

**CITY OF COSTA MESA
PROFESSIONAL SERVICES AGREEMENT
WITH
MIKE LINARES, INC.**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 1st day of July, 2019 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and MIKE LINARES, INC., a California corporation ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide Community Development Block Grant (CDBG) and HOME Investment Partnerships Program consulting services, as more fully described herein; 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 the specific services described in Exhibit "A" 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 sections 1090-1092 of the California Government Code, 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 Work, attached hereto as Exhibit "A," and Consultant's Proposal, attached hereto as Exhibit "B," both incorporated herein by this 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. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the

matters of concern;

- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. 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.

1.5. 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, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. 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.

1.7. 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.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement by this reference (the "Fee Schedule"). Consultant's annual compensation shall not exceed Ninety Thousand Dollars (\$90,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City Manager or designee, 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 the City for approval on a progress basis, but no more often than two times a month. 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 thirty (30) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, 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 from the Effective Date until three (3) years after termination of this Agreement.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Unless otherwise agreed to in writing by the parties, the professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. 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 five (5) years, ending on June 30, 2024, 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 based on 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, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business 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 for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than Five Hundred Thousand Dollars (\$500,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. 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 commercial general liability insurance policy and business automobile liability 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, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. 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. The certificates of insurance shall be attached hereto as Exhibit "D" and incorporated herein by this reference.

5.5. 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 or her 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 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, and (b) 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:

Mike Linares, Inc.
P.O. Box 3913
San Clemente, CA 92672
Tel: (714) 608-7263
Attn: Mike Linares

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5153
Attn: Willa Bouwens-Killeen

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

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 "E" 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 agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

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 have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole 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. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the

independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.13. 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 related items as requested by City or its authorized representative, at no additional cost to the City.

6.14. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and 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, pursuant to this Agreement 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.

6.15. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.16. 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.

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

6.18. 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 any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.19. 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.

6.20. 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.

6.21. 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.

6.22. 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.

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

6.24. 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.

6.25. 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 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.

6.26. 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.

6.27. 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.

CONSULTANT



Signature

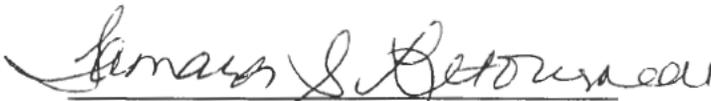
Date: May 16, 2019

Mike LINARES

Mike Linares, President

Social Security or Taxpayer ID Number

CITY OF COSTA MESA



Tamara Letourneau
Acting City Manager

Date: 5/31/19

ATTEST:

Brenda Green 6/3/19
Brenda Green
City Clerk



APPROVED AS TO FORM:

[Signature]
Kimberly Hall Barlow
City Attorney

ACA

Date: 5/30/19

APPROVED AS TO INSURANCE:

[Signature]
Ruth Wang
Risk Management

Date: 5/24/19

APPROVED AS TO CONTENT:

[Signature]
Willa Bouwens-Killeen
Project Manager

Date: 5.17.19

DEPARTMENTAL APPROVAL:

[Signature]
Barry Curtis
Economic and Development Services
Director

Date: 5.17.19

APPROVED AS TO PURCHASING:

[Signature]
Kelly Telford
Finance Director

Date: 5/25/19

EXHIBIT A
SCOPE OF WORK

CDBG/HOME Coordinator

Scope of Work

The CDBG/HOME Coordinator shall assist Staff in performing such duties and responsibilities as necessary to assure the successful completion of projects pursuant to the rules and regulations of the Community Development Block Grant and HOME Investment Partnership Programs.

This is an in-office position which requires a minimum of 20 and a maximum of 30 hours per week to complete the required duties.

Such duties and responsibilities include, but are not limited to, the following:

- Public Service Grant Processing
- Preparation/revision of application package
- Review forty-plus (40+) applications to ensure CDBG eligibility
- Assist with scheduling interviews with sub-grantees and Housing and Public Service Grant Committee as well as conducting meetings and preparing Committee evaluations
- Preparation of City Council letter and related materials for Council approval
- Ensure all City required documents are submitted prior to funding (i.e. executed contracts, purchase requisitions, City approved insurance, expenditure back-up documentation)
- Review quarterly reports and process payments
- Monitor sub-grantees
- HOME/CDBG Administration
 - Consolidated Plan Updates
 - Consolidated Plan - One-Year Action Plan and Amendments
 - Consolidated Plan Performance Report
 - Grantee Performance Report
 - HOME Program
 - Annual Performance Report
 - Assist in HOME unit monitoring
 - Section 3 Plan - Preparation, Monitoring and Training
 - Environmental Reviews of all CDBG/HOME Funded Activities
 - Miscellaneous Annual and Semi-Annual Report
 - Minority/Women contracts
 - Labor Standards
 - Fair Housing Assessment
 - Integrated Data and Information System (IDIS) Implementation
 - Housing rehabilitation project setup, revision, and completion

- CDBG and HOME project setup
- Gathering information regarding CDBG project progress from other departments
- Ongoing reconciliation of City ledgers with IDIS on-line ledgers
- Bi-lingual community outreach (i.e., tenants and landlords, fair housing meeting, Consolidated Plan)
- Special Projects as they occur - i.e. Supportive Housing Project expenditures, citizen complaints, etc.
- Review changes to federal program grants
- Administer/monitor Capital Improvement Projects
- Represents City in regional efforts, including, but not limited to, Continuum of Care/Fair Housing/OCHA, and any housing consortium

EXHIBIT B
CONSULTANT'S PROPOSAL

**PROPOSAL
CITY OF COSTA MESA
CDBG/HOME CONSULTANT**



March 19, 2019

Mike Linares, Inc.



March 19, 2019

Ms. Stephanie Urueta
RFP Facilitator, City of Costa Mesa
77 Fair Drive
Costa Mesa CA 92628-1200

Dear Ms. Urueta:

RE: RFP No. 19-07 CDBG/Home Consultant

Enclosed, please find one original and five copies of my firm's response to the City of Costa Mesa's Request for Proposals – CDBG/HOME Coordinator. Since 1995, I have provided quality program management services for various HUD-funded programs such as the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) programs. I am familiar with all aspects of the administration of these two federal funding sources and have effectively managed these grant funds on behalf of many Southern California communities including the City of Costa Mesa.

Within the attached proposal, I will describe my firm's methods and approach for the administration of CDBG and HOME funds, my firm's experience delivering such services, the financial capacity of my firm to undertake the proposed services, staffing, and costs. Additionally, the proposal includes the disclosures and related forms required by the Request for Proposal (RFP).

