

BLUE FOLDER ITEM

Blue folder items are additional back up material to administrative reports and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING MAY 5, 2026

H.6 APPROVE A CONSULTING SERVICES AGREEMENT WITH GOLD COAST PARTNERS, INC. FOR UTILITY USERS TAX ADMINISTRATION SERVICES FOR AN ANNUAL FEE OF \$10,000 AND A THREE-YEAR TERM

CONTACT: Eugene Solomon, City Treasurer

- **Second Revised Agreement**

AGREEMENT FOR CONSULTING SERVICES BETWEEN THE CITY OF REDONDO BEACH AND GOLD COAST PARTNERS GROUP, INC.

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Gold Coast Partners Group, Inc., a California corporation ("Consultant" or "Contractor").

The parties hereby agree as follows:

1. Description of Project or Scope of Services. The project description or scope of services to be provided by Consultant, and any corresponding responsibilities of City, or services required to be performed by City are set forth in Exhibit "A."
2. Term and Time of Completion. Consultant shall commence and complete the project or services described in Exhibit "A" in accordance with the schedule set forth in Exhibit "B".
3. Compensation. City agrees to pay Consultant for work performed in accordance with Exhibit "C".
4. Insurance. Consultant shall adhere to the insurance requirements outlined in Exhibit "D", unless otherwise waived by the City's Risk Manager.
5. Cybersecurity Requirements. Consultant shall comply with the cybersecurity requirements as outlined in Exhibit "E".

* * * * *

GENERAL PROVISIONS

1. Independent Contractor. Consultant acknowledges, represents and warrants that Consultant is not a regular or temporary employee, officer, agent, joint venturer or partner of the City, but rather an independent contractor. This Agreement shall not be construed as a contract of employment. Consultant shall have no rights to any benefits which accrue to City employees unless otherwise expressly provided in this Agreement. Due to the independent contractor relationship created by this Agreement, the City shall not withhold state or federal income taxes, the reporting of which shall be Consultant's sole responsibility.
2. Brokers. Consultant acknowledges, represents and warrants that Consultant has not hired, retained or agreed to pay any entity or person any fee, commission, percentage, gift, or any other consideration, contingent upon or resulting from the award or making of this Agreement.

3. City Property. All plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials prepared for or obtained pursuant to this Agreement shall upon request be delivered to the City within a reasonable time, and the rights thereto shall be deemed assigned to the City. If applicable, Consultant shall prepare check prints upon request. Said plans, drawings, reports, calculations, data, specifications, videos, graphics or other materials, shall be specific for the project herein and shall not be used by the City for any other project without Consultant's consent. Notwithstanding the foregoing, Consultant shall not be obligated to assign any proprietary software or data developed by or at the direction of Consultant for Consultant's own use; provided, however, that Consultant shall, pursuant to Paragraph 14 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of any such proprietary software or data.
4. Inspection. If the services set forth in Exhibit "A" shall be performed on City or other public property, the City shall have the right to inspect such work without notice. If such services shall not be performed on City or other public property, the City shall have the right to inspect such work upon reasonable notice. Inspections by the City shall not relieve or minimize the responsibility of Consultant to conduct any inspections Consultant has agreed to perform pursuant to the terms of this Agreement. Consultant shall be solely liable for said inspections performed by Consultant. Consultant shall certify in writing to the City as to the completeness and accuracy of each inspection required to be conducted by Consultant hereunder.
5. Services. The project or services set forth in Exhibit "A" shall be performed to the full satisfaction and approval of the City. In the event that the project or services set forth in Exhibit "A" are itemized by price in Exhibit "C", the City in its sole discretion may, upon notice to Consultant, delete certain items or services set forth in Exhibit "A", in which case there shall be a corresponding reduction in the amount of compensation paid to Consultant. City shall furnish Consultant to the extent available, with any City standards, details, specifications and regulations applicable to the Project and necessary for the performance of Consultant's services hereunder. Notwithstanding the foregoing, any and all additional data necessary for design shall be the responsibility of Consultant.
6. Records. Consultant, including any of its subcontractors shall maintain full and complete documents and records, including accounting records, employee time sheets, work papers, and correspondence pertaining to the project or services set forth in Exhibit "A". Consultant, including any of its subcontractors shall make such documents and records available for City review or audit upon request and reasonable notice, and shall keep such documents and records, for at least four (4) years after Consultant's completion of performance of this Agreement.

