



# City of Carson

## Report to Mayor and City Council

March 4, 2014  
New Business Consent

**SUBJECT: CONSIDER AN AWARD OF A CONTRACT SERVICES AGREEMENT AS A PART OF THE IMPLEMENTATION OF THE FORECLOSURE REGISTRATION PROGRAM**

Submitted by Barry M. Waite  
Acting Director of Community Development

Approved by Jacquelyn Acosta  
Acting City Manager

### **I. SUMMARY**

The data collection and cost recovery consultant is critical to the implementation of the foreclosure registration program. The agreement is presented for the City Council's consideration.

### **II. RECOMMENDATION**

TAKE the following actions:

1. WAIVE the proposal process as defined by Carson Municipal Code Section 2610(a).
2. AWARD the one-year contract services agreement to National Cost Recovery Services for FY 2014/15.
3. AUTHORIZE the Mayor to execute the contract services agreement after approval as to legal form by City Attorney.

### **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

### **IV. BACKGROUND**

#### **A. Foreclosure Registration Program**

In response to inadequate maintenance and security of foreclosed residential properties, a number of California cities require the owners to register with the City until the property is sold. In February 2013, the City drafted and adopted a Foreclosure Registration Ordinance (Exhibit Nos. 1 & 2). The City established the necessary administrative components to facilitate the program. One important component of the Foreclosure Registration Program (FRP) implementation is to procure professional data collection services. Cities that use a FRP typically contract with consultants to facilitate the tracking, billing and compliance of the banks and property owners through the foreclosure process.

The City began collecting fees in June 2013. Since that time, the City with the assistance of National Cost Recovery Services (NCRS) has registered approximately 780 properties and collected \$350,000.00 in fees and penalties. Staff expects this trend to continue as there were 118 properties registered in January 2014.

**B. Contract Services Agreement**

The jurisdictions which administer foreclosure registration use NCRS and do not know of any other entity in the state or nation with their unique service. Pursuant to Article II, Section 2604 (a) of the CMC, the City Manager has determined that the services are unique because of their availability and fitness for the FRP. Moreover, the services are only available from one source.

The attached agreement is for a one year term (Exhibit No. 3). The financial terms of the contract are percentage based. More specifically, NCRS is paid only from revenue generated through property registrations. The revenue split is 60% to the City and 40% to NCRS of penalties and fees collected.

**V. FISCAL IMPACT**

There are administrative costs which have been recovered through program registration fees. The program will continue to sustain itself through registration fees and penalties. The administrative costs associated with the attached agreement will only be incurred when registration fees are collected.

**VI. EXHIBITS**

1. Minutes, February 5, 2013. (pg. 4-5)
2. Minutes, February 19, 2013. (pg. 6)
3. Contract Services Agreement. (pgs. 7-22)

Prepared by: Cecil C. Flournoy, Housing Program Manager

TO: Rev02-24-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

Action taken by City Council	
Date _____	Action _____



**MINUTES  
CARSON CITY COUNCIL  
REGULAR MEETING**

**FEBRUARY 5, 2013**

**ITEM NO. (14) CONSIDER ORDINANCE NO. 13-1510 AMENDING THE CARSON MUNICIPAL CODE ARTICLE V. CHAPTERS 7 AND 9, TO ESTABLISH A VACANT/ FORECLOSED RESIDENTIAL PROPERTY REGISTRATION PROGRAM**

City Manager/Agency Executive Director/Authority Executive Director Biggs presented the staff report.

Community Development Director Graves elaborated on the staff report.

RECOMMENDATION for the City Council:

TAKE the following actions:

1. WAIVE further reading and INTRODUCE Ordinance No. 13-1510 "AN ORDINANCE OF THE CITY OF CARSON, CALIFORNIA, AMENDING ARTICLE V, CHAPTER 7 (PROPERTY MAINTENANCE) AND ARTICLE V. CHAPTER 9 (RESIDENTIAL PROPERTY REGISTRATION) OF THE CARSON MUNICIPAL CODE, INCLUDING AMENDMENTS TO SECTIONS 5702, 5902, 5910 AND 5913."
2. AUTHORIZE staff to issue a Request for Qualifications for professional data collection services pertaining to implementing a foreclosure registration program.

