSOLIDATED PLAN

The following tables present our proposed fees for the scope of work requested by the City and the additional tasks contained in this proposal. Additional services will be provided according to the schedule of hourly rates and other charges shown on page 6-3.

BUDGET: SERVICES FOR ALL REQUESTED TASKS

Staff Person:	Principal-in charge	Planners/Associates	Graphics/Mapping	Admin/WP	Total Costs
Hourly Rate:	$165	$75	$65	$55	
1. Citizen Participation Plan and Community Outreach*					
	40	16	8	19	**$9,365**
2. Housing & CD Needs					
	32	120	16	17	**$16,255**
3. Housing & CD Strategy					
	40	24	2	7	**$8,915**
4. Certifications					
		4		1	**$355**
5. Needs Survey (Hardcopy and Web-based)					
	4	8		40	**$3,460**
Expenses**					**$2,800**
Sub-Total: Mandatory Tasks					**$41,150**
Total Hours	116	172	26	84	**398**

*Includes: 2 town meetings, 4 "3R" meetings, and one City Council hearing.
**Includes a $600 printing allowance for reproduction of final documents – costs above this allowance will be charged at actual additional costs plus 15% handling fee.

EXHIBIT C

PROJECT SCHEDULE

SCHEDULE OF PERFORMANCE - CONSOLIDATED PLAN

Section 4—Schedule

HUD Consolidated Plan regulations require that the Plans be submitted to HUD for review no later than 45 days prior to the beginning of a new program year. With a new program year beginning on July 1, 2005, the City must submit the Consolidated Plan for HUD review by May 15, 2005. The City's proposed timeframes and milestones (see below) are reasonable and consistent with a HUD submittal deadline of May 15. The only suggested change is that the City consider holding the first public meeting earlier in the process, perhaps in early October, to alert the community about the start of the Consolidated Plan update process and obtain earlier public feedback regarding community development needs that should be considered in the update.

CITY MILESTONES	TENTATIVE TIMEFRAMES
Staff/Consultant Meeting – Citizen Participation Plan and Overall Strategy	August 23, 2004
Citizen Participation Plan Submission to Staff	September 1, 2004
Staff Consultant Phone Meeting on Citizen Participation Plan	September 7, 2004
Citizen Participation Plan Final	September 15, 2004
Attendance at 3R Committee Meeting (in Costa Mesa) – Overview of CP & Input on Goals & Objectives	September 28, 2004
Study Session with (3R) Committee and City Council (in Costa Mesa)	October 18, 2004
Staff/Consultant Progress and Review Meeting	October 25, 2004
1st Community Outreach Meeting (in Costa Mesa) and following Redevelopment Agency meeting	November 8, 2004
2nd Community Outreach Meeting (in Costa Mesa)	December 13, 2004
Staff/Consultant Progress & Review Meeting	January 3, 2005
Staff/Consultant Meeting on Submittal of Housing and Comm. Devel. Strategic Plan (phone meeting)	January 10, 2005
1st Draft of HCD Strategic Plan Sent to Project Manager	February 14, 2005
Staff/Consultant Meeting to review 1st Draft of CP (Includes annual fund plan and certifications)	February 22, 2005
Plan Circulation for Comment Period	February 22, 2005 – March 22, 2005
Staff/Consultant Meetings and comments to Final Draft (phone meeting)	March 8, 2005
Review of Draft Plan with 3R Committee (in Costa Mesa)	March 22, 2005
Staff Consultant Meeting - Final Draft (Includes City and 3R Committee Comments)	March 28, 2005
Public Hearing - City Council	April 18, 2005
Plan Submission to HUD	May 11, 2005

EXHIBIT D

CITY COUNCIL POLICY 100-5

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.

2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:

    a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;

b. Establishing a Drug-Free Awareness Program to inform employees about:

   1. The dangers of drug abuse in the workplace;

   2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;

   3. Any available drug counseling, rehabilitation and employee assistance programs; and

   4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;

d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:

   1. Abide by the terms of the statement; and

   2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;

f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:

   1. Taking appropriate personnel action against such an employee, up to and including termination; or

   2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.

2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:

   a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;

   b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;

   c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.

3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.

