

**CITY OF COSTA MESA
PROFESSIONAL SERVICES AGREEMENT
WITH
VERONICA TAM & ASSOCIATES, 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 VERONICA TAM & ASSOCIATES, INC., a California corporation ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to assist City staff with the preparation of the 2020-2025 Consolidated Plan, 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" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of 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 City's Request for Proposals ("RFP"), attached hereto as Exhibit "A," and Consultant's Response to City's RFP ("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 total compensation shall not exceed Thirty Thousand Dollars (\$30,000.00).

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 or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to 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 forty-five (45) 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. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "B," The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

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

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of twelve (12) months, ending on June 30, 2020, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. This Agreement may be extended by an additional one (1) year period upon mutual written agreement of both 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 One Million Dollars (\$1,000,000.00), 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:

Veronica Tam & Associates, Inc.
1107 S. Fair Oaks Avenue, Suite
212
Pasadena, CA 91105

Tel: (626) 304-0440
Attn: Veronica Tam

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Tel: (714) 754-
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 Project 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

Veronica Tam
Signature

Date: 6/24/19

Veronica Tam
Veronica Tam , Principal

[REDACTED]
Social Security or Taxpayer ID Number

CITY OF COSTA MESA

Tamara Letourneau
Tamara Letourneau
Acting City Manager

Date: 6/25/19

ATTEST:

Brenda Green 6/25/19
Brenda Green
City Clerk



APPROVED AS TO FORM:

[Signature]
Kimberly Hall Barlow
City Attorney

Date: 6/25/19

APPROVED AS TO INSURANCE:

[Signature]
Ruth Wang
Risk Management

Date: 6/25/19

APPROVED AS TO CONTENT:

W Bouwens-Killeen
Willa Bouwens-Killeen
Project Manager

Date: 6-25-19

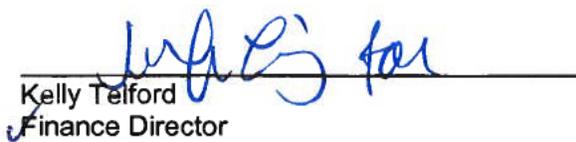
DEPARTMENTAL APPROVAL:



Barry Curtis
Economic and Development Services
Director

Date: 6.25.19

APPROVED AS TO PURCHASING:



Kelly Telford
Finance Director

Date: 6/25/19

EXHIBIT A
REQUEST FOR PROPOSALS



CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

April 30, 2019

**RE: REQUEST FOR PROPOSALS FOR 2020 – 2025 Consolidated Plan
Submission to the Federal Department of Housing and Urban Development
(HUD)**

Dear Consultant:

The City of Costa Mesa is requesting proposals for the preparation of the **2020-2025 Consolidated Plan Submission to the Federal Department of HUD**. The scope of work is described in detail in the attached Request for Proposals (RFP).

Tentative Schedule of Events from Issuance of the RFP to Award of Contract:

- | | |
|---|----------------------------------|
| • RFP Distributed | April 30, 2019 |
| • Deadline for Written Questions | May 8, 2019 at 11:00 A.M. |
| • Responses Posted on the City' Website | May 10, 2019 |
| • Proposals Due | May 17, 2019 at 11:00 AM |
| • Interviews (if needed) | Week of May 20, 2019 |
| • Approval of Contract | TBD |

City Point of Contact:

The primary contact regarding this RFP is **Silvia Kennerson, Management Analyst**, at (714) 754-5023. Proposals and all written inquiries related to this RFP are to be submitted to:

**Silvia Kennerson, Management Analyst
Development Services Department
2nd Floor
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626**

Proposal Submittal and Closing Date:

All proposals must be delivered to the above address, and will become part of the official files of the Cities and cannot be returned. The City of Costa Mesa professional services standard agreement and sample certificate of insurance are included as Exhibit B and

Exhibit C respectively. Should your firm be interested, please submit to the City of Costa Mesa, **Development Services Department, Second floor City Hall, 77 Fair Drive, Costa Mesa, CA 92628.**

Submit one original, four (4) hard copies plus one electronic copy/flash drive of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control. Proposals must be received by the City of Costa Mesa no later than **11:00 A.M. on May 17, 2019.** Proposals not received by the indicated time and date will not be accepted. No faxed copies or postmarks will be accepted in lieu of actual delivery.

Sincerely,

SILVIA KENNERSON
Development Services Department

C: Willa Bouwens-Killeen, Zoning Administrator

2020-2025 Consolidated Plan Submission to the Federal Department of HUD

TABLE OF CONTENTS

- I. GENERAL INFORMATION
 - a) INTRODUCTION
 - b) GENERAL SCOPE OF WORK
 - c) GENERAL WORK PROGRAM
 - d) PRESENTATION TO STAKEHOLDERS
 - e) CONTENT OF PROPOSAL
 - f) FBES SCHEDULE
 - g) PROPOSAL EVALUATION CRITERIA
 - h) RIGHT TO REJECT ALL PROPOSALS

- II. 2020-2025 CONSOLIDATED PLAN SUBMISSION TO THE FEDERAL DEPARTMENT OF HUD
 - a) PROJECT DESCRIPTION
 - b) PROPOSED TIMING IMPLEMENTATION
 - c) AGENCY ROLES AND RELATIONSHIPS
 - d) GENERAL FEE SCHEDULE FORMAT
 - e) CONTRACT CHANGES

- III. EXHIBITS
 - a) PROFESSIONAL SERVICES AGREEMENT (SAMPLE)
 - b) INSURANCE (SAMPLE)

INTRODUCTION

The City of Costa Mesa is requesting proposals for the **2020-2025 Consolidated Plan Submission to the Federal Department of HUD**. The project is a **Community Partnership Strategy (CPS)**. The Housing and Community Development Plan (HCD) will be developed through the CPS planning process. The CPS is a "bottom-up" approach, based on the belief that people who live and work in neighborhoods know their needs best. This planning process will include units of local government, outside agencies, community organizations, residents and the private sector. The CPS will allow these key stakeholders to coordinate and focus efforts to serve the neediest people and areas of the community.

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

The HCD Plan will directly link program planning, budgeting, and implementation together. The HCD Plan builds on the existing Consolidated Plan for 2016-2020. Copies are available for a minimal charge. The Plan describes how housing efforts are coordinated with social/human services, infrastructure, facilities, recreation and other programs and services.

GENERAL SCOPE OF WORK

Reference 24 CFR Part 91 – Consolidated Plan Revisions and Updates; Final Rule for the 2020 Consolidated Plan.

Based on these guidelines, the Plan must contain the required elements described in the Scope of Work and all required tables. Consultants may provide additions to the Scope, if they feel additional information is required. The City requires that the strategic component of the plan encompass years 2020-2025 and achieve the statutory goals of providing decent housing, suitable living environment, and expanded economic opportunities principally focused for low, very low, and extremely low income residents.

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

The five steps for preparing an HCD Plan for which the consultant would be responsible are summarized as follows:

TASK 1: CITIZEN PARTICIPATION

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

A suggested schedule is provided in TASK 5 of the Statement of Work for this RFP. Consultants are invited to provide revisions to the schedule and meeting requirements based on prior experience related to the Consolidated Plan adoption and submission assignments. The Costa Mesa City Council meets on the first and third Tuesdays of each month. A revised schedule can include an earlier completion date but none later than May 15, 2020.