Copies of all pertinent reports and correspondence shall be furnished to the City for its files.

7. Changes and Extra Work. Unless otherwise provided herein, all changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Consultant.
8. Additional Assistance. If this Agreement requires Consultant to prepare plans and specifications, Consultant shall provide assistance as necessary to resolve any questions regarding such plans and specifications that may arise during the period of advertising for bids, and Consultant shall issue any necessary addenda to the plans and specifications as requested. In the event Consultant is of the opinion that City's requests for addenda and assistance is outside the scope of normal services, the parties shall proceed in accordance with the changes and extra work provisions of this Agreement.
9. Professional Ability. Consultant acknowledges, represents and warrants that Consultant is skilled and able to competently provide the services hereunder, and possesses all professional licenses, certifications, and approvals necessary to engage in its occupation. City has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant shall perform in accordance with generally accepted professional practices and standards of Consultant's profession.
10. Business License. Consultant shall obtain a Redondo Beach Business License before performing any services required under this Agreement. The failure to so obtain such license shall be a material breach of this Agreement and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual circumstances without necessitating any modification of this Agreement to reflect such waiver.
11. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Agreement at any time prior to completion by Consultant of the project or services hereunder, immediately upon written notice to Consultant. In the event of any such termination, Consultant shall be compensated for: (1) all authorized work satisfactorily performed prior to the effective date of termination; and (2) necessary materials or services of others ordered by Consultant for this Agreement, prior to Consultant's receipt of notice of termination, irrespective of whether such materials or services of others have actually been delivered, and further provided that Consultant is not able to cancel such orders. Compensation for Consultant in such event shall be determined by the City in accordance with the percentage of the project or services completed by Consultant; and all of Consultant's finished or unfinished work product through the time of the City's

last payment shall be transferred and assigned to the City. In conjunction with any termination of this Agreement, the City may, at its own expense, make copies or extract information from any notes, sketches, computations, drawings, and specifications or other data, whether complete or not.

12. Termination in the Event of Default. Should Consultant fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Agreement, the City may immediately terminate this Agreement by giving written notice of such termination, stating the reasons for such termination. Consultant shall be compensated as provided immediately above, provided, however, there shall be deducted from such amount the amount of damages if any, sustained by the City by virtue of Consultant's breach of this Agreement.
13. Conflict of Interest. Consultant acknowledges, represents and warrants that Consultant shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Agreement. Consultant further acknowledges, represents and warrants that Consultant has no business relationship or arrangement of any kind with any City official or employee with respect to this Agreement. Consultant acknowledges that in the event that Consultant shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Agreement, all consideration received under this Agreement shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Agreement for one (1) year.
14. Indemnity. To the maximum extent permitted by law, Consultant hereby agrees, at its sole cost and expense, to defend, protect, indemnify, and hold harmless the City, its elected and appointed officials, officers, employees, volunteers, attorneys, and agents (collectively "Indemnitees") from and against any and all claims, including, without limitation, claims for bodily injury, death or damage to property, demands, charges, obligations, damages, causes of action, proceedings, suits, losses, stop payment notices, judgments, fines, liens, penalties, liabilities, costs and expenses of every kind and nature whatsoever, in any manner arising out of, incident to, related to, in connection with or arising from any act, failure to act, error or omission of Consultant's performance or work hereunder (including any of its officers, agents, employees, Subcontractors) or its failure to comply with any of its obligations contained in the Agreement, or its failure to comply with any current or prospective law, except for such loss or damage which was caused by the sole negligence or willful misconduct of the City. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant or Indemnitees. This indemnification obligation shall survive this Agreement and shall not be limited by any term of any insurance policy required under this Agreement.