EXHIBIT E

CERTIFICATE OF INSURANCE

INSURANCE REQUIREMENTS

The City's insurance requirements are indicated as follows:

Worker's Compensation Insurance – Statutory Limits
Comprehensive General Liability Insurance - $1,000,000 Combined Single Limit
Automobile Liability Insurance - $1,000,000 Combined Single Limit

Both the City of Costa Mesa and the Costa Mesa Redevelopment Agency must be named as Additional Insured.

PROFESSIONAL SERVICES AGREEMENT FOR
REDEVELOPMENT IMPLEMENTATION PLAN

THIS AGREEMENT is made and entered into this _____ day of _____, 2004 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and COTTON/BRIDGES/ASSOCIATES, a Division of P&D Consultants, Inc., a Delaware corporation ("Consultant").

W I T N E S S E T H :

A. WHEREAS, City proposes to have Consultant perform the services described herein below; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code, Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for specific services in connection with the project described below (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

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

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in the Scope of Services attached hereto as Exhibit "A" and incorporated herein by reference

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every

nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.4. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Violation of this provision may result in the imposition of penalties referred to in Labor Code, Section 1735.

1.5 Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.6. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "B," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's compensation shall in no case exceed Four Thousand Nine Hundred and Ten Dollars ($4,910.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Scope of Services unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to City's Project Manager for approval on a progress basis, but no more often than monthly. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient

times for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "C," attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of one (1) year, ending on July 31, 2005, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated as to the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4 Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain and maintain during the life of this Agreement all of the following insurance coverages:

(e) Comprehensive general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence and aggregate.

(f) Automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence and aggregate.

(g) Workers' compensation insurance as required by the State of California.

(h) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence and aggregate. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The comprehensive general liability insurance policy shall contain or be endorsed to contain the following provisions:

(d) Additional insureds: "The City of Costa Mesa and the Costa Mesa Redevelopment Agency and their respective elected and appointed boards, officers, direct and express agents, and employees are additional insureds with respect to this subject project and contract with City."

(e) Notice: "Said policy shall not terminate, nor shall it be cancelled, nor the coverage reduced, until thirty (30) days after written notice is given to City."

(f) Other insurance: "Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."

5.3. Certificates of Insurance: Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.4. Non-limiting: Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement: This Agreement constitutes the entire Agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices: Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:	IF TO CITY:
Cotton Bridges Associates	City of Costa Mesa
800 East Colorado Blvd., Suite 270	77 Fair Drive
Pasadena, CA 91101	Costa Mesa, CA 92626
Tel: 626-304-0102	Tel: 714-754-5167
Attn: Veronica Tam	Attn: Muriel Ullman

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "D" and incorporated herein by reference. Consultant's failure to conform to the requirements

set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees: In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law: This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment: Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless: Consultant shall protect, defend, indemnify and hold harmless City and its elected and appointed officials, officers, and employees from any and all claims, liabilities, expenses, including attorney fees, damage to property or injuries to or death of any person or persons or damages of any nature including, but not by way of limitation, all civil claims or workers' compensation claims arising out of or in any way connected with the intentional or negligent acts, error or omissions of Consultant, its employees, agents or subcontractors in the performance of this Agreement.

6.10. Independent Contractor: Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall secure, at his expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder.

6.11. Ownership of Documents: All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete

documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.12. Public Records Act Disclosure: Consultant has been advised and is aware that all reports, documents, information and data including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 et. seq.). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.13. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.14. Prohibited Employment: Consultant will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence: In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail

6.16. Costs: Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. No Third Party Beneficiary Rights: This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.18. Headings: Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.19. Construction: The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with

respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.20. Amendments: Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.21. Waiver: The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.22. Severability: If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party is materially impaired, which determination as made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.23. Counterparts: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.24. Corporate Authority: The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so, the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA, A municipal corporation	COTTON BRIDGES ASSOCIATES
_____ Mayor of the City of Costa Mesa	_____
	_____ Name and Title
	_____ Social Security or Taxpayer ID Number

ATTEST:

_____
Deputy City Clerk and ex-officio Clerk
of the City of Costa Mesa

APPROVED AS TO FORM:

_____
City Attorney

APPROVED AS TO CONTENT:

_____
Project Manager

EXHIBIT A

SCOPE OF SERVICES

June 28, 2004

Muriel Ullman
Neighborhood Improvement Manager
CITY OF COSTA MESA
77 Fair Drive
Costa Mesa, CA 92628-1200

RE: Work Scope for Redevelopment Implementation Plan

Dear Ms. Ullman:

CBA is pleased to provide a scope of work to update the City's 1999-2004 Downtown Redevelopment Implementation Plan. The following outlines our approach to performing the necessary scope of services and proposed budget of $4,910 for the effort. Based on our discussion, the City will provide the existing Implementation Plan in electronic format for CBA to use as a template. The Implementation Plan update is technical in nature; CBA will only update information in the existing plan as necessary and include additional sections pursuant to new requirements of AB 637.