The City identifies a need for monthly meetings between the Consultant and City staff between August 2019 and May 2020 in addition to meetings with the City Council and the Ad Hoc Housing and Public Service Grant (H&PSG) Committee, as well as community outreach meetings with agencies, groups, organizations and other interested parties identified as having a concern with the successful adoption, submission, and implementation of the Consolidated Plan. A review of the draft Plan with the H&PSG Committee as well as adoption of the plan at a City Council public hearing is required. The consultant is required to provide necessary documentation of public notices as required by HUD guidelines and regulations with proper and timely posting and publications. The consultant shall provide for the necessary dissemination of copies of the submission plan to appropriate public places as identified by the City. Costs associated with the printing and publication of required notices shall be assumed by the City.

Citizens must be given at least 30 days to comment on the final document before it is submitted to HUD. Consultant will provide written answers to written questions, complaints, and grievances, within 15 days after the comment period. A summary of citizen comments will be included in the final document. **Consultant will be responsible for document in its entirety from citizen participation plan to responding to comments from HUD upon submittal of final draft.**

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

Consultant should have a strong background in Community Outreach. The Consultant will be responsible for leading the town meetings and for ensuring that the town meetings and public hearings are adequately publicized and scheduled to reach those who might benefit from the programs proposed. Consultant to include City's HUD Community Planning and Development representative in scheduled meetings, subject to availability.

Meetings must be accessible to people with disabilities and non-English speaking persons. The consultant should have a member who is fluent in Spanish.

TASK 2: HOUSING COMMUNITY DEVELOPMENT NEEDS

- ❖ The Consultant shall be responsible for implementing the Community Partnership Strategy (CPS) process for determining priority housing and community development needs. This involves analyzing key indicators and trends that describe the community's physical, economic, and social conditions and identifying priorities. This will be accomplished by combing participants' perceptions with data and relevant information on needs and opportunities.
- ❖ Communities are made up of various systems, all of which must work for the community to thrive. Economic, physical, and human development must all be coordinated. Listing data without this type of analysis does not support the overall purpose of the CPS. The analysis should address a wide range of issues that impact the quality of life, such as employment, health, crime, recreation, human services, and housing. This type of information should help set priorities and serve as a basis for decision making.

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

1. **Significant Characteristics of the Local Housing Market:** In terms of supply, demand, condition, and cost. This shall include the number of assisted units by income and household type served, and whether any such units are expected to be lost.
2. **Barriers to Affordable Housing:** Explain whether the cost of housing or the incentives to develop, maintain, or improve affordable housing are affected by public policies, which may include tax policy, land use controls, zoning ordinances, building codes, fees,

charges, and other policies that affect the return on residential investment. Identify other barriers that impede community and economic development including the mortgage credit needs of area residents, and the capacity of non-profit community development organizations.

3. **Housing Needs:** Provide five year projections for extremely low, very low, low and moderate income households by renter and owner status, and different categories including large families, single persons, the elderly, persons with disabilities, and persons with HIV/AIDS and their families; and description of those experience cost burden, severe cost burden, substandard housing, and overcrowding. The Consultant shall also determine the extent to which any racial or ethnic group has a disproportionately greater need within any income category in comparison to the needs of the City as a whole, and completes an assessment of such specific needs.
4. **The Nature and Extent of Homelessness:** Address separately the need for facilities and services for homeless individuals, homeless families with children, and homeless youths including homeless persons with severe mental illness and/or alcohol and other drug abuse problems, and homeless victims of domestic violence or persons with HIV/AIDS.
5. **Inventory existing facilities and services to assist the above, including outreach and assessment, emergency shelters and services, transitional housing, permanent supportive housing, and activities to prevent very low income households from becoming homeless.**
6. **Lead-Based Paint Hazards:** Estimate the number of housing units that are occupied by low, very low, and extremely low-income residents, as defined in section 1004 of the residential Lead-Based Paint Hazard Reduction Act of 1992 that could contain lead-based paint.
7. **Public Facility Needs:** Describe the need for senior centers, youth centers, neighborhood facilities, child care centers, park and recreational facilities, health facilities, and infrastructure improvements including streets and sidewalks, sewers, solid waste, flood control, water, and accessibility needs.
8. **Public Service Needs:** Estimate the nature and extent of drug and alcohol abuse and the capacity of rehabilitation, treatment and diversion programs, and the need for youth/family and senior services including recreational and nutrition and counseling. Inventory the available child and adult day care services, health care services, handicapped services, transportation services, and fair housing and landlord/tenant counseling services. Document the nature and extent of crime (including graffiti) and reduction and prevention efforts. Upon request, the City will provide lists of nonprofit organizations who have previously applied for or received CDBG funding.
9. **Economic Development Needs:** Identify the extent of unemployment and the capacity of job training and related services, the need for commercial-industrial improvements, micro-business, and other business, and other business needs including technical assistance needs and any barriers that impede economic development.

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

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

- ❖ The Consultant shall develop maps and graphic information to help citizens provide informed input and help shape goals. These include identification of market conditions, geographic relationships, and concentrations of various housing and community development needs, and locations of essential human services and recreational facilities.

TASK 3: HOUSING AND COMMUNITY DEVELOPMENT STRATEGIC PLAN

- ❖ An important role for the Community Partnership Strategy is focusing on the future. Low income communities especially desire change, but the need to focus on current problems and limited access to resources make it difficult for residents to envision a better future. This is a means by which citizens can learn to prioritize their needs and create plans to strengthen neighborhood and human development.
- ❖ Making the transition from broader visions to realistic goals and objectives takes a targeted approach that makes the most of existing resources and applies them in a coordinated manner. There are three elements to this step:
 - Setting Priorities and Objectives
 - Identifying Specific Actions
 - Defining Benchmarks

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

1. **Housing and Community Development Resources:** Identify public and private sources, including those from HUD formula grant programs that are reasonably expected to be made available to carry out the plan. Explain how additional funds will be leveraged and, if publicly owned land or property is available, how it will be utilized.
2. **Housing and Community Development Objectives:** Describe actions, projects, and programs to be undertaken over the five year period, how they will be coordinated to maximize their benefit to low, very low, and extremely low income residents, and how the specific objectives are consistent with the following statutory goals: Provide Decent Housing, Create a Suitable Living Environment, and Expand Economic Opportunities.

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

The following concerns must be addressed:

1. Priority Housing Needs:

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

2. Priority Homeless Needs:

Describe the strategy for developing a system to address the needs of homeless individuals, homeless families with children, homeless youth, and homeless persons with severe mental illness and/or alcohol and other drug abuse problems, homeless victims of domestic violence, or persons with HIV/AIDS. Describe the proposed efforts to be made in such areas as outreach and assessment, emergency shelters and services, transitional housing, permanent supportive housing, and activities to prevent very low income households from becoming homeless.

3. Priority Non-Housing Community Development Needs:

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

4. Other Special Needs Populations:

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

5. Anti-Poverty Strategy:

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

6. Lead-Based Paint:

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

7. Institutional Structure:

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

8. Reduction of Barriers:

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

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

TASK 4: ACTION PLAN – ONE YEAR USE OF FUNDS

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

CONTENT OF PROPOSAL

Commented [U1]: Recommendation would be to include.