- a. Nonwaiver of Rights. Indemnitees do not and shall not waive any rights that they may possess against Consultant because the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement.
 - b. Waiver of Right of Subrogation. Consultant, on behalf of itself and all parties claiming under or through it, hereby waives all rights of subrogation and contribution against the Indemnitees.
- 15. Insurance. Consultant shall comply with the requirements set forth in Exhibit "D". Insurance requirements that are waived by the City's Risk Manager do not require amendments or revisions to this Agreement.
 - 16. Cybersecurity. Consultant shall comply with the cybersecurity requirements set forth in Exhibit "E".
 - 17. Non-Liability of Officials and Employees of the City. No official or employee of the City shall be personally liable for any default or liability under this Agreement.
 - 18. Compliance with Laws. Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals, with respect to this Agreement, including without limitation all environmental laws, and employment laws.
 - 19. Non-Discrimination. Consultant shall comply with all applicable federal, state, and local laws, ordinances, regulations, and codes prohibiting discrimination, including but not limited to the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, and the California Fair Employment and Housing Act. Consultant shall not discriminate against any employee or applicant for employment on the basis of 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, military and veteran status, or any other legally protected characteristic. Consultant shall ensure that the evaluation and treatment of its employees and applicants for employment are free from such discrimination and harassment. Consultant shall include a similar non-discrimination provision in all subcontracts related to the performance of this Agreement.
 - 20. Limitations upon Subcontracting and Assignment. Consultant acknowledges that the services which Consultant shall provide under this Agreement are unique, personal services which, except as otherwise provided herein, Consultant shall not assign or sublet to any other party without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion. In the

event that the City, in writing, approves any assignment or subletting of this Agreement or the retention of subcontractors by Consultant, Consultant shall provide to the City upon request copies of each and every subcontract prior to the execution thereof by Consultant and subcontractor. Any attempt by Consultant to assign any or all of its rights under this Agreement without first obtaining the City's prior written consent shall constitute a material default under this Agreement.

The sale, assignment, transfer or other disposition, on a cumulative basis, of twenty-five percent (25%) or more of the ownership interest in Consultant or twenty-five percent (25%) or more the voting control of Consultant (whether Consultant is a corporation, limited liability company, partnership, joint venture or otherwise) shall constitute an assignment for purposes of this Agreement. Further, the involvement of Consultant or its assets in any transaction or series of transactions (by way of merger, sale, acquisition, financing, transfer, leveraged buyout or otherwise), whether or not a formal assignment or hypothecation of this Agreement or Consultant's assets occurs, which reduces Consultant's assets or net worth by twenty-five percent (25%) or more shall also constitute an assignment for purposes of this Agreement.

21. Subcontractors. Consultant shall provide properly skilled professional and technical personnel to perform any approved subcontracting duties. Consultant shall not engage the services of any person or persons now employed by the City without the prior written approval of City, which approval may be withheld in the City's sole and absolute discretion.
22. Integration. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes any previous oral or written agreement; provided, however, that correspondence or documents exchanged between Consultant and City may be used to assist in the interpretation of the exhibits to this Agreement.
23. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
24. Conflicting Provisions. In the event of a conflict between the terms and conditions of this Agreement and those of any exhibit or attachment hereto, this Agreement proper shall prevail. In the event of a conflict between the terms and conditions of any two or more exhibits or attachments hereto, those prepared by the City shall prevail over those prepared by Consultant.
25. Non-Exclusivity. Notwithstanding any provision herein to the contrary, the services provided by Consultant hereunder shall be non-exclusive, and City reserves the right to employ other contractors in connection with the project.

26. Exhibits. All exhibits hereto are made a part hereof and incorporated herein by reference; provided, however, that any language in Exhibit "A" which does not pertain to the project description, proposal, or scope of services (as applicable) to be provided by Consultant, or any corresponding responsibilities of City, shall be deemed extraneous to, and not a part of, this Agreement.
27. Time of Essence. Time is of the essence of this Agreement.
28. Confidentiality. To the extent permissible under law, Consultant shall keep confidential its obligations hereunder and the information acquired during the performance of the project or services hereunder.
29. Third Parties. Nothing herein shall be interpreted as creating any rights or benefits in any third parties. For purposes hereof, transferees or assignees as permitted under this Agreement shall not be considered "third parties."
30. Governing Law and Venue. This Agreement shall be construed in accordance with the laws of the State of California without regard to principles of conflicts of law. Venue for any litigation or other action arising hereunder shall reside exclusively in the Superior Court of the County of Los Angeles, Southwest Judicial District.
31. Attorneys' Fees. In the event either party to this Agreement brings any action to enforce or interpret this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees (including expert witness fees) and costs. This provision shall survive the termination of this Agreement.
32. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 810 *et seq.* The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six (6) months after accrual of the cause of action.
33. Interpretation. Consultant acknowledges that it has had ample opportunity to seek legal advice with respect to the negotiation of this Agreement. This Agreement shall be interpreted as if drafted by both parties.
34. Warranty. In the event that any product shall be provided to the City as part of this Agreement, Consultant warrants as follows: Consultant possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets all specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1)

year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of thirty (30) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Consultant, at Consultant's expense, including shipping. Consultant shall not be liable under this warranty for an amount greater than the amount set forth in Exhibit "C" hereto.