Task 1.0 Data Collection and Analysis

1.1 Financial Assessment. Our budget assumes that the City will be responsible for providing financial projections of tax increment funds, debt services and pass-throughs, and available set-aside funds. CBA will coordinate with City staff to obtain the following information:

- Current tax increment balance
- Debt services
- Tax increment projections for the Project Area for the next five years
- Tax increment available for funding redevelopment activities
- Projected tax increment deposits into the set-aside fund

CBA will review the City's most recent Annual Reports to HCD, and evaluate housing set-aside projections to determine when "excess surplus" will occur.

1.2 Housing Production Plan Analysis. AB 1290 requires that the Agency document the number of housing units constructed, rehabilitated, and deed-restricted within the redevelopment project area to determine the Agency's inclusionary housing obligation. CBA will undertake the following specific tasks to update the Housing Production component of the City's 2005 Housing Implementation Plan:

- Inventory the number of units in the Redevelopment Project Area privately developed/substantially rehabilitated since adoption of the Implementation Plan in 1999. Identify any low and moderate income units subject to deed restrictions. Evaluate to determine compliance with 15%/40% income affordability requirements.

Collect information on number of units developed/substantially rehabilitated by the City. Identify any low and moderate income units subject to deed restrictions. Evaluate to determine compliance with 30%/50% income affordability requirements.

- Assess potential shortfalls in achieving housing production requirements in the Project Area during five-year (2005-2010) period.

In order to minimize project costs, we have assumed staff will assist in collecting the necessary background data on existing and planned residential development for the Housing Production portion of the Plan.

Task 2.0 Five-Year Implementation Strategy

Using the information and data compiled during Task 1, we will work with staff to develop a strategy and prioritize projects for the proposed redevelopment effort during the next five-year period. The Strategy will address the following required components:

- Five-year goals and objectives of the Redevelopment Plan
- Redevelopment programs and estimated expenditures
- Relationship between proposed programs and elimination of blight

2.1 Overall Strategy for Elimination of Blight. The Redevelopment and Housing Implementation Plan will define the general actions/programs the City intends to undertake during the next five year period to correct the blight identified by the Redevelopment Project (new development, site assembly, public improvements, etc.).

Task 3.0 Housing Fund Requirements

AB 1290 requires the Implementation Strategy demonstrate how the Redevelopment Plan's goals, objectives, projects and expenditures will implement the housing fund requirements of Redevelopment Law (Sections 33334.2, 33334.4, 33334.6, and 33413). This explanation must include an annual housing plan for each of the Plan's five years which details the City's strategy for expenditure of set-aside funds, and fulfillment of inclusionary and replacement housing requirements.

3.1 Annual Housing Strategy. The Implementation Strategy must detail the number of units to be constructed, rehabilitated, price-restricted or otherwise assisted on an annual basis. As part of the initial data analysis (**Task 1**), the City's inclusionary housing production requirements will be quantified for both new construction and rehabilitation for the next five- and ten-year period. Annual set-aside projections will also be developed as part of **Task 1**. This will provide input into determining the annual assistance goals.

3.2 Replacement Housing. The Plan will evaluate the prior removal of housing in the Project Area, and any existing replacement housing obligation. The Strategy will also set forth the anticipated future removal of units in each of the ensuing five years.

3.3 Plan for Annual Deposits to Housing Fund. The Implementation Plan will describe the City's plan for using the annual deposit to the housing fund.

Task 4.0 Implementation Plan Preparation

Based upon the documentation and analysis obtained from **Tasks 1-3**, the City's five-year Implementation Strategy will be drafted. The document will clearly address all Implementation Strategy requirements under AB 1290, as amended under AB 637.