ACTION: WITH FURTHER READING WAIVED, Ordinance No. 13-1510 was INTRODUCED, as read by title only, and Authorize staff to issue a Request for Qualifications for professional data collection services pertaining to implementing a foreclosure registration program with the amendment that we increase the deposit to \$450 and that staff bring back a contract within 30 days on motion of Gipson and seconded by Santarina.

During discussion of the motion and upon inquiry, Community Development Director Graves stated that the purpose was to prevent neighborhood blight.

The motion was unanimously carried by the following vote:

Ayes: Mayor/Agency Chairman/Authority Chairman Dear, Mayor Pro Tem/Agency Vice Chairman/Authority Vice Chairman Ruiz-Raber, Council Member/Agency Member/Authority Commissioner Davis-Holmes, Council Member/Agency Member/Authority Commissioner Gipson, and Council Member/Agency Member/Authority Commissioner Santarina

EXHIBIT NO 01



Noes: None  
Abstain: None  
Absent: None



**MINUTES  
CARSON CITY COUNCIL  
REGULAR MEETING**

**FEBRUARY 19, 2013**

**ITEM NO. (10)      ORDINANCE NO. 13-1510:    AN ORDINANCE OF THE CITY CARSON, CALIFORNIA, AMENDING ARTICLE V, CHAPTER 7 (PROPERTY MAINTENANCE) AND ARTICLE V. CHAPTER 9 (RESIDENTIAL PROPERTY REGISTRATION) OF THE CARSON MUNICIPAL CODE, INCLUDING AMENDMENTS TO SECTIONS 5702, 5902, 5910 AND 5913**

This item was heard at 10:28 P.M.

**ACTION:**      WITH FURTHER READING WAIVED, Ordinance No. 13-1510 was APPROVED, and ADOPTED, as read by title only, on motion by Dear, seconded by Gipson and unanimously carried by the following vote:

**Ayes:**            Mayor/Agency   Chairman/Authority   Chairman   Dear,   Mayor Pro Tem/Agency   Vice  
Chairman/Authority   Vice Chairman Ruiz-Raber, Council Member/Agency Member/ Authority  
Commissioner   Davis Holmes, Council Member/Agency Member/Authority Commissioner  
Gipson, and Council Member/Agency Member/Authority Commissioner Santarina

**Noes:**            None

**Abstain:**        None

**Absent:**         None

## CITY OF CARSON

### CONTRACT SERVICES AGREEMENT FOR

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THIS CONTRACT SERVICES AGREEMENT (herein "Agreement"), is made and entered into this \_\_\_\_\_ day of March, 2014, by and between the CITY OF CARSON, a municipal corporation, (herein "City") and National Cost Recovery Services (NCRS), a \_\_\_\_\_ Corporation (herein "Contractor"). (The term Contractor includes professionals performing in a consulting capacity.) The parties hereto agree as follows:

#### 1.0 SERVICES OF CONTRACTOR

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, the Contractor shall provide those services specified in the "Scope of Services" attached hereto as Exhibit "A" and incorporated herein by this reference, which services may be referred to herein as the "services" or "work" hereunder. As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials shall be of good quality, fit for the purpose intended. For purposes of this Agreement, the phrase "highest professional standards" shall mean those standards of practice recognized by one or more first-class firms performing similar work under similar circumstances.

1.2 Contractor's Proposal. The Scope of Service may include the Contractor's proposal or bid which, if included, is incorporated herein by this reference as though fully set forth herein. In the event of any inconsistency between the terms of such proposal and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Law. All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered. Each and every provision required by law to be included in this Agreement shall be deemed to be included, and this Agreement shall be read and enforced as though they were included.