35. Severance. Any provision of this Agreement that is found invalid or unenforceable shall be deemed severed and all remaining provisions of this Agreement shall remain enforceable to the fullest extent permitted by law.
36. Authority. City warrants and represents that upon City Council approval, the Mayor of the City of Redondo Beach is duly authorized to enter into and execute this Agreement on behalf of City. The party signing on behalf of Consultant warrants and represents that he or she is duly authorized to enter into and execute this Agreement on behalf of Consultant, and shall be personally liable to City if he or she is not duly authorized to enter into and execute this Agreement on behalf of Consultant.
37. Waiver. The waiver by the City of any breach of any term or provision of this Agreement shall not be construed as a waiver of any subsequent breach.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 5th day of May, 2026.

CITY OF REDONDO BEACH,
a chartered municipal corporation

GOLD COAST PARTNERS GROUP, INC.,
a California corporation

James A. Light, Mayor

By:_____
Name: Laura Burnett
Title: President/CEO

ATTEST:

APPROVED:

Eleanor Manzano, City Clerk

Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

Joy A. Ford, City Attorney

EXHIBIT "A"

PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES

CONSULTANT'S DUTIES

Consultant shall perform the following services (collectively, the "Services"):

- A. Discovery. Consultant shall perform discovery-related services, including:
 - 1. Discovery of telecommunications and video service providers;
 - 2. Preparation and transmittal of Public Utilities Code Section 799 notification letters annually on the City's behalf;
 - 3. Ongoing discovery and provider monitoring; and
 - 4. Administration of the Voluntary Disclosure Program.
- B. Recovery. Consultant shall perform recovery and compliance review services, including:
 - 1. Review of remittance methodology, billing practices, and rate application;
 - 2. Validation of customer categorization and taxable revenue mapping;
 - 3. Identification of underreporting, misclassification, or systemic compliance issues; and
 - 4. Preparation of comprehensive reports at the conclusion of each review.
 - 5. Remittance to the City of all amounts collected on the City's behalf.
Consultant shall deliver a check made payable to the City for the full amount of any taxes, penalties, and interest collected prior to submitting any invoice for contingency-based compensation. The City's obligation to pay Consultant's contingency fee, as set forth in Section A of Exhibit "C" is conditioned upon Consultant's prior remittance of all collected amounts to the City.
- C. Optimization. Consultant shall perform ordinance and administrative optimization services, including:
 - 1. Ongoing review of the City's ordinance for clarity, defensibility, and alignment with current industry practices;
 - 2. Identification of outdated or ambiguous language;
 - 3. Identification of ordinance-technology mismatches, including but not limited to Voice over Internet Protocol (VoIP), streaming, and wireless broadband;
 - 4. Development of recommendations for ordinance and administrative updates; and
 - 5. Collaborate with the City throughout the ordinance update and modernization process.
- D. Payment History Review and Analysis. Consultant shall perform payment history review and analysis services, including:

1. Review of historical remittances by provider and utility category;
 2. Identification of deviations from expected reporting patterns;
 3. Recommendation of compliance reviews when deviations or anomalies are identified; and
 4. Preparation of annual reports containing comprehensive analysis of revenues.
- E. Exemption Review and Validation. Consultant shall perform exemption review services, including:
1. Annual review of all electric and gas providers' exemption lists to validate correct application of the City's code;
 2. Identification of misapplied exemptions or outdated classifications; and
 3. Collaborate with the City and providers to correct misapplied exemptions.
- F. Legal, Regulatory, and Legislative Monitoring. Consultant shall perform monitoring services, including:
1. Monitoring of state regulatory bodies, legislative actions, and administrative rulings;
 2. Preparation of plain-language summaries of changes affecting UUT/FF applicability; and
 3. Issuance of early-warning alerts for developments impacting telecommunications, energy, gas, VoIP, streaming, and other taxable sectors.
- G. Monitoring of Emerging Technologies. Consultant shall perform technology monitoring services, including:
1. Tracking evolving technologies to ensure UUT/FF revenues are protected;
 2. Monitoring telecommunications, energy, and emerging service technologies; and
 3. Assessment of impacts on taxability and ordinance alignment.
- H. Annual UUT/FF Revenue Forecasting. Consultant shall perform forecasting services, including:
1. Preparation of an annual rolling five-year UUT/FF forecast;
 2. Incorporation of rate changes, market shifts, and legislative impacts; and
 3. Provision of conservative, expected, and high-case scenarios.
- More frequent or supplemental forecasts can be provided as needed for an additional fee.
- I. Program Deliverables. As part of the Services, Consultant shall provide the following deliverables:

1. Provider-level compliance review reports;
2. Exemption review summaries;
3. Legal and legislative monitoring briefs;
4. Annual UUT/FF Forecast Report;
5. Annual Comprehensive UUT/FF Compliance Report;
6. Recommendations for ordinance and administrative updates;
7. Technology impact assessments; and
8. Quarterly or semi-annual meetings to discuss progress and updates.

J. Additional (Out-of-Scope) Services. Any service not expressly enumerated in Sections A through I of this Exhibit is outside the scope of this Agreement and shall not be performed by Consultant without prior written authorization from the City. Consultant shall have no right to compensation for any service performed outside Sections A through I unless the City has issued written authorization in advance. The City's authorization of any Additional Service shall not be construed as a modification of the base scope or an obligation to authorize future Additional Services.

Additional services may include:

1. Administrative Hearing Support. If authorized in writing by the City, Consultant may attend administrative hearings strictly as a technical advisor or fact witness. Consultant shall have no authority to represent, speak on behalf of, or bind the City in any proceeding. Consultant shall have no authority to provide any legal representation under any circumstances.
2. Ordinance Review & Enhancement. If authorized in writing by the City, Consultant may coordinate with legal counsel designated by the City to support review of the City's ordinance for clarity, enforceability, and administrative effectiveness. Consultant shall not make any legal determinations and ordinance recommendations. This service is separate from and may not be substituted for the monitoring services performed under Section C of this Exhibit "A".
3. Business License Audit Services. If authorized in writing by the City, Consultant may perform audit procedures to evaluate the accuracy of business license tax reporting and remittance. For the avoidance of doubt, the base scope under Sections A through I is limited to verifying that required licenses were obtained for applicable audit periods. Any broader audit engagement constitutes an Additional Service and requires a separate written City authorization and corresponding written scope and fee estimate.
4. Payment Processing Solutions. If authorized in writing by the City, Consultant may evaluate and provide implementation support for filing and payment systems, including solutions involving third-party or outsourced

administration. The City retains sole authority to approve, select, and contract with any third-party vendor or administrator.

5. Scope Limitation. Consultant's role under this Agreement whether performing services within Sections A through I or any City authorized Additional Services under Section J is strictly limited to advisory, analytical, and technical support functions. Consultant shall not provide legal services, render legal opinions, make regulatory determinations, or exercise any governmental authority on behalf of the City. All final determinations, legal interpretations, enforcement decisions, and regulatory actions are reserved exclusively to the City. Any action taken by Consultant beyond these limits shall be unauthorized and shall not give rise to any City liability or obligation.

EXHIBIT "B"

TERM AND TIME OF COMPLETION

TERM. This Agreement shall commence on May 5, 2026 and shall continue through May 4, 2029, unless otherwise terminated as herein provided. This Agreement shall automatically renew for subsequent one-year terms, up to a maximum of three years (each a "Renewal Term") subject to the same terms and conditions contained herein, unless City provides written notice of nonrenewal at least fifteen (15) days prior to the expiration of the current term. Such written notice of nonrenewal shall be deemed valid if executed by the City Treasurer. The total duration of the Agreement, including renewals, shall not continue beyond May 4, 2032.

EXHIBIT "C"

COMPENSATION

Provided Consultant is not in default under this Agreement, Consultant shall be compensated as provided below.

