

**AGREEMENT FOR CONSULTING SERVICES  
BETWEEN THE CITY OF REDONDO BEACH  
AND KOSMONT TRANSACTIONS SERVICES, INC.**

THIS AGREEMENT FOR CONSULTING SERVICES (this "Agreement") is made between the City of Redondo Beach, a chartered municipal corporation ("City") and Kosmont Transactions Services, 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".

\* \* \* \* \*

**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. 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.

4. 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.
5. Changes and Extra Work. All changes and/or extra work under this Agreement shall be provided for by a subsequent written amendment executed by City and Consultant.
6. 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.
7. 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.
8. 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.

9. 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.
10. 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.
11. 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.
12. 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.
13. 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.
14. 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, employment laws, and non-discrimination laws.
15. 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.

16. 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.
17. 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.
18. Amendment. This Agreement may be amended or modified only by a subsequent written amendment executed by both parties.
19. 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.
20. 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.
21. 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.
22. Time of Essence. Time is of the essence of this Agreement.
23. 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.
24. 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."
25. 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.

26. 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.
27. Claims. Any claim by Consultant against City hereunder shall be subject to Government Code §§ 800 *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.
28. 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.
29. 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.
30. 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.
31. 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.
32. 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.

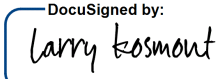
*SIGNATURES FOLLOW ON NEXT PAGE*

IN WITNESS WHEREOF, the parties have executed this Agreement in Redondo Beach, California, as of this 9<sup>th</sup> day of February 2021.

CITY OF REDONDO BEACH,  
a chartered municipal corporation

KOSMONT TRANSACTIONS  
SERVICES, INC., a California  
corporation

\_\_\_\_\_  
William C, Brand, Mayor

DocuSigned by:  
  
77EB6A345A5F4B5...  
By: \_\_\_\_\_  
Name: Larry Kosmont  
Title: CEO

ATTEST:

APPROVED:

\_\_\_\_\_  
Eleanor Manzano, City Clerk

\_\_\_\_\_  
Diane Strickfaden, Risk Manager

APPROVED AS TO FORM:

\_\_\_\_\_  
Michael W. Webb, City Attorney

## **EXHIBIT “A”**

### **PROJECT DESCRIPTION AND/OR SCOPE OF SERVICES**

#### **CONSULTANT’S DUTIES**

Consultant shall perform the following duties.

##### **A. General Duties**

Perform all municipal advisory activities related to the refinancing of the City’s Unfunded Accrued Liability (“UAL”) with the California Public Employees’ Retirement System (“CalPERS”). This shall include, but not me limited to the following.

1. Provide analysis and recommended courses of action related to refinancing the City’s UAL.
2. Assist the City with evaluating whether or not to issue municipal securities to refinance the UAL.
3. Assist the City with determining the amount of the UAL to refinance and the mode of securities issuance, including but not limited to, pension obligation bonds and lease revenue bonds.
4. Assist with CalPERS correspondence.
5. Perform proforma financing analyses and other analyses as requested by the City.
6. Prepare and present a budget and schedule related to bond issuance for the City’s approval.
7. Provide advisory services, including presentations and discussion, at City Council and Budget and Finance Commission meetings as requested by the City.

##### **B. Municipal Advisor Disclosure Letter**

Perform all services as described in the Municipal Advisor Disclosure Letter dated January 25, 2021, attached hereto as Attachment “A-1”.

##### **C. Additional Services**

Upon City’s request, real estate property services including but not limited to, coordination and interface with title insurance providers, evaluation and confirmation of value of various assets as pertaining to bond issuance and as necessary to support financing program(s).



**ATTACHMENT “A-1”**

**MUNICIPAL ADVISOR DISCLOSURE LETTER**

See attached.



January 25, 2021

Hon. William C. Brand  
Mayor  
City of Redondo Beach  
415 Diamond Street  
Redondo Beach, CA 90277

**Re: Municipal Advisor Disclosure Letter**

Dear Mayor Brand:

The City of Redondo Beach ("City") has requested that Kosmont Transactions Services, Inc. ("KTS") undertake or perform certain "municipal advisory activities" for the City related to the possible refinancing of the City's Unfunded Accrued Liability ("UAL") with the California Public Employees' Retirement System ("CalPERS"). Since KTS is an Independent Registered Municipal Advisor ("IRMA") with the U.S. Securities and Exchange Commission ("SEC") and the Municipal Securities Rulemaking Board ("MSRB"), we are required, prior to, upon, or promptly after the establishment of a municipal advisory relationship, to evidence the municipal advisory relationship by a writing created and delivered to the City that will convey and disclose certain information to the City. This disclosure letter ("Disclosure Letter") is being sent to you to satisfy this requirement. This Disclosure Letter is not a proposal nor is it any form of agreement that can or will obligate the City to pay any compensation to KTS or obligate KTS to perform any specific services.