As president of Mike Linares, Inc., I am authorized to contractually bind my firm. The services and proposed fee delineated in this response will be valid for 180 days from the proposal due date of March 21, 2019. Please note I will be the primary contact for all matters related to this proposal and the contract.

I am confident that the enclosed proposal will address all the elements of the City's RFP; however, if any additional information is needed, please do not hesitate to contact me by email at mike@mlinaresinc.com, or by telephone at (714) 608-7263. Communication via the U.S. Postal Service may be addressed to me at PO Box 3913 San Clemente, CA 92672. Thank you for your consideration.

Best Regards;

Mike Linares
President



**VENDOR APPLICATION FORM
FOR
RFP NO. 19-07
CDBG/HOME CONSULTANT**

TYPE OF APPLICANT: NEW CURRENT VENDOR

Legal Contractual Name of Corporation: Mike Linares, Inc.

Contact Person for Agreement: Mike Linares

Corporate Mailing Address: P.O. Box 3913

City, State and Zip Code: San Clemente, CA 92672

E-Mail Address: mike@mлинаresinc.com

Phone: (714) 608-7263 Fax: NA

Contact Person for Proposals: Mike Linares

Title: President E-Mail Address: mike@mлинаresinc.com

Business Telephone: (714) 608-7263 Fax: NA

Is your business: (check one)

NON-PROFIT CORPORATION

FOR PROFIT CORPORATION

Is your business: (check one)

CORPORATION

LIMITED LIABILITY PARTNERSHIP

INDIVIDUAL

SOLE PROPRIETORSHIP

PARTNERSHIP

UNINCORPORATED ASSOCIATION

Names & Titles of Corporate Board Members

(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
<u>Mike Linares</u>	<u>President</u>	<u>(714) 608-7263</u>
<u>Mike Linares</u>	<u>Secretary</u>	<u>(714) 608-7263</u>
<u>Mike Linares</u>	<u>Treasurer</u>	<u>(714) 608-7263</u>
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<u> </u>	<u> </u>	<u> </u>

Federal Tax Identification Number: 33-0886359

City of Costa Mesa Business License Number: 45669
(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: August 31, 2019

BACKGROUND & PROJECT SUMMARY

Since January 1995, Mike Linares (and later Mike Linares, Inc.) has provided quality consulting and program management services for Southern California communities and nonprofits. These services primarily focus on the administration of funds from the U.S. Department of Housing and Urban Development (HUD), Office of Community Planning and Development (CPD). HUD-CPD core programs include the Community Development Block Grant (CDBG), Home Investment Partnerships Grant (HOME), Emergency Solutions Grant (ESG), and the Housing Opportunities for Persons with AIDS Grant (HOPWA).

With respect to the City of Costa Mesa's Request for Proposals (RFP) for CDBG/HOME Coordinator services, Mike Linares, Inc. (MLI) has extensive experience providing all aspects of CDBG and HOME program management. This experience includes all tasks listed in the RFP Scope of Work (Addendum No. 1 – Revised Attachment A). These tasks include, but are not limited to the following:

GENERAL HOME/CDBG ADMINISTRATION

- Prepare Consolidated Plan and amendments
- Prepare Consolidated Plan One-Year Action Plan and amendments
- Prepare Consolidated Annual Performance and Evaluation Report (CAPER), i.e., year-end performance reports ^{1,2}
- Assist with HOME-funded housing unit compliance
- Section 3 Plan preparation, monitoring, and reporting
- Prepare National Environmental Policy Act (NEPA) reviews of most CDBG/HOME-funded activities (does not include technical engineering or analysis work that requires specialized licensing or certification)
- Prepare miscellaneous annual and semi-annual report
 - Contractor Activity Report
 - Minority/Women Business Enterprise Report
 - Federal Labor Standards Report

¹ The City's RFP (Addendum No. 1) identifies the Grantee Performance Report (GPR) as an independent task; however, the GPR has been incorporated into the year-end CAPER report and is no longer a stand-alone report.

² The City's RFP (Addendum No. 1) identifies the "HOME Program" and "Annual Performance Report" as two separate tasks. The proposer is assuming this is a format mistake, and that the two tasks are actually one. If assumed correctly, the HOME Program Annual Performance report has been incorporated into the year-end CAPER report and is no longer a stand-alone report.

INTEGRATED DATA AND INFORMATION SYSTEM (IDIS) IMPLEMENTATION

- CDBG and HOME project setup
- Housing rehabilitation project setup, revision, and completion
- Gather information regarding the progress of HUD-funded project from other departments
- Ongoing coordination of IDIS implementation with City Finance Department staff

PUBLIC SERVICE GRANT MANAGEMENT

- Prepare/revise the annual grant application package
- Review grant applications to ensure CDBG eligibility
- Schedule applicant interviews with the City's Housing and Public Service Grant Committee as well as facilitate meetings and manage the Committee's grant evaluations process
- Prepare agenda reports and related materials for City Council grant approval
- Coordinate document preparation for funding (i.e., contract execution, purchase requisitions)
- Review quarterly accomplishment reports and reimbursement request
- Biennial monitor of subrecipients

OTHER RELATED TASKS

- Undertake special projects as assigned (e.g., affordable housing projects, special tasks force)
- Review changes to federal program regulations
- Assist the City during a HUD on-site monitoring
- Represents City in regional efforts, i.e., Continuum of Care Community Forum, regional Fair Housing Analysis, Orange County Housing Authority, and potential Orange County HOME Consortium

It is the objective of MLI to implement the City's CDBG and HOME programs in an efficient and effective manner, and represent the City in a professional manner that is responsive to the community, its leaders, and staff, but also ensures compliance with applicable federal regulations related to CDBG and HOME programs.

METHODOLOGY

1. *An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.*

With respect to an implementation plan, it is important to note that the administration of the CDBG and HOME programs is cyclical in nature. Additionally, at certain times of the year, extra time and staffing resources are required to complete tasks (e.g., coordinating annual public service grant allocation process and preparation of the Action Plan and CAPER). Below is an outline of the typical implementation schedule for a HUD program year.