A. **AMOUNT.** Consultant shall be compensated as set forth below:

1. Fixed Annual Fee. Consultant shall be paid an annual fee in the amount of Ten Thousand Dollars (\$10,000) for performance of the Services described in Exhibit "A".
2. Contingency-Based Compensation. In addition to the annual fee, Consultant shall be paid a contingency-based compensation as follows:
 - a. Compliance Reviews: Consultant shall receive a contingency fee equal to twenty percent (20%) of all amounts identified and collected through compliance reviews, including any applicable penalties and interest.
 - b. Voluntary Disclosure Program: Consultant shall receive a contingency fee equal to fifteen percent (15%) of all retroactive taxes identified and collected through the Voluntary Disclosure Program, including any applicable penalties and interest.
 - c. Consultant shall remit a check payable to the "City of Redondo Beach", for all amounts collected on the City's behalf.
3. Additional (Out-of-Scope) Services. Out-of-scope services requested by the City as outlined in Section J of Exhibit "A" and approved in advance in writing by the City, shall be compensated on an hourly basis as follows:

Personnel Level	Hourly Rate
Consultant	\$95
Manager	\$125
Director	\$150

B. **NOT TO EXCEED AMOUNT.** The City's total obligation for Additional Services shall not exceed One Thousand Five Hundred Dollars (\$1,500) without a written amendment to this Agreement. No Additional Services shall commence without prior written approval from the City Treasurer. Consultant shall submit a written estimate before performing any Additional Services. Work performed without prior written approval shall not be compensable.

- C. **METHOD OF PAYMENT.** Consultant shall submit an annual invoice for services performed in the prior year. Each invoice shall identify the fee type (Fixed Annual Fee, Contingency Fee, or Additional Services), agreement annual period, provider name, type of recovery, gross amount recovered including any penalties and interest, applicable percentage rate, calculated contingency fee, proof of remittance to the City, City Treasurer written authorization for any Additional Services, staff title, hourly rate, number of hours worked, services performed, dates of service, total amount due, and if applicable, the cost of City preapproved subcontractors plus markup. Invoices must be itemized and based on accurate records, with supporting documentation attached where applicable. Invoices must be in a form reasonably satisfactory to City. Consultant may be required to provide back-up material upon request.
- D. **SCHEDULE FOR PAYMENT.** The City will pay within 45 days of receiving the annual invoice, provided the services are completed to the City's reasonable satisfaction. Notwithstanding the foregoing, the City may withhold any payments, or portion thereof, that the City disputes in good faith until the dispute is resolved, to the maximum extent permitted by law.
- E. **NOTICE.** Written notices to City and Consultant shall be given by registered or certified mail, postage prepaid, email, or personally served, and addressed to the following parties.

Consultant: Laura Burnett, President/CEO
5760 Lindero Canyon Rd. PMB 1020
Westlake Village, CA 91362
Attention: Cody Burnett, Tax Director, UUT/FF
Email: Cody.Burnett@TeamGCP.com

City: City of Redondo Beach
City Treasurer's Office
415 Diamond Street
Redondo Beach, CA 90277
Attention: Eugene Solomon, City Treasurer
Email: eugene.solomon@redondo.org

All notices, including notices of address changes, provided under this Agreement are deemed received as follows: (1) on the second business day after emailing, provided that no "bounce-back" or similar message indicating non-delivery is received; (2) on the third day after mailing if sent by registered or certified mail; or (3) upon personal delivery. Changes in the respective address set forth above may be made from time to time by any party upon written notice to the other party in accordance with this section.

EXHIBIT “D”

INSURANCE REQUIREMENTS FOR CONSULTANTS

Without limiting Consultant’s indemnification obligations under this Agreement, Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).

Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, code 1 (any auto).

Workers’ Compensation insurance as required by the State of California.

Employer’s Liability Insurance.

Cyber Liability Insurance

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit of \$2,000,000 shall apply separately to this project.

Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

Employer’s Liability: \$1,000,000 per accident for bodily injury or disease.

Cyber Liability Insurance: \$1,000,000 in the aggregate for data breaches, cyberattacks, and other cybersecurity risks

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or (2) the Consultant shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies shall contain, or be endorsed to contain, the following provisions:

Additional Insured Endorsement:

General Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of work performed by or on behalf of the Consultant. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance, or as a separate owner's policy.

Automobile Liability: The City, its officers, elected and appointed officials, employees, and volunteers shall be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Consultant.

For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the City, its officers, elected and appointed officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

Each insurance policy shall be endorsed to state that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, and the coverages afforded shall apply as though separate policies had been issued to each insured.

Each insurance policy shall be in effect prior to awarding the contract and each insurance policy or a successor policy shall be in effect for the duration of the project.