One of several integrated firms originally founded in 1986, KTS is part of a broader-based professional consulting operation that, along with Kosmont Companies and Kosmont Realty, offers a unique and full range of services to public agencies and private entities conducting business within the nexus of finance, real estate, and economic development. KTS is the IRMA of the group and specifically handles municipal advisory activities, such as transacting the issuance of municipal securities, that are regulated by and under the jurisdiction of the SEC and MSRB. The KTS professionals assigned to perform municipal advisory activities for the City are "Registered Municipal Advisor Representatives" by virtue of having passed the "Series 50" Municipal Advisor Representative Qualification Examination and are therefore authorized to offer advice to municipal entities and obligated persons on a broad spectrum of financial matters related to municipal securities and associated financial products.

**Duties and Responsibilities of KTS**

As an IRMA, KTS has a duty of care and loyalty to the City and has a fiduciary obligation to provide advice and conduct municipal advisory activities in a manner that is in the City's best interests, not ours or those of any other party.

**Disclosure of Material Conflicts**

KTS represents and warrants it does not have any conflicts that currently exist or that may come to exist by engaging in municipal advisory activities with the City.

**Disclosure of Legal or Disciplinary Events**

Neither KTS, its principles nor its Municipal Advisor Professionals assigned to the City have ever been the subject of any legal or disciplinary events that may be material to the City's evaluation of KTS or the integrity of our management or personnel.

**Form and Basis of Compensation**

For an issuance of municipal securities to refinance all or a portion of the City's approximately \$212 million UAL, KTS's fees shall not exceed \$135,000. This amount is subject to negotiation and adjustment (either up or down) based on the ultimate issue size, market approach (e.g., pension obligation bonds; lease revenue bonds; other) and other variables yet unknown to KTS and the City. In addition, and for your convenience, KTS's basic fee structure is also included with this Disclosure Letter as Attachment A for reference should the City wish to continue utilizing KTS as its municipal advisor in the future.

**Anticipated Scope of Municipal Advisory Activities To Be Performed**

KTS anticipates that municipal advisory activities to be performed for the City will likely include, but not necessarily be limited to, analysis and suggested courses of action related to refinancing the City's UAL. Such activities will likely involve assisting the City with evaluating whether or not to issue municipal securities to refinance the UAL, how much of the UAL to refinance, the mode of securities issuance (e.g., pension obligation bonds; lease revenue bonds; other), assistance with CalPERS correspondence, performing proforma financing analyses and other analyses as may be requested by the City. Ancillary and related activities on an on-going basis may also be performed including but not necessarily limited to evaluation and analysis of the City's financial operations and budgets, capital programs, deferred maintenance needs, utility rate and fee structures, developer engagements and proposals pending or contemplated, and other areas of the City's financial operations that may or may be related to, or lead to the issuance of, municipal securities, and as may be requested by the City from time to time.

**Termination of IRMA Relationship**

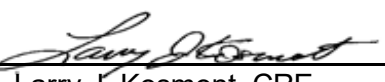
Each of the City and KTS is free to terminate this IRMA relationship at any time by giving notice to the other party. While the City may ultimately undertake the issuance of municipal securities, such event will not necessarily trigger a termination of the IRMA relationship that KTS has with the City. It is presently anticipated that KTS will continue to perform municipal advisory activities for the City at the City's pleasure and on an ongoing basis.

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Thank you for the opportunity to work with the City as its Independent Registered Municipal Advisor. Kindly acknowledge receipt of this Disclosure Letter by countersigning where indicated below and returning a copy to us so that we may remain in compliance with the various SEC and MSRB regulations governing KTS's municipal advisory activities.

Sincerely,

Kosmont Transactions Services, Inc.

By:   
\_\_\_\_\_  
Larry J. Kosmont, CRE  
Its: President

**ACKNOWLEDGMENT OF RECEIPT**

By signing below, I hereby acknowledge receipt of this Disclosure Letter.

City of Redondo Beach

By: \_\_\_\_\_  
William C. Brand

Its: Mayor

cc: Dan Massiello



## ATTACHMENT A

### Kosmont Transactions Services, Inc. 2021 Fee Schedule

#### **Transactional Securities Issuance Services**

Fees for specific securities issuance transactions will always be negotiated on a case-by-case basis and payable only after the adoption of the requisite authorizing resolution(s) or execution of other mutual agreements as may be applicable or appropriate. In no case will the City be charged or expected to pay any fees to KTS before KTS receives the City's express, written authorization for services under an appropriate and applicable form of authorization.