It is requested that the following be submitted with your proposal:

- A narrative understanding of the project, any suggestions you might have to expedite the project or special concerns that the City should be advised of. Identify all tasks necessary to meet the intended project objective and achieve project completion within the proposal timeframes.
- Separate scope of services section for the task work to be performed for each respective jurisdictions of the corridor. Production of Plans, Specifications and Estimate shall conform to the details listed in Exhibit B, where the consultant proposes to produce plans. The approach should specifically address the manner in which the consultant plans to accomplish the work for each City. Sub-consultants and teams shall be listed on the proposal.
- A detailed schedule indicating stages of work, sub-tasks and timeframes for the corridor.
- An organization chart and staffing plan identifying personnel who will perform work for each specific corridor, a brief resume on each individual (one-page max per person) and recent projects they have worked on of similar type. Identify the project manager with a detailed resume and the individual authorized to negotiate the contract on behalf of the consulting firm.
- A listing of similar improvement projects that your firm has completed within the last five years. Information should include a description of work, year completed, cost, and agency/client name along with the agency contact person.
- The City may develop a short list and schedule interviews or make an award based on proposals alone.
- Commitment to comply with Professional Services Agreement requirements for the City of Costa Mesa and Insurance requirements, attached on Exhibits C and D. **If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration with the Proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement.**
- Submittal of one original and four (4) hard copies plus one electronic copy/flash drive of your Proposal.
- The proposal may not be longer than 20 pages, excluding the attached resume pages.

Commented [U2]: Verbiage should remain and not be omitted.

FEE SCHEDULE

The fee schedule is to be submitted in a separate envelope. The fee schedule should show the hourly cost of personnel per task under each phase, with a total not-to-exceed amount for the contract. The consultant's fee schedule for the prime and sub-consultants should contain a breakdown of all cost components including labor base rate, other direct costs, overhead, and fees in compliance with the described scope, the attached General Specifications, and include all associated work required to achieve the project objective. It is requested that the fee, including meetings, reproduction, materials, and associated project expenses be itemized per the following General Fee Schedule format, though additional support details may be included.

PROPOSAL EVALUATION CRITERIA

Proposals will be evaluated on the basis of the response to all provisions of this RFP. The maximum score is 100 total possible points. The following criteria will be used for evaluation and comparison of proposals submitted.

- Firm Qualifications (technical expertise, staff qualifications, etc.) 40 points
- Management Approach (methodology, quality control, etc.) 20 points
- Work Plan (delivery schedule, local knowledge, etc.) 25 points
- Overall Presentation (similar project experience, RFP compliance, etc.) 15 points

RIGHT TO REJECT ALL PROPOSALS

The City of Costa Mesa reserves the right to reject any or all proposals submitted, and no representation is made hereby that any contract will be awarded pursuant to this request for proposal, or otherwise. All costs incurred in the preparation of the proposal, in the submission of additional information, and/or in any other aspect of a proposal prior to the award of a written contract will be borne by respondent. The City will provide only the staff assistance and documentation specifically referred to herein and will not be responsible for any other cost or obligation of any kind that may be incurred by a respondent. All proposals submitted to the City of Costa Mesa in response to this request for proposals shall become the property of the City.

The City of Costa Mesa professional services standard agreement and sample certificate of insurance are included as Exhibits C and D. Should your firm be interested in submitting a proposal for this project, please forward to the City of Costa Mesa, Development Services Department, Second Floor, 77 Fair Drive, Costa Mesa, Ca 92628, on or before 11:00 A.M. on May 17, 2019. No Faxed Copies; Postmarks will not be accepted in lieu of actual delivery.

EXHIBIT B

PROFESSIONAL STANDARD SERVICES AGREEMENT

**CITY OF COSTA MESA
PROFESSIONAL SERVICES AGREEMENT
WITH**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this ___ day of _____, 20__ ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and _____, a [state] [type of entity] ("Consultant").

W I T N E S S E T H :

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to _____, 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" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of 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 City's Request for Proposals ("RFP"), attached hereto as Exhibit "A," and Consultant's Response to City's RFP ("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 total compensation shall not exceed _____ Dollars (\$ _____.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 or the Project Manager for this Project, prior to Consultant performing the additional services, approves such

additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to 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 forty-five (45) 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. 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 _____ months, ending on _____, 20____, 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 One Million Dollars (\$1,000,000.00), 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 "E" 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:

Tel: _____
Attn: _____

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-
Attn: _____

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 "F" 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 Project 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: _____

Name and Title

Social Security or Taxpayer ID Number

CITY OF COSTA MESA

Date: _____
[Name]
[Mayor or City Manager]

CONSULTANT

Signature Date: _____

Name and Title

Social Security or Taxpayer ID Number

ATTEST:

Brenda Green
City Clerk

APPROVED AS TO FORM:

Kim Barlow
City Attorney

Date: _____

APPROVED AS TO INSURANCE:

Ruth Wang
Risk Management

Date: _____

APPROVED AS TO CONTENT:

[Name]
Project Manager

Date: _____

DEPARTMENTAL APPROVAL

[Name]
[Title]

Date: _____

APPROVED AS TO PURCHASING:

Kelly Telford
Finance Director

Date: _____

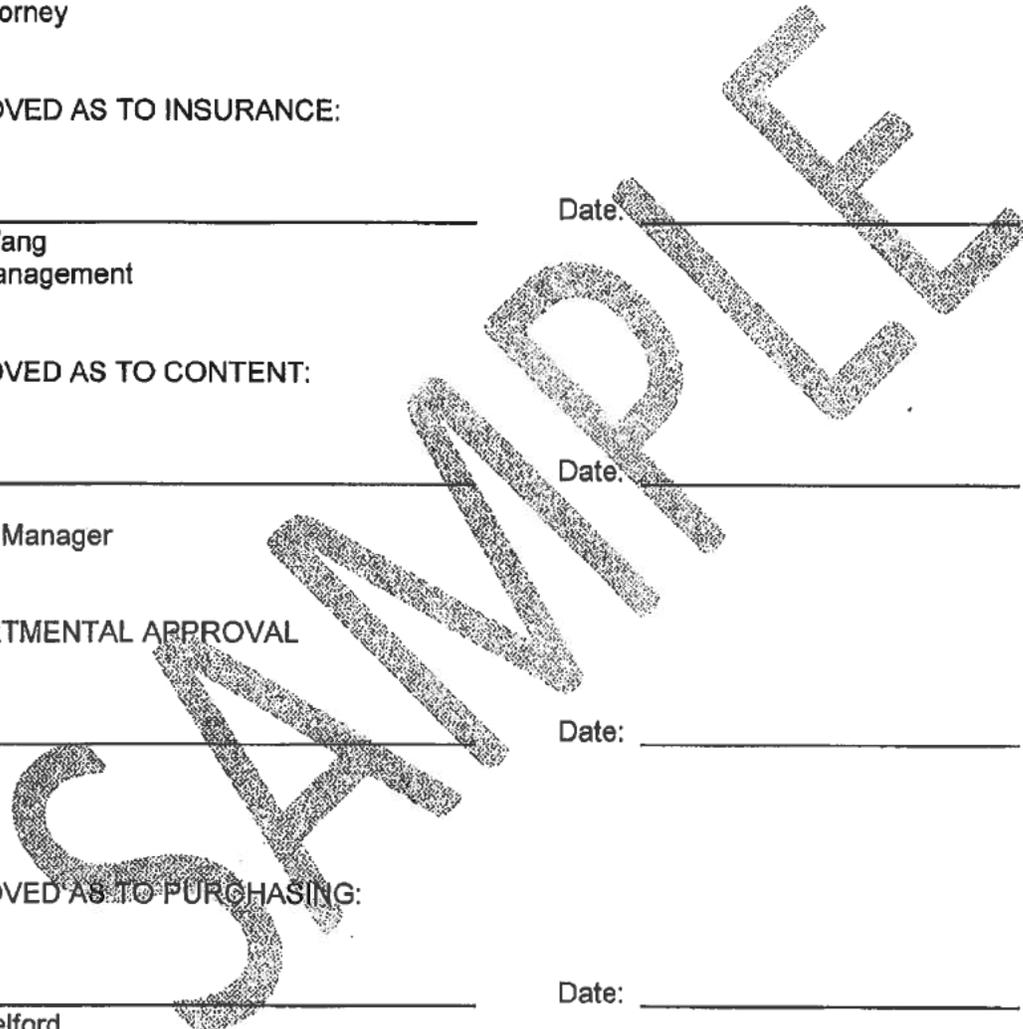


EXHIBIT C

SAMPLE CERTIFICATE OF INSURANCE

CERTIFICATE OF INSURANCE		DATE (MM/DD/YY)
PRODUCER	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.	
INSURED	INSURERS AFFORDING COVERAGE	
	INSURER A:	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

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. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INS. LIT.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LISTS
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAWBACK <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC				FACTORY CONTRIBUTION 1 FSI DAMAGE (Per one flr) 1 MFG EXP. (Per one person) 1 PERSONAL AUTO LIABILITY 1 PRODUCT ACCIDENT (M) 1 PRODUCTS - CONTIN'G AGG 1
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALLOWED AUTOS <input type="checkbox"/> RENTED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTO				COMMERCIAL BODILY INJURY (Per accident) 1 BODILY INJURY (Per person) 1 BODILY INJURY (Per accident) 1 PROPERTY DAMAGE (Per accident) 1
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - CA ACCIDENT 1 OTHER THAN CA AGG 1 AUTO CYCLE AGG 1
	EXCESS LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIM MADE <input type="checkbox"/> EXCESS <input type="checkbox"/> RETENTION				EACH OCCURRENCE 1 AGGREGATE 1 1 1 1
	WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY				WORKERS' COMPENSATION 1 EMPLOYERS' LIABILITY 1 BR. EACH ACCIDENT 1 BR. OCCUR - PA EMPLOYEE 1 BR. OCCUR - POLICY LIMIT 1
	OTHER				

DESCRIPTION OF OPERATIONS, LOCATIONS, VEHICLES, EXCLUSIONS ADDED BY ENDORSEMENT OR SPECIAL PROVISIONS

CERTIFICATE HOLDER City of Costa Mesa Attention: Engineering 77 Fair Drive Costa Mesa CA 92626	ADDITIONAL INSURED; INSURER LETTER	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE INSURED COMPANY WILL IMMEDIATELY MAIL TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, ANY FILING TO DO SO SHALL IMPROVE NO OBLIGATION TO MAINTAIN SUCH COVERAGE UNDER THE POLICY OR TO PROVIDE COVERAGE UNDER OTHER POLICIES. AUTHORIZED REPRESENTATIVE
---	---	---

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

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).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insuree(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

NAMED INSURED;
POLICY NO.;



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESS LIABILITY COVERAGE FORM

C. Who is an insured in the BUSINESS LIABILITY COVERAGE FORM is amended to include as an insured the person or organization shown in the Declarations but only with respect to liability arising out of the operations of the named insured.

For losses covered under the BUSINESS LIABILITY COVERAGE of this policy this insurance is primary to other valid and collectible insurance which is available to the person or organization shown in the Declarations as an Additional Insured.

City of Costa Mesa & it's elected & appointed boards, officers, agents & employees are named as Additional Insured.

77 FAIR DRIVE
COSTA MESA, CA 92626

** Sample **

Form 88 04 49 08 83 Printed in U.S.A. (NS)

Copyright, Hartford Fire Insurance Company, 1983

JS 7/10

EXHIBIT B
CONSULTANT'S PROPOSAL

City of Costa Mesa 2020 - 2025 Consolidated Plan (July 1, 2020 through June 30, 2025)



Veronica Tam and Associates, Inc.
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105
(626) 304-0440



May 30, 2019

Silvia Kennerson, Management Analyst
Development Services Department
Second Floor
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

Subject: Proposal for the City of Costa Mesa 2020-2025 Consolidated Plan

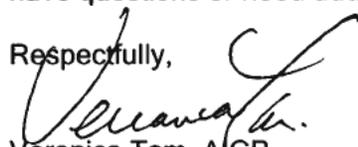
Ms. Kennerson:

Veronica Tam and Associates, Inc. (VTA) is pleased to submit this proposal to assist the City of Costa Mesa with preparation of the 2020-2025 Consolidated Plan, cover the planning period of July 1, 2020 through June 30, 2025, and including the FY 2020 Action Plan.

VTA is a recognized consulting firm with a strong focus on housing planning and community development. We have substantial experience in assisting entitlement jurisdictions in preparing their Consolidated Plan reports, including for the cities of Alhambra, El Cajon, Glendora, La Mesa, Long Beach, Salinas, San Bernardino, Santa Clarita, and the counties of Monterey, Orange, and Ventura.

We believe we are well-qualified to assist the City of Costa Mesa. Please contact me if you have questions or need additional information.

Respectfully,


Veronica Tam, AICP
Principal

City of Costa Mesa 2020-2025 Consolidated Plan

- A. Project Understanding 1
- B. Qualifications and Experience..... 1
 - Company Information 1
 - Key Personnel 2
 - Housing and Community Development Planning Experience..... 8
- C. Work Program..... 10
 - Task 1: Citizen Participation 10
 - Task 2: Needs Assessment and Housing Market Analysis 11
 - Task 3: Housing and Community Development Strategic Plan 12
 - Task 4: FY 2020 Action Plan 12
- D. Schedule..... 13
 - HUD Funding Announcement Schedule 13
 - Proposed Project Schedule 13

A. Project Understanding

We understand the City of Costa Mesa receives approximately \$1,040,000 in CDBG funds and \$450,000 in HOME funds annually. The City is due for a new Consolidated Plan for the 2020-2025 planning period. To prepare the Consolidated Plan, the City intends to have the selected consultant to adhere to the Community Partnership Strategy (CPS) process to develop the priorities using a bottom-up approach. In response, Veronica Tam and Associates, Inc. (VTA) has included in our scope of work a robust citizen participation process that includes:

- Housing and Community Development Needs Survey
- Ad Hoc Housing and Public Service Grant (H&PSG) Committee meetings
- Community Workshops
- City Council meetings

Based on HUD's schedule of announcing funding allocations for the past several years, it is not likely that the Consolidated Plan would be completed and submitted by May 17, 2020. Our proposed schedule takes this into consideration and assumes an extended timeframe through at least the end of June 2020.