The maintenance of proper insurance coverage is a material element of the contract and failure to maintain or renew coverage or to provide evidence of renewal may be treated by the City as a material breach of contract on the Consultant's part.

Acceptability of Insurers

Insurance shall be placed with insurers with a current A.M. Best's rating of no less than A:VII and which are authorized to transact insurance business in the State of California by the Department of Insurance.

Verification of Coverage

Consultant shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on the City authorized forms provided with the contract specifications. Standard ISO forms which shall be subject to City approval and amended to conform to the City's requirements may be acceptable in lieu of City authorized forms. All certificates and endorsements shall be received and approved by the City before the contract is awarded. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Subcontractors

Consultant shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

Risk Management

Consultant acknowledges that insurance underwriting standards and practices are subject to change, and the City reserves the right to make changes to these provisions in the reasonable discretion of its Risk Manager.

EXHIBIT “E”

CYBERSECURITY PROVISIONS

A. DEFINITION OF "CITY CONFIDENTIAL INFORMATION"

For the purposes of this Agreement, "City Confidential Information" shall include, but not be limited to, all non-public information that is designated as confidential by the City, including but not limited to:

1. Personally Identifiable Information ("PII") as defined under applicable state and federal law;
2. Protected Health Information ("PHI") as defined under the Health Insurance Portability and Accountability Act ("HIPAA");
3. Payment Card Information as defined under the Payment Card Industry Data Security Standard ("PCI-DSS");
4. Law enforcement-sensitive information including but not limited to data collected or generated by the City Police Department;
5. Trade secrets and proprietary information, including but not limited to intellectual property, designs, processes, or strategies;
6. Financial data such as budgets, tax records, or other fiscal documents;
7. Any other information that, due to its nature or the circumstances of its disclosure, a reasonable person would understand to be confidential or proprietary.

City Confidential Information shall not include information that: a) is or becomes publicly available through no breach of this Agreement; b) is obtained from a third party lawfully in possession of such information and not under any duty to the City to maintain its confidentiality; c) is independently developed by the Consultant without reference to City Confidential Information.

B. COMPLIANCE WITH DATA PROTECTION LAWS

Consultant shall comply with all applicable federal, state, and local laws and regulations relating to data privacy and cybersecurity, including but not limited to the California Consumer Privacy Act ("CCPA"), the California Privacy Rights Act ("CPRA"), HIPAA, SB 1386, and the PCI-DSS where credit cards are involved, and any other applicable privacy or security laws.

C. DATA SECURITY MEASURES

Consultant shall implement and maintain appropriate technical and organizational security measures to protect any City Confidential Information from unauthorized access, disclosure, alteration, destruction, or loss. At a minimum, these measures shall include:

1. Encryption. All City Confidential Information, including City Confidential Information, must be encrypted in transit and at rest using industry-standard encryption protocols, such as TLS 1.3, AES-256, or better.
2. Access Controls. Consultant shall implement strict access control measures, including multi-factor authentication (“MFA”), role-based access controls (“RBAC”), and the principle of least privilege, ensuring that only authorized personnel have access to City Confidential Information.
3. Secure Data Storage. Consultant shall ensure that City Confidential Information is stored in secure data centers that comply with industry recognized security standards, such as SOC 2, ISO 27001, or equivalent.
4. Network Security. Consultant shall maintain up-to-date firewalls, intrusion detection and prevention systems (“IDPS”), anti-virus software, and other security tools to safeguard City Confidential Information from external and internal cyber threats.
5. Personnel Security. Consultant shall implement personnel security measures, including conducting background checks for employees with access to City Confidential Information. In addition, the Consultant shall ensure all employees handling City Confidential Information are trained regularly on best practices in cybersecurity and data protection. Training shall cover topics such as data privacy laws, phishing prevention, secure data handling, and incident reporting procedures.
6. Alignment with Standards and Audits. All security measures shall align with the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF) or an equivalent framework (e.g., ISO 27001 or SOC 2 Type 2). Consultant shall conduct annual third-party audits of its cybersecurity practices and provide the City with certified reports, including any findings related to City Confidential Information. Audits shall cover compliance with CCPA/CPRA requirements, including any amendments on data minimization and location data handling.