1.4 Licenses, Permits, Fees and Assessments. Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder.



1.5 Familiarity with Work. By executing this Contract, Contractor warrants that Contractor (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which shall or will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

1.6 Care of Work. The Contractor shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own negligence.

1.7 Further Responsibilities of Parties. Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

1.8 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less; or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor.

1.9 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as Exhibit "B" and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit "B" and any other provisions of this Agreement, the provisions of Exhibit "B" shall govern.



## 2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, the Contractor shall be compensated in accordance with the "Schedule of Compensation" attached hereto as Exhibit "C" and incorporated herein by this reference, but not exceeding the maximum contract amount of \_\_\_\_\_

(\$ \_\_\_\_\_) (herein "Contract Sum"), except as provided in Section 1.8. The method of compensation may include: (i) a lump sum payment upon completion, (ii) payment in accordance with the percentage of completion of the services, (iii) payment for time and materials based upon the Contractor's rates as specified in the Schedule of Compensation, but not exceeding the Contract Sum or (iv) such other methods as may be specified in the Schedule of Compensation. Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expense, transportation expense approved by the Contract Officer in advance, and no other expenses and only if specified in the Schedule of Compensation. The Contract Sum shall include the attendance of Contractor at all project meetings and City Council meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

2.2 Method of Payment. Unless some other method of payment is specified in the Schedule of Compensation, in any month in which Contractor wishes to receive payment, no later than the first (1st) working day of such month, Contractor shall submit to the City in the form approved by the City's Director of Finance, an invoice for services rendered prior to the date of the invoice. Except as provided in Section 7.3, City shall pay Contractor for all expenses stated thereon which are approved by City pursuant to this Agreement no later than the last working day of the month, subject to such extensions as may be necessary to obtain any required approvals for payment from the City Council.

## 3.0 PERFORMANCE SCHEDULE

3.1 Time of Essence. Time is of the essence in the performance of this Agreement.

3.2 Schedule of Performance. Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "D", if any, and incorporated herein by this reference. When requested by the Contractor, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

3.3 Force Majeure. The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the

Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of the Agreement pursuant to this Section.

3.4 Term. Unless earlier terminated in accordance with Section 7.8 of this Agreement, this Agreement shall continue in full force and effect until completion of the services but not exceeding one (1) year from the date hereof, except as otherwise provided in the Schedule of Performance.

#### 4.0 COORDINATION OF WORK

4.1 Representative of Contractor. The following principals of Contractor are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Neftali Cortez  
Elias S. Cortez, CIO

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for City to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

4.2 Contract Officer. The Contract Officer shall be such person as may be designated by the City Manager of City. It shall be the Contractor's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in

concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

## 5.0 INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance. Without limiting Contractor's indemnification obligations as set forth in this Agreement, the Contractor shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

a. Comprehensive General Liability Insurance. A policy of comprehensive general liability insurance written on a per occurrence basis. If the Contract Sum is \$25,000 or less, the policy of insurance shall be written in an amount not less than \$500,000 single limit, per occurrence. If the Contract Sum is greater than \$25,000 but less than \$1,000,000, the policy of insurance shall be in an amount not less than \$1,000,000 single limit, per occurrence. If the Contract Sum is greater than \$1,000,000 but less than \$2,000,000, the policy of insurance shall be in an amount not less than \$2,000,000, single limit, per occurrence. If the Contract Sum is greater than \$2,000,000, the policy of insurance shall be in an amount not less than \$5,000,000 single limit, per occurrence.

b. Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as shall fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the Contractor and the City against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the Contractor in the course of carrying out the work or services contemplated in this Agreement.

c. Automotive/Vehicle Insurance. A policy of comprehensive automobile/vehicle liability (including owned, non-owned, leased, and hired autos/vehicles) insurance written on a per occurrence basis in an amount not less than \$500,000 single



limit, per occurrence, for bodily injury and property damage.

d. Additional Insurance. Policies of such other insurance, including professional liability insurance, as may be required in the Special Requirements.