MONTH	CDBG/HOME-PROGRAM RELATED TASK
July	<ul style="list-style-type: none"> ▪ Start of Program Year – Setup CDBG and HOME activities in IDIS ▪ Begin to collect & report data for year-end report ▪ Prepare public service grant agreements and related materials ▪ Prepare NEPA reviews
August	<ul style="list-style-type: none"> ▪ Collect and report program data for year-end report ▪ Coordinate year-end financial data with City Finance Department ▪ Prepare draft CAPER
September	<ul style="list-style-type: none"> ▪ Coordinate public review of CAPER (including advisory committee review) ▪ Final CAPER ▪ Submit CAPER to HUD
October	<ul style="list-style-type: none"> ▪ Prepare new grant year CDBG application ▪ Solicit housing and non-housing programs/projects for CDBG/HOME funds
November	<ul style="list-style-type: none"> ▪ Distribute CDBG/HOME funding application to subrecipients & City departments
December	<ul style="list-style-type: none"> ▪ Begin public participation process (e.g., meetings with potential grant applicants) ▪ Receive & review funding requests
January	<ul style="list-style-type: none"> ▪ Prepare draft CDBG/HOME expenditure plan ▪ Mid-year budget reviews and adjustments
February	<ul style="list-style-type: none"> ▪ Hold required public review/meetings for proposed use of HUD funds ▪ Draft annual Action Plan

March	<ul style="list-style-type: none"> ▪ Draft annual Action Plan ▪ Committee/Commission meetings
April	<ul style="list-style-type: none"> ▪ Committee/Commission meetings ▪ Prepare agenda report for City Council Action Plan approval
May	<ul style="list-style-type: none"> ▪ Submit Action Plan to HUD ▪ Prepare grant agreements for new program year ▪ Monitor subrecipients
June	<ul style="list-style-type: none"> ▪ Close out program year ▪ Prepare grant agreements for new program year ▪ Monitor subrecipients ▪ Prepare for year-end reporting
Ongoing	<ul style="list-style-type: none"> ▪ Prepare various HUD-related quarterly, semi-annual, and annual reports

MLI's methodology to ensure these steps are implemented in a timely manner is to establish a program year schedule and utilize electronic tools to establish due date reminders and warnings. This methodology also includes communicating deadlines with City staff early in the planning process, so subrecipients and City staff have sufficient time to prepare and/or collect requested information and materials.

2. *Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.*

MLI's efforts to achieve and maintain client satisfaction is based on three principles:

- Provide quality services to clients that are responsive to the unique needs and characteristics of each community.
- Build and maintain positive working relationships with City staff, and equally important, maintain positive working relationships with HUD staff assigned to each client community.
- Find reasonable solutions to issues that comply with all applicable federal program regulations yet provide the City flexibility to meet its unique needs.

3. *Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.*

A tentative project schedule of major tasks and deliverables related to the HUD grant year implementation process is outlined above in bullet point 1. The ongoing administration of the CDBG/HOME program is not "single product" driven, thus it is difficult to describe in terms of time to prepare/perform each task. During the past decade, the time needed to prepare deliverables varies from year to year due to delays in the federal budget approval

process. Additionally, local public policy and community priorities have impacted the planned use of CDBG and HOME funds, which often requires additional analysis and revisions of key HUD planning and reporting documents.

4. *Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.*

MLI is requesting minimal assistance from the City for the proposed scope of work. This is primarily due to the existing relationship between the City of Costa Mesa and MLI. For several years, MLI has provided day-to-day CDBG/HOME program management services for the City of Costa Mesa. This relationship provides MLI with extensive knowledge of the community and internal City processes which helps to expedite the administration of HUD funds. As in past years, MLI will seek the following assistance from City staff:

- City staff support with the preparation and distribution of agenda/commission/committee reports and materials.
- Clerical and intra-departmental support as necessary for the administration of CDBG and HOME grant funds.
- Works station with a working telephone, computer with monitor, printer, and internet access.

5. *Proposers are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, safe, and cost-effective operations or increased performance capabilities.*

MLI's clients include neighboring communities that share several common HUD program characteristics. Managing these program factors in a coordinated manner can enhance program management efficiencies, which can result in cost savings to the City.

6. *Firms, individuals and entities wishing to be considered shall include in their submissions the steps they will, if selected, implement and adhere to for the recruitment, hiring and retention of former employees of the City who have been displaced due to layoff or outsourcing of functions and services formerly provided by the City*

MLI does not anticipate the need for additional staffing to undertake and complete the proposed tasks; nonetheless, the firm will consider the program and related staffing levels if asked by the City to consider hiring or subcontracting with a qualified former City employee.

QUALIFICATIONS AND EXPERIENCE

1. *If the owner is a corporation, please provide:*
 - Name of corporation: Mike Linares, Incorporated
 - Corporate office street address: 520 E. Avenida Pico #3913, San Clemente, CA 92674
 - State where incorporated: California
 - Date of incorporation: January 1, 2000
 - First and Last name of officers: Mike Linares, President, Secretary and Treasurer
 - Local office address: 520 E. Avenida Pico #3913, San Clemente, CA 92674
 - Date local office opened its doors for business: September 1995

2. *If the owner is a partnership or joint venture, please provide: Name of partnership or joint venture, principal office street address, city, state, and zip code, state of organization, date of organization, first and last name of general partner(s), local office address, city, state, and zip code, and date local office opened its doors for business:*
 - Not applicable.

3. *List all businesses owned or controlled by yourself (applicant) or business manager doing similar business in California under another name. List business name and address and specify who owns or controls the business (e.g., self, business manager, etc.).*
 - Mike Linares, Inc., and its officers do not own or control any other similar business in California or any other state under this or any other name.

4. *List all businesses for which you or your business manager is or was an officer, director, or partner doing similar business in California under another name. List business name and address, title, date(s) in position; specify who was in position (e.g., self, business manager, etc.).*
 - Mike Linares, Inc., and its officers are not nor have been an officer, director, or partner doing similar business in California or any other state under this or any other name.

5. *How many years have you been in business under your present business name?*
 - 19 Years. Prior to January 2000, Mike Linares was a sole proprietor.

6. *Provide a list of current and previous contracts similar to the requirements for Costa Mesa, including all public agencies served (if any). For each, provide a brief description of the scope of work performed, the length of time you have been providing services, and the name, title, and telephone number of the person who may be contacted regarding your organization's service record.*

The table below provides a summary of several current and past contracts for service provided by MLI to local jurisdictions. Services include general CDBG/HOME program consultation, IDIS administration, staff training, monitoring of subrecipients, preparation of quarterly, semi-annual and annual HUD-required reports, and interaction with city departments (e.g. Finance, Public Works, Code Enforcement, Planning) necessary to implement CDBG/HOME-funded activities.