KTS's base fee for the issuance of any securities (e.g., publicly offered, privately placed, public/private partnership agreements) where KTS is compensated out of transaction proceeds is generally \$25,000, further subject to the size and complexity of each issue as generally indicated in the table below and per negotiation as applicable. Fees are charged per each underlying issue where there are different security pledges or contractual documents (e.g. leases, indentures, etc.) distinguishing between obligations or sources of repayment.

Gross Proceeds Per Issue or Underlying Series/Obligation	Fee per Underlying Rating Category					
	Tax Exempt			Taxable		
	"A" or Better	"BBB"	Unrated	"A" or Better	"BBB"	Unrated
Up to \$10,000,000	\$25,000	\$27,500	\$31,250	\$26,250	\$28,875	\$39,375
\$10,000,001 to \$20,000,000	35,000	38,500	43,750	36,750	40,425	45,938
\$20,000,001 to \$30,000,000	50,000	55,000	62,500	52,500	57,750	65,625
\$30,000,001 to \$50,000,000	75,000	82,500	93,750	78,750	86,625	98,438
\$50,000,001 to \$75,000,000	85,000	93,500	106,250	89,250	98,175	111,563
\$75,000,001 to \$100,000,000	95,000	104,500	118,750	99,750	109,725	124,688
EACH ADD'L \$25 MILLION	10,000	11,000	12,500	10,500	11,550	13,125

#### **Professional Consulting Services**

For your convenience, we are also including an hourly fee schedule should the need arise to calculate fees for certain or additional services on an hourly basis.

President	\$345/hour
Senior Vice President	\$305/hour
Vice President	\$210/hour
Senior Project Analyst	\$195/hour
Project Analyst/Project Research	\$165/hour
Assistant Project Analyst/Assistant Project Manager	\$125/hour
GIS Mapping/Graphics Service	\$95/hour
Clerical Support	\$60/hour

*Fees are applicable for the 2021 calendar year and are subject to periodic adjustment.*

## **EXHIBIT "B"**

### **SCHEDULE FOR COMPLETION**

**TERM.** This Agreement shall commence on February 9, 2021 and continue until June 30, 2024, unless otherwise terminated as herein provided.

## EXHIBIT "C"

### COMPENSATION

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

A. **AMOUNT.** Consultant shall be paid in accordance with Attachment "A-1" for the services described in Sections A and B of Exhibit "A". In the event the City does not proceed with the bond issuance, Consultant shall only be paid for reimbursable expenses.

1. Additional Services. In the event any services described in Section C of Exhibit "A", Consultant shall be paid in accordance with the following hourly schedule.

Position	Hourly Rate
President	\$345
Senior Vice President	\$305
Vice President	\$210
Senior Project Analyst	\$195
Project Analyst/Project Research	\$165
Assistant Project Analyst/Assistant Project Manager	\$125
GIS Mapping/Graphics Service	\$95
Clerical Support	\$60

Hourly rates are applicable for the 2021 calendar year and may be subject to periodic adjustment, which shall not exceed three (3) percent in a calendar year.

2. Not to Exceed Amount. In no event shall the total amount paid to Consultant exceed \$135,000 for the services described in Sections A and B of Exhibit "A". However, if Consultant is requested by the City to perform the services described in Section C of Exhibit "A", Consultant's total compensation, including the amounts paid under Sections A and B of Exhibit "A" shall not exceed \$145,000.

B. **METHOD OF PAYMENT.** Consultant shall provide monthly invoices to City for approval and payment. Invoices shall be based on services performed, hours worked and expenses incurred in the prior month. Invoices must be itemized, adequately detailed, based on accurate records, in a form reasonably satisfactory to City, and attach the prior written authorization of the City and copies of receipts to substantiate expense requests. Consultant shall provide any other back-up material upon request.

- C. **SCHEDULE FOR PAYMENT.** City agrees to pay Consultant within thirty (30) days of receipt of monthly invoices, provided, services are completed to City's full satisfaction.
- D. **CONSULTANT'S ADDRESS FOR NOTICE.** Written notices to Consultant shall be given by registered or certified mail, postage prepaid and addressed to or personally served on the following parties.

Consultant: Kosmont Transactions Services  
1601 N. Sepulveda Blvd., #382  
Manhattan Beach, CA 90266  
Attention: Larry Kosmont, President

City: City of Redondo Beach  
Financial Services Department  
415 Diamond St., Door 1  
Redondo Beach, CA 90277  
Attention: Finance Director



## **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.

#### **Minimum Limits of Insurance**

Consultant shall maintain limits no less than:

General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. The general aggregate limit 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.

#### **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 are to 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.