D. INCIDENT RESPONSE AND DATA BREACH NOTIFICATION

Consultant shall maintain a comprehensive incident response plan to address potential cybersecurity incidents, including but not limited to data breaches, malware infections, and unauthorized access to City data. In the event of any security breach or unauthorized access involving City data, Consultant agrees to:

1. Immediate Notification. Notify the City in writing within 24 hours of discovering any actual or suspected security incident involving City data.
2. Investigation and Remediation. Investigate the breach, take all necessary steps to contain and mitigate its impact, and provide a full written report to the City detailing the breach's nature, the data involved, and the corrective actions taken.
3. Cooperation. Fully cooperate with the City and any regulatory authorities in any investigation or legal actions relating to the breach, including providing access to any relevant security logs, audit trails, or other information.

E. DATA BACKUP AND DISASTER RECOVERY

Consultant shall implement a robust data backup and disaster recovery plan. Consultant shall ensure that all City Confidential Information is backed up regularly to secure offsite locations with sufficient geographic redundancy. Consultant shall ensure that in the event of a disaster or significant system failure, all City Confidential Information can be restored to its original state within a reasonable timeframe agreed upon with the City.

F. DATA RETENTION AND SECURE DISPOSAL

Consultant shall retain City Confidential Information for the duration of this Agreement. However, upon termination or expiration of the Agreement, or upon the City's request, Consultant shall:

1. Return or Destroy Data. Promptly return all City Confidential Information in a format specified by the City or securely destroy the data and provide a written certification of destruction within thirty (30) days of the City's request.
2. Secure Disposal. Ensure that any media, devices, or documents containing City Confidential Information are disposed of in a manner that ensures the data is rendered irrecoverable, using methods such as secure shredding or certified electronic data destruction. For Police Department data, Consultant shall utilize Department of Defense ("DOD") certified destruction processes to ensure the complete and secure disposal of all confidential law enforcement related information.

3. Post-Termination Access Limitations. Notwithstanding any provision in the Agreement, access to City Confidential Information after termination or expiration for purposes of calculating compensation under Exhibit “C” shall be restricted to aggregated or de-identified data only, where feasible, and shall expire six (6) months following termination or expiration, unless extended by mutual written agreement. Upon expiration of this access period, Consultant shall immediately destroy all such data pursuant to subsections (1) and (2) above, and provide certification thereof.

G. SUBCONTRACTORS AND THIRD-PARTY PROVIDERS

If Consultant uses any subcontractors or third-party providers to assist in the performance of services under this Agreement, Consultant shall ensure that such subcontractors or providers comply with the same cybersecurity requirements outlined in this Agreement. This includes, but is not limited to:

1. Compliance with Cybersecurity Measures. Subcontractor and third-party providers must implement and maintain the same security measures as set forth in Section C of this Exhibit “E”, including without limitation, encryption, access controls, secure data storage, and network security.
2. Personnel Security Training.
Consultant shall ensure that all subcontractors, third-party providers, and any other personnel involved in handling City Confidential Information are trained regularly on best practices in cybersecurity and data protection. Training shall cover the topics outlined in Section C of this Exhibit “E”.
3. Audit Rights.

The City reserves the right to audit any subcontractor's or third-party provider's compliance with this Exhibit “E” upon reasonable notice (at least 10 business days), at the City's expense unless non-compliance is identified (in which case Consultant shall reimburse costs). Such audits may include review of security logs, training records, and data handling practices.

Consultant shall be fully responsible for any acts, omissions, or security breaches caused by its subcontractors or third-party providers, including but not limited to, their failure to comply with the cybersecurity requirements or training obligations set forth in this Exhibit “E”.

H. NOTIFICATION OF CHANGES IN SECURITY CERTIFICATIONS

Consultant shall immediately notify the City of any changes, lapses, or expirations in cybersecurity certifications (e.g., FEDRAMP, SOC 2 Type 2, etc.) that were in effect at the time of the Agreement execution.

I. INDEMNIFICATION FOR CYBERSECURITY BREACH

For the avoidance of doubt, and without limiting the scope of the indemnification obligations under Section 14 of this Agreement, Consultant acknowledges that its indemnification obligations include any and all claims, damages, losses, liabilities, fines, penalties, or expenses, including reasonable attorneys' fees, arising out of or related to any cybersecurity incident or data breach involving City Confidential Information, to the extent such incident or breach is caused by the Consultant's or its subcontractors' negligence, intentional misconduct, or failure to comply with the cybersecurity requirements set forth herein.