<ul style="list-style-type: none"> ▪ City of Aliso Viejo ▪ Ms. Erica Roess Senior Planner (949) 425-2528 	<ul style="list-style-type: none"> ▪ January 2018 – Present ▪ Preparation of 1st Consolidated Plan General CDBG program consultation
<ul style="list-style-type: none"> ▪ City of Buena Park ▪ Ms. Martha Archuleta Housing and CDBG Analyst (714) 562-5391 	<ul style="list-style-type: none"> ▪ July 1998 - Present ▪ General CDBG program consultation including preparation of Annual Action Plan and year-end CAPER report
<ul style="list-style-type: none"> ▪ City of Lake Forest ▪ Mr. Ron Santos Senior Planner (949) 461-3449 	<ul style="list-style-type: none"> ▪ December 2013 - Present ▪ General CDBG program consultation including preparation of Annual Action Plan and year-end CAPER report, and most aspects of the day to day administration of the program
<ul style="list-style-type: none"> ▪ City of Mission Viejo ▪ Mr. Larry Longenecker Planning Manager (949) 470-3024 	<ul style="list-style-type: none"> ▪ July 1999 - Present ▪ General CDBG program consultation including preparation of Annual Action Plan and year- end CAPER report, and most aspects of the day to day administration of the program
<ul style="list-style-type: none"> ▪ City of Rancho Santa Margarita ▪ Ms. Cheryl Kuta Development Services Dir. (949) 635-1800 	<ul style="list-style-type: none"> ▪ July 2005 to Present ▪ General CDBG program consultation including preparation of Annual Action Plan and year- end CAPER report, and most aspects of the day to day administration of the program
<ul style="list-style-type: none"> ▪ City of San Clemente ▪ Mr. Gabriel Perez City Planner (949) 361-6186 	<ul style="list-style-type: none"> ▪ July 2015 to Present ▪ General CDBG program consultation including preparation of Annual Action Plan and year- end CAPER report, and most aspects of the day to day administration of the program
<ul style="list-style-type: none"> ▪ City of Santa Ana ▪ Ms. Terri Eggers Senior Management Analyst (714)647-5378 	<ul style="list-style-type: none"> ▪ July 1996 to December 2014 ▪ General CDBG, HOME and ESG consultation including preparation of Annual Action Plan and year-end CAPER and HOPWA reports

7. *Submit a description of the organization's qualifications, experience and abilities that make it uniquely capable to provide the services specified in the Scope of Work.*

MLI is a consulting firm based in Orange County. Incorporated in 2000, MLI provides quality program management services for Southern California communities, specializing in HUD-CPD programs such as CDBG and HOME. Before incorporating, Mike Linares provided contract services to local government and nonprofit agencies as a sole proprietor. Prior to this venture, Mike worked for the cities of Santa Ana and Anaheim administering and managing CDBG, HOME, ESG, and redevelopment-funded programs. Mike also served as executive assistant to former Orange County Supervisor Roger Stanton. In this capacity, he analyzed public policy and made recommendations to the Supervisor regarding housing, waste management, and general county services.

More relevant to the RFP is Mr. Linares' experience working for the City of Costa Mesa providing the services listed in the RFP's scope of work and delineated in the **Background and Project Summary** of this proposal. Mike has developed valuable working relationships with City staff, managers, executive management, elected officials, and community residents. He has developed a reputation for providing quality CDBG/HOME program administrative services that serve as a model for other communities. Additionally, Mike has taken a regional leadership role in various HUD-CPD related issues such as a multi-jurisdictional Analysis of Impediments to Fair Housing, quarterly CDBG administrators' meetings, and discussions on the creation of an Orange County HOME Consortium. Mr. Linares has built positive working relationships with various HUD-Los Angeles staff which enables him to tap into their resources and knowledge-base to best ensure the City remains compliant with federal program regulations.

8. *The City of Costa Mesa is interested in knowing how Proposers support the communities that they serve. Please provide information on your organization's participation in local community, charitable and civic organizations and events, including membership in the Costa Mesa Chamber of Commerce, charitable contributions made by your organization, etc.*

On a personal level, giving back to the community is important MLI. Mr. Linares is a supporter of many national and local charities and nonprofit organizations. He is also very involved with his parish and children's high school communities. However, as an administrator of taxpayer funds, it is imperative that MLI staff keep a clear separation of duties between work and participating in charitable organizations, as such participation may be perceived as "favorable treatment" or potential conflict of interest. Nonetheless, Mr. Linares and his family are supporters of a Costa Mesa-based nonprofit that services homeless families. Since this organization does not receive or apply for funding from Costa

Mesa, he volunteers his time and expertise to support the organization (e.g., assisting with preparing applications to HUD for funding). Additionally, Mr. Linares and his family have volunteered their time to work with Costa Mesa area churches that provide food, clothing, and hygiene kits for area homeless. MLI has supported past City programs (e.g. Neighbors for Neighbors) by volunteering time and making financial donations to support the program. (Due to the elimination of redevelopment funding and subsequent program staff reductions, this program is no longer offered by the City.)

Any public entity which submits a Proposal should describe in detail how it currently performs services like those identified in the Scope of Work within its or other jurisdictions, including photographs, written policies and/or video of services provided. If you have performed these services under contract for another public entity, please provide references for those entities as set forth above for private Proposers.

Not applicable; Mike Linares, Inc. is not a public entity.

FINANCIAL CAPACITY

Mike Linares, Inc. is a small privately held business that does not prepare independent audits. MLI assures the City of Costa Mesa that it has the financial capacity to see the proposed scope of work to its conclusion.

MLI has no pending administrative proceedings, claims, lawsuits, or other legal or financial exposures pending against the firm.

STAFFING

The staff assigned to the project is Mike Linares, the owner and president of Mike Linares Inc. Mike has over 30 years of public sector experience working with local jurisdictions managing federal grants such as CDBG and HOME. Mike's experience includes preparing program documents such as Consolidated Plans, Annual Action Plans, and year-end accomplishment reports. Mr. Linares also has extensive experience managing subrecipient grants and ensuring compliance with other federal program regulations. As requested, Mike's resume is provided.

Upon award and during the contract period, Mike Linares, Inc. will notify the City if different personnel will be assigned to the project. MLI will submit the name(s) and qualifications of such personnel as applicable. Approval of personnel changes will be at the City's discretion.

MIKE LINARES

PO BOX 3913 SAN CLEMENTE CA 92672

714.608.7263 / MIKE@MLINARESINC.COM

PROFESSIONAL EXPERIENCE

PRESIDENT AND OWNER - MIKE LINARES, INC

JANUARY 1995 TO PRESENT

Management and consulting services for nonprofit, and local and regional government, specializing in federal housing and community development programs such as CDBG, HOME, ESG, and McKinny-Vento.

CITY OF ANAHEIM NEIGHBORHOOD IMPROVEMENT COORDINATOR

JULY 1993 THROUGH JANUARY 1995

Neighborhood Improvement Program Division manager responsible for the administration of the City's federal program, affordable housing development, residential rehabilitation programs, first-time homebuyer programs, and neighborhood empowerment programs - supervised up to 13 full-time staff.