Task 5.0 Public Hearing and Adoption Requirements

Under AB 1290, the City must hold at least one Public Hearing before formally adopting the Implementation Plan. The Public Hearing Notice must be posted in a minimum of four locations within the Project Area for a period of at least three weeks ending at least 10 days prior to the Hearing. In addition, the Public Hearing Notice must be published once a week for three weeks in a newspaper of general circulation. The first notice must be published at least 31 days prior to the hearing.

Our project cost <u>does not</u> include attendance at the public hearing.

Task 6.0 Production of Final Implementation Plan

CBA will provide one original reproducible copy of a screendraft Redevelopment Implementation Plan for review, one original reproducible copy of the draft Implementation Plan for Agency review, and one original reproducible copy of the final plan after adoption.

Schedule

CBA is able to commit the necessary resources to complete these tasks. Assuming project initiation in July 2004, the Plan will take approximately 8 to 10 weeks to draft. Following a two-week staff review in September/October 2004, the Plan will be ready for a 30-day public review during October/November 2004 and a final public hearing for adoption can be scheduled in November 2004.

Budget

Based on our discussion with the City regarding the limited extent of update needed, we estimate the cost at $4,910.

Staff Person:	**Principal**	**Planners**	**Graph/ WP**	**Total**
Hourly Rate:	$165	$75	$60	
1.0 Data Collection & Analysis	2	20		$1,830
2.0 Implementation Strategy	2	8		$9,30
3.0 Housing Fund Requirements	2	4		$6,30
4.0 Implementation Strategy Prep.	2	8	2	1,050
5.0 Public Hearing and Adoption	City staff responsibility			
6.0 Production of Final Plan		2	2	$270
Reproduction/Travel				$200
Total Implementation Plan	8	42	4	$4,910

Please feel free to call me at (626) 304-0102, extension 217 should you need additional information. Thank you for your consideration of our proposal and we look forward to working with you!

Sincerely,

COTTON/BRIDGES/ASSOCIATES
A Division of P&D Consultants, Inc.

Veronica Tam, AICP
Principal

EXHIBIT B

FEE SCHEDULE

FEE SCHEDULE

IMPLEMENTATION PLAN

Budget

Based on our discussion with the City regarding the limited extend of updated needed, we estimate the cost at $4,910

Staff Person:	**Principal**	**Planners**	**Graph/WP**	**Total**
Hourly Rate:	$165	$75	$60	
1.0 Data Collection & Analysis	2	20		$1,830
2.0 Implementation Strategy	2	8		$9,30
3.0 Housing Fund Requirements	2	4		$6,30
4.0 Implementation Strategy Prep.	2	8	2	1,050
5.0 Public Hearing and Adoption	City staff responsibility			
6.0 Production of Final Plan		2	2	$270
Reproduction/Travel				$200
Total Implementation Plan	8	42	4	$4,910

EXHIBIT C

PROJECT SCHEDULE

SCHEDULE OF PERFORMANCE –

REDEVELOPMENT IMPLEMENTATION PLAN

CBA is able to commit the necessary resources to complete these tasks. Assuming project initiation in July 2004, the Plan will take approximately 8 to 10 weeks to draft. Following a two-week staff review in September/October 2004, the Plan will be ready for a 30-day public review during October/November 2004 and a final public hearing for adoption can be scheduled in November 2004.

EXHIBIT D

CITY COUNCIL POLICY 100-5

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

PURPOSE

It is the purpose of this Policy to:

3. Clearly state the City of Costa Mesa's commitment to a drug-free society.

4. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

2. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:

   a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;

b. Establishing a Drug-Free Awareness Program to inform employees about:

   5. The dangers of drug abuse in the workplace;

   6. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;

   7. Any available drug counseling, rehabilitation and employee assistance programs; and

   8. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;

d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:

   3. Abide by the terms of the statement; and

   4. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;

e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;

f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:

   3. Taking appropriate personnel action against such an employee, up to and including termination; or

   4. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.

2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:

   a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;

   b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;

   c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.

3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.

EXHIBIT E

CERTIFICATE OF INSURANCE

INSURANCE REQUIREMENTS

The City's insurance requirements are indicated as follows:

Worker's Compensation Insurance – Statutory Limits
Comprehensive General Liability - $1,000,000 Combined Single Limit
Automobile Liability Insurance - $1,000,000 Combined Single Limit

Both the City of Costa Mesa and the Costa Mesa Redevelopment Agency must be names as Additional Insured.