B. Qualifications and Experience

Company Information

VTA is a California corporation located in Pasadena, California. VTA was established in November 2005 and has since been providing housing and community development consulting to local jurisdictions throughout California. We provide assistance in the following areas:

- Consolidated Plan and related reports
- Grants administration and technical assistance
- Analysis of Impediments to Fair Housing Choice
- Special housing studies
- Housing Element updates
- Zoning revisions for housing-related issues
- Environmental clearance for housing-related plans and projects

The person authorized to negotiate contract conditions for the company is:

Veronica Tam, AICP, Principal
Veronica Tam and Associates, Inc.
107 S. Fair Oaks Avenue, Suite 212
Pasadena, CA 91105
P: (626) 304-0440
F: (626) 304-0005
Veronica.Tam@vtaplanning.com

Key Personnel

Veronica Tam, AICP

Veronica Tam will oversee the preparation of the Consolidated Plan for the City of Costa Mesa. Throughout her career, Ms. Tam has been directly involved in the preparation of more than 100 Consolidate Plan, Action Plan, CAPER, and AI reports for jurisdictions throughout California. Ms. Tam is well-versed with the Consolidated Plan requirements and is familiar with IDIS and has current access to IDIS.

Holli Anderson

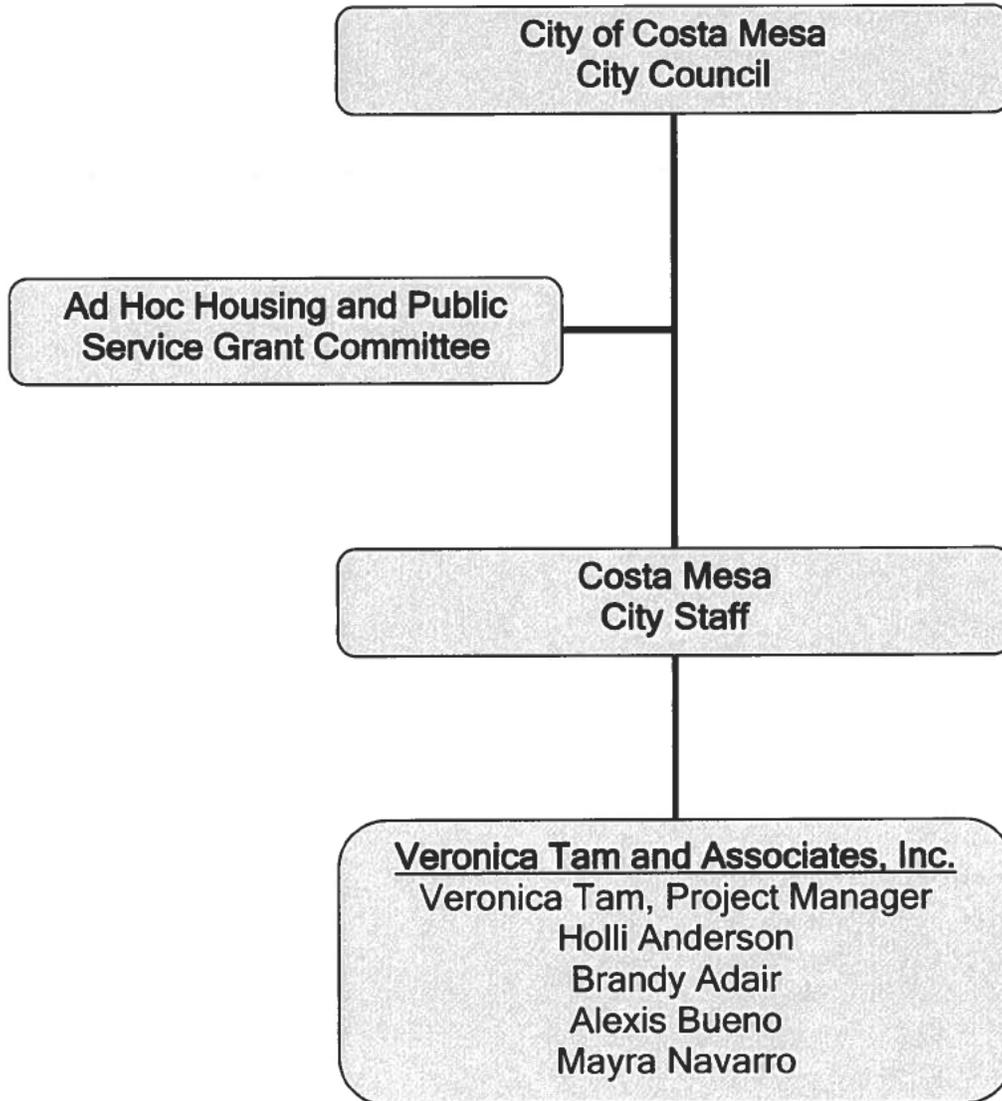
Ms. Anderson joined VTA in 2018 will provide assist in the preparation of the Consolidated Plan. Prior to joining VTA, Ms. Anderson worked for Habitat for Humanity, focusing on assessing the housing needs of special populations such as veterans and persons with disabilities. Since joining VTA, Ms. Anderson has participated in the preparation of Consolidated Plans for the cities of El Cajon, Perris, and Santa Clarita.

Brandy Adair

Prior to joining VTA as an employee in 2012, Ms. Adair provides grants administration services CDBG, ESG, HOME, and NSP grantees. Services have included project management, technical support, IDIS maintenance, sub-recipient monitoring, procedural training and budgeting. Her work at VTA includes grants administration and preparing of HUD-mandated reports and studies.

Mayra Navarro

Ms. Navarro will assist in the preparation of the Consolidated Plan. Ms. Navarro has participated in multiple housing studies, including Consolidated Plans and/or AI reports for the cities of Long Beach, Pomona, and Salinas.



**EDUCATION**

MA, Urban Planning, 1989, University of California, Los Angeles

BES, Urban and Regional Planning (Economics Minor), 1987, University of Waterloo, Canada

PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners

American Planning Association

AWARDS

2016 APACA

Award of Excellence – Opportunity and Empowerment: 2014-2015 Salinas Housing Initiatives

2016 Northern Section, APACA

Award of Merit – Public Outreach: 2014-2015 Salinas Housing Initiatives

2016 APACA

Award of Merit – Best Practice: Fresno Multi-Jurisdictional Housing Element

2016 Central Valley Section, APACA

Award of Excellence – Best Practice: Fresno Multi-Jurisdictional Housing Element

2014 APACA

Award of Merit – Hard Won Victories: 2013-2021 El Cajon Housing Element

2014 San Diego Section, APACA

Comprehensive Planning, Small Jurisdiction: 2013-2021 El Cajon Housing Element

2009 APACA

Award of Merit - Comprehensive Planning, Large Jurisdiction: 2008-2014 Los Angeles County Housing Element

2009 Los Angeles Section, APACA

Comprehensive Planning, Large Jurisdiction: 2008-2014 Los Angeles County Housing Element

2002 Northern Section, APACA

Focused Issues: Contra Costa County Analysis of Impediments to Fair Housing

2001 Northern Section, APACA

Advocacy Planning: East Palo Alto Housing Element

2000 APACA

Outstanding Planning: El Cajon Integrated Housing Element and Consolidated Plan

**VERONICA TAM, AICP
PRINCIPAL**

Ms. Tam has expertise in the areas of housing policy development and community development planning. She has over 20 years of experience preparing a range of housing and community development plans and studies for jurisdictions throughout California.