EXECUTIVE ASSISTANT PAST ORANGE COUNTY SUPERVISOR ROGER STANTON

SEPTEMBER 1990 THROUGH JULY 1993

Analyzed, evaluated, and made recommendations to elected County official on major County policy issues and programs related to general government, housing, waste management, and community services - represented the Supervisor and County at various public and private forums.

CITY OF SANTA ANA HOUSING PROGRAMS ANALYST

JULY 1987 THROUGH AUGUST 1990

Developed, implemented and managed all aspects of housing and neighborhood improvement projects and programs including housing development, residential rehabilitation, historic preservation, and special needs housing programs - served as Project Manager for Countywide SRO housing task force.

CITY OF SANTA ANA ADMINISTRATIVE AIDE

AUGUST 1986 THROUGH JUNE 1987 (SPECIAL PROJECTS AND HOUSING DIVISIONS)

Assisted management staff with the administration of housing and economic development projects and programs - conducted research and analysis of complex housing and economic development issues - conducted loan processing and legislative analysis.

EDUCATION

Master of Public Administration
California State University, Long Beach * May 1990
Emphasis in Community Development and Organizational Behavior

Bachelor of Arts Degree Political Science
California State University, Long Beach * May 1986
Emphasis in Public Policy Formation

EXTRACURRICULAR ACTIVITIES

Member: National Association of Housing and Redevelopment Officials, Municipal Managers Association of Southern California, Pi Alpha Alpha National Honor Society for Public Affairs and Administration, Pi Sigma Alpha National Honor Society for Political Science

Past Committee Member: National Association of Housing and Redevelopment Officials, South Western Chapter Professional Development Committee

Past Member: Orange County United Way "Outcome Measures" Steering Committee

Past Member Board of Directors: Santa Ana Economic Development Corporation, served on the nonprofit housing development, commercial rebate and marketing committees

Past Vice-President Pi Alpha Alpha National Honor Society for Public Affairs and Administration, Long Beach Chapter

Volunteer San Clemente Boys and Girls Club, South Orange County YMCA, Saint Edward Parish School Assistant Track Coach, Santa Margarita Catholic High School Girls JV Soccer Team Photographer

Fluent in Spanish

Experienced with Microsoft Word, Excel and PowerPoint

Extensive experience with HUD IDIS

COST PROPOSAL

Please see the enclosed sealed envelope containing the proposed cost schedule. The enclosed cost proposal is valid for 180 days from the date of the proposal due date - March 21, 2019.

Disclosures

Please disclose any and all past or current business and personal relationships with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official, or City employee. **Any past or current business relationship may not disqualify the firm from consideration.**

Mike Linares, Inc. or Mike Linares does not have a past or current business relationship with any current Costa Mesa elected official, appointed official, City employee, or family member of any current Costa Mesa elected official, appointed official or City employee. Having provided CDBG/HOME program administration services for the City for many years, Mr. Linares has developed working relationships with many current and past elected and appointed City officials, and City staff; however, these are all professional relationships.

Sample Professional Service Agreement

In general, the language of the sample professional service agreement is acceptable with the following exceptions:

- Paragraph 2.3 – The industry standard for similar work is “payment” within thirty days not forty-five. This modification is requested.
- Paragraph 5.1 (c) – Mike Linares, Inc. has no employees; therefore, deletion or a waiver of this section is requested.
- Paragraph 5.1(d) – In past years the City waived the requirement for professional errors and omissions (E&O) liability insurance for these services. This waiver was provided in consideration of the high cost of E&O coverage and the administrative nature of this contract. (This is not an engineering and construction contract, yet the same insurance limits are stipulated in the sample professional service agreement.) Since 2014, Mike Linares has carried \$500,000 in E&O insurance, which has been acceptable to the City Attorney. A request is made to modify the policy limit from not less than \$1,000,000 to \$500,000.

No other modifications to the required insurance are requested.

COMPANY PROFILE & REFERENCES
(Continued)

Submit the company names, addresses, telephone numbers, email, contact names, and brief contract descriptions of at least five clients, preferably other municipalities for whom comparable projects have been completed or submit letters from your references which include the requested information.

Company Name: City of Aliso Viejo Telephone Number: (949) 425-2528
 Contact Name: Erica Roess Contract Amount: \$25,000
 Email: eroess@cityofaliso Viejo.com
 Address: 12 Journey, Suite 100, Aliso Viejo, CA 92656
 Brief Contract Description: Preparation of 1st Consolidated Plan, general CDBG program consultation.

Company Name: City of Buena Park Telephone Number: (714) 562-3591
 Contact Name: Martha Archuleta Contract Amount: \$15,000
 Address: 6650 Beach Boulevard, Buena Park, CA 90622
 Email: marchuleta@buenapark.com
 Brief Contract Description: General CDBG program consultation including preparation of Annual Action Plan and year-end CAPER report.

Company Name: City of Mission Viejo Telephone Number: (949) 470-3024
 Contact Name: Larry Longenecker Contract Amount: \$25,000
 Address: 200 Civic Center, Mission Viejo, CA 92691
 Email: llongenecker@cityofmissionviejo.org
 Brief Contract Description: CDBG program consultation including preparation of Annual Action Plan and year-end CAPER report, and most aspects of the day to day administration of the program.

Company Name: City of Rancho Santa Margarita Telephone Number: (949) 635-1800
 Contact Name: Cheryl Kuta Contract Amount: \$25,000
 Address: 22112 El Paseo, Rancho Santa Margarita, CA 92688
 Email: ckuta@cityofrsm.org
 Brief Contract Description: CDBG program consultation including preparation of Annual Action Plan and year-end CAPER report, and most aspects of the day to day administration of the program.

Company Name: City of Whittier Telephone Number: (562) 567-9320
 Contact Name: Ben Pongetti Contract Amount: \$10,000
 Email: bpongetti@cityofwhittier.org
 Address: 13230 Penn Street, Whittier CA 90602
 Brief Contract Description: Preparation of annual action plan, year-end performance report, IDIS management, and other related CDBG/HOME consulting services.

EX PARTE COMMUNICATIONS CERTIFICATION

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning **RFP No. 19-07 CDBG/HOME CONSULTANT** at any time after **FEBRUARY 27, 2019**.

Signature

Date: March 19, 2019

Mike Linares, President

Print

OR

I certify that Proposer or Proposer's representatives have communicated after **FEBRUARY 27, 2019** with a City Councilmember concerning **RFP No. 19-07 CDBG/HOME CONSULTANT**. A copy of all such communications is attached to this form for public distribution.

Signature

Date: _____

Print

DISCLOSURE OF GOVERNMENT POSITIONS

Each Proposer shall disclose below whether any owner or employee of Contractor currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

None.

DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes No

If the answer is yes, explain the circumstances in the following space.



ADDENDUM NO. 1

REQUEST FOR PROPOSAL

FOR

CDBG/HOME CONSULTANT

RFP No. 19-07



DEVELOPMENT SERVICES

CITY OF COSTA MESA

Released March 6, 2018

The referenced document has been modified as per the attached Addendum No. 1

Please sign this Addendum where designated and include in the proposal. This addendum is hereby made part of the referenced RFP as through fully set forth therein.

Any questions regarding this addendum should be addressed to

Stephanie Urueta, email stephanie.urueta@costamesaca.gov

REVISED

**ATTACHMENT A
SCOPE OF WORK**

The CDBG/HOME Coordinator shall assist Staff in performing such duties and responsibilities as necessary to assure the successful completion of projects pursuant to the rules and regulations of the Community Development Block Grant and HOME Investment Partnership Programs.

This is an in-office position which requires a minimum of 20 and a maximum of 30 hours per week to complete the required duties.

Proposals which do not assign a permanent staff person to the office a minimum of three (3) days per week will not be considered.

Such duties and responsibilities include, but are not limited to, the following:

- Public Service Grant Processing
- Preparation/revision of application package
- Review forty-plus (40+) applications to ensure CDBG eligibility
- Assist with scheduling interviews with sub-grantees and Housing and Public Service Grant Committee as well as conducting meetings and preparing Committee evaluations
- Preparation of City Council letter and related materials for Council approval
- Ensure all City required documents are submitted prior to funding (i.e. executed contracts, purchase requisitions, City approved insurance, expenditure back-up documentation)
- Review quarterly reports and process payments
- Monitor sub-grantees
- HOME/CDBG Administration
 - Consolidated Plan Updates
 - Consolidated Plan - One-Year Action Plan and Amendments
 - Consolidated Plan Performance Report
 - Grantee Performance Report
 - HOME Program
 - Annual Performance Report
 - Assist in HOME unit monitoring
 - Section 3 Plan - Preparation, Monitoring and Training
 - Environmental Reviews of all CDBG/HOME Funded Activities
 - Miscellaneous Annual and Semi-Annual Report
 - Minority/Women contracts
 - Labor Standards
 - Fair Housing Assessment

- Integrated Data and Information System (IDIS) Implementation
- Housing rehabilitation project setup, revision, and completion
- CDBG and HOME project setup
- Gathering information regarding CDBG project progress from other departments
- Ongoing reconciliation of City ledgers with IDIS on-line ledgers
- o Bi-lingual community outreach (i.e., tenants and landlords, fair housing meeting, Consolidated Plan)
- o Special Projects as they occur - i.e. Supportive Housing Project expenditures, citizen complaints, etc.
- o Review changes to federal program grants
- o Administer/monitor Capital Improvement Projects
- o Represents City in regional efforts, including, but not limited to, Continuum of Care/Fair Housing/OCHA, and any housing consortium

All other provisions of the request for proposal shall remain in their entirety.

Vendors hereby acknowledge receipt and understanding of the above Addendum. Complete and submit this Addendum with your proposal.

Signature 3/19/19
Date

Mike Linares, President

Typed Name and Title

Mike Linares, Inc.

Company Name

PO Box 3913

Address
San Clemente, CA 92672

City State Zip

EXHIBIT C
FEE SCHEDULE



March 19, 2019

Ms. Stephanie Urueta
RFP Facilitator, City of Costa Mesa
77 Fair Drive
Costa Mesa CA 92628-1200

Dear Ms. Urueta:

RE: RFP No. 19-07 CDBG/Home Consultant Fee Proposal

Attached please find a table that details the fee schedule for proposed services. The fee proposed by Mike Linares, Inc. is an hourly rate of \$90.00/hour with an annual not to exceed amount of \$90,000.

A request for pricing adjustments for follow-on contract renewal periods will be provided no later than ninety (90) days prior to the end of the contract period or when the renewal contract is to be presented to the City Council for approval. The fee rate adjustment will be based on the Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted.

Best Regards;

Mike Linares
President

PROPOSED FEE SCHEDULE

Employee	Hourly Rate	Anticipated Hours	Total Cost	Overtime rate
Mike Linares	\$90	1,000 Hours	\$90,000	NA

EXHIBIT D
CERTIFICATES OF INSURANCE



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/14/2019

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

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

PRODUCER Robert Bell Insurance Brokers Inc. 605 East Alvarado Street Suite 200 Fallbrook CA 92028		CONTACT NAME: Valerie Sprong PHONE (A/C, No, Ext): (760) 451-8556 FAX (A/C, No): (760) 451-8613 E-MAIL ADDRESS: valerie@robertbellinsurance.com	
		INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED MIKE LINARES PO BOX 3913 SAN CLEMENTE CA 92672		INSURER A: National Fire Insurance Company of Hart	20478
		INSURER B: Hul - Lloyd's of London	
		INSURER C:	
		INSURER D:	
		INSURER E:	
		INSURER F:	

COVERAGES

CERTIFICATE NUMBER: 18-19 BOP, 19-20 Prof

REVISION NUMBER:

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

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		X	4025987618	7/15/2018	7/15/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COM/PO/AGG \$ 2,000,000 Sales Domestic Animal \$ 1,000
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N N/A				<input type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A	Property			4025987618	7/15/2018	7/15/2019	Property \$6,891
B	Professional Liability			MPL1410417.19	1/17/2019	1/17/2020	Professional Liability \$500,000

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

Certificate holder and its elected and appointed boards, officers, agents, and employees are named as Additional Insured as it is required per written contract. THE HOLDER IS ADDITIONAL INSURED PER ENDORSEMENT SB146932E (06/11)

CERTIFICATE HOLDER**CANCELLATION**

City of Costa Mesa 77 Fair Drive Costa Mesa, CA 92628	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE Michael Bell/VS
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**BLANKET ADDITIONAL INSURED
AND
LIABILITY EXTENSION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS COMMON POLICY CONDITIONS

<u>TABLE OF CONTENTS</u>
<u>I. Blanket Additional Insured Provisions</u>
<u>A. Additional Insured – Blanket Vendors</u>
<u>B. Miscellaneous Additional Insureds</u>
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<u>1. Primary – Noncontributory provision</u>
<u>2. Definition of "written contract."</u>
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<u>A. Bodily Injury – Expanded Definition</u>
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<u>C. Estates, Legal Representatives and Spouses</u>
<u>D. Legal Liability – Damage to Premises</u>
<u>E. Personal and Advertising Injury – Discrimination or Humiliation</u>
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<u>G. Waiver of Subrogation - Blanket</u>