RELATED PROJECT EXPERIENCE**Housing Elements**

Alhambra	Escondido	Salinas
Avalon	Glendora	San Clemente
Bell Gardens	Gonzales	San Bernardino
Buena Park	Hawthorne	San Fernando
Burbank	Hercules	San Marcos
Camarillo	Hesperia	San Marino
Carlsbad	Imperial Beach	San Ramon
Chino	La Canada Flintridge	Santa Clara
Corona	Lake Forest	Santee
Coronado	La Mesa	South Gate
Costa Mesa	Lawndale	Seaside
Cupertino	Lomita	Simi Valley
Del Mar	Marina	Tracy
Dublin	Modesto	Vista
El Cajon	Pinole	Walnut
El Centro	Rancho Santa Margarita	West Hollywood
El Segundo	Redondo Beach	Monterey County

Consolidated Plans

Alhambra	La Mesa	Santa Clarita
Apple Valley/Victorville	Long Beach	Simi Valley
Carlsbad	Salinas	Monterey County
El Cajon	San Bernardino	Orange County
Glendora	Santee	Ventura County

Fair Housing Studies

Chino	Palm Springs	San Bernardino
Glendora	Pasadena	Santa Clarita
Lake Forest	Perris	Monterey County
Long Beach	Pomona	San Diego County
Los Angeles	Salinas	Ventura County

Special Studies

- Regional Housing Needs Allocation Assistance for the cities of Arcadia, Lawndale, and Indian Wells
- Marina Affordable Housing Ordinance
- Zoning revisions to comply with SB2, AB 2634, and SB 520 for the cities of Port Hueneme, South Gate, and San Fernando

Veronica Tam and Associates

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105
P (626) 304-0440 F (626) 304-0005

**EDUCATION**

Bachelor in Urban Planning, 2018
California State University, Northridge

SKILLS

InDesign
ArcGIS
AutoCAD

**HOLLI ANDERSON
PLANNER**

Ms. Anderson holds a Bachelor degree in Urban Planning with an emphasis in Environmental Planning and Sustainability from California State University, Northridge.

VERONICA TAM AND ASSOCIATES

Ms. Anderson is well versed in using Census, HMDA, and CHAS datasets for housing and demographic analysis. As a planner, Ms. Anderson contributes to the preparation of a variety of housing studies and reports:

Housing Element

Palmdale	Thousand Oaks
----------	---------------

Fair Housing Studies

Perris	Santa Clarita
Palm Springs	Monterey County

Consolidated Plans and Annual Reports

Camarillo	El Cajon	Perris
Delano	Glendora	Santa Clarita

PRIOR EXPERIENCE

Prior to joining VTA, Ms. Anderson worked at Habitat for Humanity/Homes 4 Families, which develops affordable housing communities for veterans. Ms. Anderson worked directly with client families in assessing their needs and eligibility for services.

**EDUCATION**

Master of Public Administration,
California State University Long Beach

Bachelors in Political Science
San Diego State University

PROFESSIONAL ASSOCIATIONS

Municipal Management Assistants of
Southern California (MMASC) Member

Pi Sigma Alpha National Political Honor
Society Member

California Licensed Realtor (Member of
CAR, NAR, and Pacific West AOR)

ACHIEVEMENTS

HAFA Short Sale Specialist

Certification in Race- Relations Training
and Elected Participant for President
Clinton's Roundtable on Race

SKILLS

Microsoft Office/Windows
IDIS
DRGR
Centrax HMDA Software

**BRANDY ADAIR-HILL
PLANNER**

Mrs. Adair-Hill is dedicated to working in the field of affordable housing planning. She graduated with a Masters in Public Administration from California State University Long Beach. Her undergraduate background was in Political Science with a minor in Socio-cultural Anthropology.

VERONICA TAM & ASSOCIATES

Previously working as a subcontractor to VTA, Mrs. Adair-Hill contributed to the preparation of the following reports:

Fair Housing Studies

Long Beach	San Diego County
Ventura County	San Bernardino

Consolidated Plans and Annual Reports

Alhambra	San Bernardino
Ventura County	

PRIOR EXPERIENCE

As a former employee of the City of Bellflower and the City of Compton, she has experience working in the public sector. She also has worked as a planning consultant while employed at Cotton/Bridges/Associates and as a sole proprietor of B-Adair Consulting. Ms. Adair-Hill joined VTA in May 2012.

Over the last twelve years Mrs. Adair-Hill has provided Grants Administration of CDBG, ESG, HOME, and NSP grants for multiple cities. Services have included project management, technical support, IDIS maintenance, sub-recipient monitoring, procedural training and budgeting. Her clients included the cities of Compton, Chino Hills, Gardena, and Laguna Niguel.

In addition, she has prepared HUD-mandated Action Plans, Consolidated Plans, CAPERS, Analysis of Impediments to Fair Housing Choice (AI) reports, and Substantial Amendments for multiple cities.

Prior to working with local governments, Mrs. Adair-Hill worked with the federal government in Administrative Assistant roles at the Naval Weapons Station Seal Beach and as an intern with the US Department of State, Foreign Service Institute (holding a Secret Clearance in each position).

**EDUCATION**

Master in Urban and Regional Planning, 2013
University of California Los Angeles

BA Architecture, 2008
University of California, Berkeley

SKILLS

Adobe Creative Suite
Geographic Information Systems
AutoCAD

AWARDS

2016 APACA
Award of Excellence – Opportunity and
Empowerment: 2014-2015 Salinas Housing
Initiatives

2016 Northern Section, APACA
Award of Merit – Public Outreach: 2014-2015
Salinas Housing Initiatives

2014 APA California
Academic Award of Excellence –
Cultivate Los Angeles

2014 APA Los Angeles
Academic Award of Excellence –
Cultivate Los Angeles

**MAYRA NAVARRO
PLANNER**

Ms. Navarro joined VTA in 2014. She holds a Masters degree in Urban and Regional Planning from the University of California, Los Angeles and an undergraduate background in Architecture from the University of California, Berkeley.

VERONICA TAM AND ASSOCIATES

As a planner, Ms. Navarro has contributed to the preparation of the following reports:

Housing Element

Marina	San Clemente	Seaside
Redondo Beach	Fresno County	Monterey County

Fair Housing Studies

Long Beach	Pomona	San Bernardino
Perris	Salinas	San Diego County
Palm Springs	Santa Clarita	Ventura County

Consolidated Plans and Annual Reports

Alhambra	Delano	San Bernardino
Camarillo	La Mesa	Orange County
Carlsbad	Salinas	Ventura County

PRIOR EXPERIENCE

While working with the Housing Authority of the City of Los Angeles (HACLA), Ms. Navarro worked closely on the Jordan Downs Redevelopment. She contributed in developing and executing programs within the social component of the redevelopment, engaging the community through ongoing outreach, and providing research on best practices in similar low-income housing redevelopments.

While working in the Design and Construction services department, she also contributed to agency-wide ADA upgrades at HACLA project sites, provided project management services during the renovation of the HACLA headquarters, and provided design services for the development of low-income, senior housing.

Veronica Tam and Associates

107 S. Fair Oaks Avenue, Suite 212, Pasadena, CA 91105
P (626) 304-0440 F (626) 304-0005

Housing and Community Development Planning Experience

Veronica Tam and Associates (VTA) was incorporated in 2005. Our clients have included rural towns/communities, suburban and urban cities, metropolitan areas, and counties.

Consolidated Plans

We have prepared numerous Consolidated Plan and related reports, including annual Action Plans, Consolidated Annual Performance and Evaluation Reports (CAPER), and Section 3 Economic and Employment Opportunities Plans for jurisdictions throughout the State.