I. BLANKET ADDITIONAL INSURED PROVISIONS

A. ADDITIONAL INSURED – BLANKET VENDORS

Who Is An Insured is amended to include as an additional insured any person or organization (referred to below as vendor) with whom you agreed under a "written contract" to provide insurance, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
 - a. "Bodily injury" or "property damage" for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
 - b. Any express warranty unauthorized by you;
 - c. Any physical or chemical change in the product made intentionally by the vendor;
 - d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;



- e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
 - f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor's premises in connection with the sale of the product;
 - g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or
 - h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
 - (1) The exceptions contained in Subparagraphs d. or f.; or
 - (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
3. This provision 2. does not apply to any vendor included as an insured by an endorsement issued by us and made a part of this Policy.
4. This provision 2. does not apply if "bodily injury" or "property damage" included within the "products-completed operations hazard" is excluded either by the provisions of the Policy or by endorsement.

B. MISCELLANEOUS ADDITIONAL INSURED

- 1. **Who Is An Insured** is amended to include as an insured any person or organization (called additional insured) described in paragraphs 3.a. through 3.j. below whom you are required to add as an additional insured on this policy under a "written contract":
- 2. However, subject always to the terms and conditions of this policy, including the limits of insurance, we will not provide the additional insured with:
 - a. A higher limit of insurance than required by such "written contract";
 - b. Coverage broader than required by such "written contract" and in no event greater than that described by the applicable paragraph a. through k. below; or
 - c. Coverage for "bodily injury" or "property damage" included within the "products-completed operations hazard." But this paragraph c. does not apply to the extent coverage for such liability is provided by paragraph 3.j. below.

Any coverage granted by this endorsement shall apply only to the extent permitted by law.

- 3. Only the following persons or organizations can qualify as additional insureds under this endorsement:

- a. **Controlling Interest**

Any persons or organizations with a controlling interest in you but only with respect to their liability arising out of:

- (1) such person or organization's financial control of you, or
- (2) Premises such person or organization owns, maintains or controls while you lease or occupy these premises;

provided that the coverage granted to such additional insureds does not apply to structural alterations, new construction or demolition operations performed by or for such additional insured.

b. Co-owner of Insured Premises

A co-owner of a premises co-owned by you and covered under this insurance but only with respect to the co-owners liability for "bodily injury", "property damage" or "personal and advertising injury" as co-owner of such premises.

c. Grantor of Franchise

Any person or organization that has granted a franchise to you, but only with respect to such person or organization's liability for "bodily injury", "property damage", or "personal and advertising injury" as grantor of a franchise to you.

d. Lessor of Equipment

Any person or organization from whom you lease equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused in whole or in part by your maintenance, operation or use of such equipment, provided that the "occurrence" giving rise to such "bodily injury" or "property damage" or the offense giving rise to such "personal and advertising injury" takes place prior to the termination of such lease.

e. Lessor of Land

Any person or organization from whom you lease land, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance or use of that specific part of the land leased to you, provided that the "occurrence" giving rise to such "bodily injury" or "property damage" or the offense giving rise to such "personal and advertising injury", takes place prior to the termination of such lease. The insurance hereby afforded to the additional insured does not apply to structural alterations, new construction or demolition operations performed by, on behalf of or for such additional insured.

f. Lessor of Premises

An owner or lessor of premises leased to you, or such owner or lessor's real estate manager, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance or use of such part of the premises leased to you, and provided that the "occurrence" giving rise to such "bodily injury" or "property damage" or the offense giving rise to such "personal and advertising injury", takes place prior to the termination of such lease. The insurance hereby afforded to the additional insured does not apply to structural alterations, new construction or demolition operations performed by, on behalf of or for such additional insured.

g. Mortgagee, Assignee or Receiver

A mortgagee, assignee or receiver of premises but only with respect to such mortgagee, assignee, or receiver's liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, maintenance, or use of a premises by you.

This insurance does not apply to structural alterations, new construction or demolition operations performed by, on behalf of or for such additional insured.

h. State or Political Subdivisions

A state or government agency or subdivision or political subdivision that has issued a permit or authorization, but only with respect to such government agency or subdivision or political subdivision's liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- (1) The following hazards in connection with premises you own, rent, or control and to which this insurance applies:
 - (a) The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decorations and similar exposures; or
 - (b) The construction, erection, or removal of elevators; or
 - (c) The ownership, maintenance or use of any elevators covered by this insurance, or



- (2) The permitted or authorized operations performed by you or on your behalf. But the coverage granted by this paragraph does not apply to:
 - (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or government agency or subdivision or political subdivision; or
 - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard."

With respect to this provision's requirement that additional insured status must be requested under a "written contract", we will treat as a "written contract" any governmental permit that requires you to add the governmental entity as an additional insured.

i. Trade Show Event Lessor

With respect to your participation in a trade show event as an exhibitor, presenter or displayer, any person or organization whom you are required to include as an additional insured, but only with respect to such person or organization's liability for "bodily injury", "property damage", or "personal and advertising injury" cause by:

- a. Your acts or omissions; or
- b. Acts or omissions of those acting on your behalf;

in the performance of your ongoing operations at the trade show premises during the trade show event.

j. Other Person or Organization

Any person or organization who is not an additional insured under paragraphs a. through i. above. Such additional insured is an insured solely for "bodily injury", "property damage" or "personal and advertising injury" for which such additional insured is liable because of your acts or omissions.

The coverage granted by this paragraph does not apply to any person or organization:

- (1) For "bodily injury," "property damage," or "personal and advertising injury" arising out of the rendering or failure to render any professional services;
- (2) For "bodily injury" or "property damage" included in the "products-completed operations hazard." But this provision (2) does not apply to such "bodily injury" or "property damage" if:
 - (a) It is entirely due to your negligence and specifically results from your work for the additional insured which is the subject to the "written contract"; and
 - (b) The "written contract" requires you to make the person or organization an additional insured for such "bodily injury" or "property damage"; or
- (3) Who is afforded additional insured coverage under another endorsement attached to this policy.

C. ADDITIONAL PROVISIONS PERTINENT TO ADDITIONAL INSURED COVERAGE

With respect only to additional insured coverage provided under paragraphs A. and B. above:

- 1. The **BUSINESSOWNERS COMMON POLICY CONDITIONS** are amended to add the following to the Condition entitled **Other Insurance**:

This insurance is excess of all other insurance available to an additional insured whether primary, excess, contingent or on any other basis. However, if a "written contract" requires that this insurance be either primary or primary and noncontributing, then this insurance will be primary and non-contributory relative solely to insurance on which the additional insured is a named insured.

- 2. Under **Liability and Medical Expense Definitions**, the following definition is added:

"Written contract" means a written contract or agreement that requires you to make a person or organization an additional insured on this policy, provided the contract or agreement:

- a. Is currently in effect or becomes effective during the term of this policy; and
- b. Was executed prior to:

- (1) The "bodily injury" or "property damage"; or
 - (2) The offense that caused the "personal and advertising injury";
- for which the additional insured seeks coverage.

II. LIABILITY EXTENSION COVERAGES

It is understood and agreed that this endorsement amends the **Businessowners Liability Coverage Form**. If any other endorsement attached to this policy amends any provision also amended by this endorsement, then that other endorsement controls with respect to such provision, and the changes made by this endorsement to such provision do not apply.

A. Bodily Injury – Expanded Definition

Under **Liability and Medical Expenses Definitions**, the definition of "Bodily injury" is deleted and replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including death, humiliation, shock, mental anguish or mental injury by that person at any time which results as a consequence of the physical injury, sickness or disease.

B. Broad Knowledge of Occurrence

Under **Businessowners Liability Conditions**, the Condition entitled **Duties In The Event of Occurrence, Offense, Claim or Suit** is amended to add the following:

Paragraphs **a.** and **b.** above apply to you or to any additional insured only when such "occurrence," offense, claim or "suit" is known to:

- (1) You or any additional insured that is an individual;
- (2) Any partner, if you or an additional insured is a partnership.
- (3) Any manager, if you or an additional insured is a limited liability company;
- (4) Any "executive officer" or insurance manager, if you or an additional insured is a corporation;
- (5) Any trustee, if you or an additional insured is a trust; or
- (6) Any elected or appointed official, if you or an additional insured is a political subdivision or public entity.

This paragraph applies separately to you and any additional insured.

C. Estates, Legal Representatives and Spouses

The estates, heirs, legal representatives and spouses of any natural person insured shall also be insured under this policy; provided, however, coverage is afforded to such estates, heirs, legal representatives and spouses only for claims arising solely out of their capacity as such and, in the case of a spouse, where such claim seeks damages from marital common property, jointly held property, or property transferred from such natural person insured to such spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative or spouse outside the scope of such person's capacity as such, provided however that the spouse of a natural person Named Insured and the spouses of members or partners of joint venture or partnership Named Insureds are insureds with respect to such spouses' acts, errors or omissions in the conduct of the Named Insured's business.

D. Legal Liability – Damage To Premises

1. Under **B. Exclusions, 1. Applicable to Business Liability Coverage**, Exclusion **k. Damage To Property**, is replaced by the following:

k. Damage To Property

"Property damage" to:

1. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of



such property for any reason, including prevention of injury to a person or damage to another's property;

2. Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
3. Property loaned to you;
4. Personal property in the care, custody or control of the insured;
5. That particular part of any real property on which you or any contractors or subcontractors working directly or indirectly in your behalf are performing operations, if the "property damage" arises out of those operations; or
6. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph 2 of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs 1, 3, and 4, of this exclusion do not apply to "property damage" (other than damage by fire or explosion) to premises:

- (1) rented to you;
- (2) temporarily occupied by you with the permission of the owner, or
- (3) to the contents of premises rented to you for a period of 7 or fewer consecutive days.

A separate limit of insurance applies to Damage To Premises Rented To You as described in Section D – Liability and Medical Expenses Limits of Insurance

Paragraphs 3, 4, 5, and 6 of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph 6 of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

2. Under **B. Exclusions, 1. Applicable to Business Liability Coverage**, the following paragraph is added, and replaces the similar paragraph, if any, beneath paragraph (14) of the exclusion entitled **Personal and Advertising injury**:

Exclusions **c, d, e, f, g, h, i, k, l, m, n, and o**, do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner or to the contents of premises rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to this coverage as described in **Section D. Liability And Medical Expenses Limits Of Insurance**.

3. The first Paragraph under item **5. Damage To Premises Rented To You** Limit of the section entitled **Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

The most we will pay under Business Liability for damages because of "property damage" to any one premises, while rented to you or temporarily occupied by you with the permission of the owner, including contents of such premises rented to you for a period of 7 or fewer consecutive days, is the Damage to Premises Rented to You limit shown in the Declaration.

E. Personal and Advertising Injury – Discrimination or Humiliation

1. Under **Liability and Medical Expenses Definitions**, the definition of "personal and advertising injury" is amended to add the following:
 - h. Discrimination or humiliation that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is:
 - (1) Not done intentionally by or at the direction of:
 - (a) The insured; or

- (b) Any "executive officer," director, stockholder, partner, member or manager (if you are a limited liability company) of the insured; and
 - (2) Not directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person or person by any insured.
2. Under **B. Exclusions, 1. Applicable to Business Liability Coverage**, the exclusion entitled **Personal and Advertising Injury** is amended to add the following additional exclusions:
- (15) **Discrimination Relating to Room, Dwelling or Premises**
Caused by discrimination directly or indirectly related to the sale, rental, lease or sub-lease or prospective sale, rental, lease or sub-lease of any room, dwelling or premises by or at the direction of any insured.
 - (16) **Employment Related Discrimination**
Discrimination or humiliation directly or indirectly related to the employment, prospective employment, past employment or termination of employment of any person by any insured.
 - (17) **Fines or Penalties**
Fines or penalties levied or imposed by a governmental entity because of discrimination.
3. This provision (**Personal and Advertising Injury – Discrimination or Humiliation**) does not apply if **Personal and Advertising Injury Liability** is excluded either by the provisions of the Policy or by endorsement.

F. Personal and Advertising Injury - Broadened Eviction

Under **Liability and Medical Expenses Definitions**, the definition of "Personal and advertising injury" is amended to delete Paragraph c. and replace it with the following:

- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room dwelling or premises that a person or organization occupies committed by or on behalf of its owner, landlord or lessor.

G. Waiver of Subrogation – Blanket

We waive any right of recovery we may have against:

- a. Any person or organization with whom you have a written contract that requires such a waiver.

All other terms and conditions of the Policy remain unchanged.

00020001840259876186308



EXHIBIT E

CITY COUNCIL POLICY 100-5

CITY OF COSTA MESA, CALIFORNIA

COUNCIL POLICY

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:

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

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;

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

- 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.