- Alhambra
- Buena Park
- Carlsbad
- Delano
- El Cajon
- Glendora
- La Mesa
- Long Beach
- Monterey Urban County
- Orange Urban County
- Salinas
- San Bernardino
- Santa Clarita
- Simi Valley
- Ventura Urban County

Analysis of Impediments (AI) to Fair Housing Choice/Assessment of Fair Housing (AFH)

We have prepared some of the most complex AI and AFH reports in the State.

- Alhambra AI
- Glendale AI
- Los Angeles AI
- Long Beach AI and AFH
- Monterey County AI
- Pasadena AI
- Pomona AI and AFH
- Monterey County AI
- Salinas AI
- San Bernardino AI
- San Diego County AI
- Ventura County AI

Grants Administration/IDIS Assistance

We provide various levels of grants administration services for local jurisdictions, and conduct subrecipient monitoring on behalf of our clients. We are well-versed in the use of IDIS, assisting both the program delivery staff and finance departments to manage project and financial information in IDIS.

- Alhambra
- Camarillo
- Delano
- Glendora
- Salinas
- Santa Clarita

Housing Elements

We are well known in our expertise in State Housing Element law. We have prepared Housing Elements throughout the State and maintain an excellent track record of receiving State certification.

- Alhambra
- Buena Park
- Burbank
- Camarillo
- Chino
- Corona
- Glendora
- Hawthorne
- Hercules
- La Canada Flintridge
- La Mesa
- Lawndale
- San Clemente
- San Marcos
- San Marino
- Santa Clara
- Santee
- Seaside

- | | | |
|-----------------|-------------------|------------------|
| ▪ Costa Mesa | ▪ Lomita | ▪ Simi Valley |
| ▪ Cupertino | ▪ Long Beach | ▪ South Gate |
| ▪ Del Mar | ▪ Marina | ▪ Tracy |
| ▪ El Cajon | ▪ Monterey County | ▪ Vista |
| ▪ Escondido | ▪ Redondo Beach | ▪ Walnut |
| ▪ Fresno County | ▪ San Bernardino | ▪ West Hollywood |

Our strengths are:

- Excellent reputation in the area of housing policy planning in terms of the quality of our products and our client-oriented attitude. We are often praised by our clients for our prompt and knowledgeable responses.
- Breadth of experience in our housing services. We have experience in preparing a variety of state and federal housing reports, such as Housing Elements, Consolidated Plans, Fair Housing studies, grants applications, and environmental clearance. We also provide grants administration services and are familiar with the regulations governing various housing funds.
- Diversity of our staff. We have seasoned housing planners with experience in both the private and public sectors.

References

City of Santa Clarita Consolidated Plan and Analysis of Impediments to Fair Housing Choice (2019)

Erin Lay, Housing Programs Administrator
City of Santa Clarita
(661) 286-4174 ELay@santa-clarita.com

<https://www.santa-clarita.com/home/showdocument?id=16657>

City of Perris Consolidated Plan and Analysis of Impediments to Fair Housing Choice (2019)

Sara Cortes-DePavon, Grants Manager
City of Perris
(951) 943-5003 x254 Scortes@cityofperris.org

City of Long Beach Consolidated Plan and Assessment of Fair Housing (2017)

Alem Hagos, Grants Administration Officer
City of Long Beach
(562) 570-7403 Alem.Hagos@longbeach.gov

<http://www.lbds.info/civica/filebank/blobload.asp?BlobID=6134>

City of Salinas Housing and Community Initiatives - Consolidated Plan, Analysis of Impediments to Fair Housing Choice, Neighborhood Revitalization Strategy, and Housing Element (2014-2016)

Christopher Valenzuela, Planning Manager
City of Salinas
(831) 755-4244 christopherv@ci.salinas.ca.us

<https://www.cityofsalinas.org/sites/default/files/services/commdev/pdf/Final%20Salinas%20AI.pdf>

Monterey Urban County Consolidated Plan/Analysis of Impediments to Fair Housing Choice (2013)

Jane Royer Barr (former Program Manager of Monterey County Economic Development)
Eden Housing
(831) 288-0478 Jane.Barr@edenhousing.org

<https://www.co.monterey.ca.us/home/showdocument?id=11592>

<https://www.co.monterey.ca.us/EconomicDevelopment/pdf/HAC%20Uploads/Public%20Review%20Draft%20AI%20-%20Monterey%20County.pdf>

C. Work Program

Task 1: Citizen Participation

For the development of the Consolidated Plan, we recommend a Citizen Participation program that involves the following components:

- **Housing and Community Development Needs Survey:** We will develop a survey to gauge the community's perception on housing and community development needs and their priorities for expending CDBG and HOME funds. The survey will be provided online and in hard copy in both English and Spanish. We will provide the City with links and QR Codes for posting on City website, social media, and public places. QR Codes would allow residents to scan the codes with their cell phones and be taken directly to the survey.
- **Ad Hoc Housing and Public Service Grant Committee (H&PSG) Meetings (2):** We recommend conducting two meetings before the H&PSG Committee. The first meeting is to kick off the Consolidated Plan process with discussions on needs and priorities and the second meeting is to review the Preliminary Draft Consolidated Plan. For both meetings, agencies and organizations that serve low and moderate income persons and those with special needs, community stakeholders, and other service providers and City departments, including the Network for Homeless Solutions, would be invited to attend the meetings. VTA will work with staff to develop the mailing list.
- **Community Workshops (2):** We will conduct two community workshops to solicit input on housing and community development needs.
- **Public Hearings (2):** We will conduct two public hearings before the City Council. During the first meeting, we will summarize the results of the community outreach efforts and solicit input from the Council and public regarding priority setting. The second meeting is to consider adoption of the Consolidated Plan.
- **Monthly Staff Meetings (10):** To save on costs, we recommend the majority of these meetings be conducted over the phone. For budgetary purposes, we have assumed three of the ten meetings as in-person meetings.



We will work with staff to refine the Citizen Participation Program to ensure that it is consistent with the Community Partnership Strategy (CPS) process. Our scope and budget includes designing outreach flyers and drafting public notices. However, the distribution of the flyer and publication of notices are the responsibilities of City staff.

Task 2: Needs Assessment and Housing Market Analysis

The **Needs Assessment** will be used to quantify and summarize available data on the most significant housing needs of extremely low, low, and moderate income households, as well as homeless persons and others with special needs. Discussion of the following topics is required:

- Housing Needs Assessment - Housing supply and demand; affordability; cost burden (overpayment).
- Disproportionately Greater Need - Defined by HUD as any group with an extent of housing assistance need that is 10 percentage points higher than the general population.
- Public Housing - The Orange County Housing Authority administers the Public Housing and Housing Choice Voucher programs in Costa Mesa. There is no public housing in Costa Mesa. The Costa Mesa Housing Authority implements the City's affordable housing programs.
- Homeless Needs Assessment - We will consult the Network for Homeless Solutions and the Continuum of Care and Point-in-Time Homeless Census to estimate the homeless population and subpopulations, as well as the nature and extent of homelessness in Costa Mesa. The City's Network for Homeless Solutions webpage provides a wealth of pertinent information.
- Non-Homeless Special Needs Assessment - Pursuant to HUD regulations, persons with special needs include elderly and frail elderly; persons with disabilities; persons with drug and alcohol addictions; victims of domestic violence; female-headed housing households; large households; and persons with HIV/AIDS.
- Non-Housing Community Development Needs - These include public facilities and infrastructure improvement; accessibility needs; historic preservation; public services; economic development; and planning and administration.

To the extent feasible in the eCon Planning Suite, specific data for Costa Mesa will be provided. We will utilize a range of data sources, including 2010 Census data (as available), real estate market data, Continuum of Care for the Homeless, Network for Homeless Solutions, and Point-in-Time Homeless Counts. In addition, we will review existing documents (such as General Plan or other special studies) to compile information on housing and community development needs.

The **Housing Market Analysis** covers the following topics:

- Number, Cost, and Condition of Housing - Changes to home values and rents and their impact affordability; risk of lead-based paint hazard; vacant units; and need for rehabilitation.
- Public and Assisted Housing - The eCon Planning Suite automatically uploads Housing Choice Voucher use for the entire County. We will contact the Housing Authority to pursue specific information on voucher use in Costa Mesa. Inventory of at-risk housing will be updated.
- Homeless Facilities and Services - We will update the inventory of emergency shelters, transitional housing, and permanent supportive housing beds available in the City.

- Special Needs Facilities and Services - Programs and services available, particularly for persons with disabilities. We will review resource directories, Continuum of Care, Housing Element, and other documents to identify key facilities and services available for special needs populations.
- Barriers to Affordable Housing - We will summarize the constraints analyses from the Housing Element, as well as other constraints identified during the Citizen Participation process.
- Non-Housing Community Development Assets - The eCon Planning Suite's focus of this section is on economic development needs. Specifically, findings from regional economic strategies will be summarized in this section.

Non-homeless special needs and non-housing community development needs will be based on a variety of empirical data, results of the outreach process, as well as consultation with City staff.

Task 3: Housing and Community Development Strategic Plan

The **Strategic Plan** must include the following key topics:

- Geographic Priorities and Priority Needs - We will work with staff to develop quantifiable objectives for each priority, within the framework of the eCon Planning Suite. Specifically, priorities and objectives will be established for housing, homeless, and non-housing community development needs.
- Influence of Market Conditions - This section will indicate how the characteristics of the housing market have influenced the decisions to use funds for rental assistance, production of new units, rehabilitation of old units, and the acquisition of existing units.
- Anticipated Resources - This section provides estimates of CDBG and HOME funds available over the five years.
- Institutional Delivery Structure - The CP must discuss the City's delivery system for housing and community development activities and identify gaps in the system.
- Homelessness Strategy - This section outlines the City's overall homeless strategy, focusing on ending chronic homelessness and homeless prevention.

We will work with staff and the community to establish priority housing and community development needs. Specifically, based on anticipated resources, we will need to develop realistic goals that are achievable within the next five years.

Task 4: FY 2020 Action Plan

The **FY 2020 Action Plan** covers the planning period of July 1, 2020 through June 30, 2021 and includes the following:

- Expected Resources
- Annual Goals and Objectives
- Projects
- Geographic Distribution
- Affordable Housing
- Public Housing

- Homeless and Other Special Needs Activities
- Barriers to affordable housing
- Other Actions and Program Specific Requirements

D. Schedule

HUD Funding Announcement Schedule

It has been HUD's practice for at least five years to announce the funding allocations for the following program year between April and May of each year. This delayed schedule in funding announcement has required jurisdictions to revise the Action Plan budget, often after the public hearing for adoption. Specifically, HUD has been requesting jurisdictions to submit the Consolidated Plan and Action only after the funding allocations have been announced. Jurisdictions are given an extension (60 days after announcement) to submit the plans with the correct allocation figures. Our proposed project schedule anticipates a similar process for next year.

Proposed Project Schedule

Task	Tentative Dates
Project Initiation	July 2019
Housing and Community Development Needs Survey	August - November 2019
1 st H&PSG Committee Meeting - Needs and Priorities	September 2019
Community Workshops (2)	October 2019
CP Needs Assessment	August - October 2019
1 st City Council Hearing - Needs and Priorities	November 2019
Staff Review Draft CP and AP	February/March 2020
2 nd H&PSG Committee Meeting - Review Draft CP	March 2020
Public Review Draft CP/AP	April 2020
2 nd City Council Hearing - Adoption (Based on HUD practice in recent years, funding allocations are not announced until April or May, necessitating the submittal of the CP and AP after May 17 but before August 17)	May 2020, but no later than August 17, 2020

EXHIBIT C
FEE SCHEDULE



May 30, 2019

Silvia Kennerson, Management Analyst
Development Services Department
Second Floor
City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626

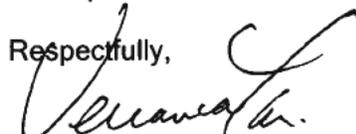
Subject: Proposed Budget for the City of Costa Mesa 2020-2025 Consolidated Plan

Ms. Kennerson:

Veronica Tam and Associates, Inc. (VTA) is pleased to submit the proposal to assist the City of Costa Mesa with preparation of the 2020-2025 Consolidated Plan, cover the planning period of July 1, 2020 through June 30, 2025, and including the FY 2020 Action Plan. Our proposed budget for this work is included on the next page. This proposed budget is valid for 60 days from May 30, 2019.

We believe we are well-qualified to assist the City of Costa Mesa. Please contact me if you have questions or need additional information.

Respectfully,



Veronica Tam, AICP
Principal

**City of Costa Mesa
2020-2025 Consolidated Plan
Proposed Budget**

Consolidated Plan/Action Plan	Tam	Planners	GIS/ Tech	Total
	\$ 150	\$ 95	\$ 90	Labor
Task 1: Citizen Participation				
Housing and Community Development Needs Survey	2	12	12	\$ 2,520
H&PSG Committee Meetings (2)	8	12	2	\$ 2,520
Community Workshops (2)	8	16	4	\$ 3,080
Public Hearings (2)	8			\$ 1,200
Subtotal	26	40	18	\$ 9,320
Task 2: Needs Assessment and Housing Market Analysis	16	60	16	\$ 9,540
Task 3: Housing and Community Development Strategic Plan	12	40	2	\$ 5,780
Task 4: Action Plans (FY 2020)	4	40	4	\$ 4,760
Miscellaneous (Postage, mileage, etc.)				\$ 600
Total	58	180	40	\$ 30,000

EXHIBIT D
CERTIFICATES OF INSURANCE

**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>
<u>C. Additional Provisions Pertinent to Additional Insured Coverage</u>
<u>1. Primary – Noncontributory provision</u>
<u>2. Definition of "written contract."</u>
<u>II. Liability Extension Coverages</u>
<u>A. Bodily Injury – Expanded Definition</u>
<u>B. Broad Knowledge of Occurrence</u>
<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>
<u>F. Personal and Advertising Injury – Broadened Eviction</u>
<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 INSUREDS

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

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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.

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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

TABLE OF CONTENTS
<u>I. Blanket Additional Insured Provisions</u>
<u>A. Additional Insured – Blanket Vendors</u>
<u>B. Miscellaneous Additional Insureds</u>
<u>C. Additional Provisions Pertinent to Additional Insured Coverage</u>
<u>1. Primary – Noncontributory provision</u>
<u>2. Definition of "written contract."</u>
<u>II. Liability Extension Coverages</u>
<u>A. Bodily Injury – Expanded Definition</u>
<u>B. Broad Knowledge of Occurrence</u>
<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>
<u>F. Personal and Advertising Injury – Broadened Eviction</u>
<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 INSUREDS

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, hoistway 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

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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.

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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.