All of the above policies of insurance shall be primary insurance and shall name the **City of Carson**, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the City, its officers, officials, employees, agents, representatives, and volunteers, and their respective insurers. All of said policies of insurance shall be endorsed to:

- (1) provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by certified or registered mail to the City;
- (2) provide that the insurer shall waive all rights of subrogation and contribution it may have against the City of Carson, its officers, officials, employees, agents, representatives, and volunteers, and their respective insurers; and
- (3) name the City of Carson, its City Council and all the City Council appointed groups, committees, boards, and any other City Council appointed bodies, and the City's elected or appointed officers, and its officials, employees, agents, representatives, and volunteers (hereinafter "City and City Personnel") as additional insureds.

All of Contractor's insurance (i) shall contain no special limitations on the scope of protection afforded to City and City Personnel; (ii) shall be primary insurance and any insurance or self-insurance maintained by City or City Personnel shall be in excess of the Contractor's insurance and shall not contribute with it; (iii) shall be "occurrence" rather than "claims made" insurance; (iv) 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; and (v) shall be written by insurers in compliance with Section 5.4.

No work or services under this Agreement shall commence until the Contractor has provided the City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverage's and said Certificates of Insurance or binders are approved by the City. In the event any of said policies of insurance are materially modified or cancelled for any reason, the Contractor shall, prior to the cancellation date, submit new evidence of insurance, in conformance with this Section 5.1, to the Contract Officer. The Contract Officer, with the prior approval of the City Manager, shall have authority to consent to a modification of the foregoing insurance requirements, which consent may be given or withheld in the Contract Officer's and City Manager's respective sole and absolute and arbitrary discretion.

The Contractor agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which the Contractor may be held responsible for the payment of

damages to any persons or property resulting from the Contractor's activities or the activities of any person or persons for which the Contractor is otherwise responsible.

In the event the Contractor subcontracts any portion of the work in compliance with Section 4.3 of this Agreement, the contract between the Contractor and such subcontractor shall require the subcontractor to maintain the same policies of insurance that the Contractor is required to maintain pursuant to this Section 5.1.

5.2 Indemnification. Contractor agrees to indemnify the City, its officers, agents and employees against, and shall hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities of Contractor, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of Contractor hereunder, or arising from Contractor's negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, whether or not there is concurrent passive or active negligence on the part of the City, its officers, agents or employees but excluding such claims or liabilities arising from the sole negligence or willful misconduct of the City, its officers, agents or employees, who are directly responsible to the City, and in connection therewith:

(a) Contractor shall defend any action or actions filed in connection with any of said claims or liabilities and shall pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith;

(b) Contractor shall promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising out of or in connection with the negligent performance of or failure to perform such work, operations or activities of Contractor hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom;

(c) In the event the City, its officers, agents or employees is made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor agrees to pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees.

5.3 Performance Bond. Concurrently with execution of this Agreement, Contractor shall deliver to City a performance bond in the sum of the amount of this Agreement, in the form provided by the City Clerk, which secures the faithful performance of this Agreement, unless such requirement is waived by the Contract Officer. The bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor promptly and

faithfully performs all terms and conditions of this Agreement.

5.4 Sufficiency of Insurer or Surety. Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances. In the event the Risk Manager of City ("Risk Manager") determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond required by this Section 5 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the Contractor shall have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of City within 10 days of receipt of notice from the Risk Manager.

5.5 Payment Bond for contracts over \$25,000. Concurrently with the execution of their Agreement, if the contract sum specified in Section 2.1 of this Agreement is in excess of twenty-five thousand dollars (\$25,000), Contractor shall deliver to City a payment bond in the sum specified below, in the form provided by the City Clerk, which secures payments to subcontractors and suppliers in the event of default by Contractor. The payment bond shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his power of attorney. The payment bond shall be unconditional and remain in force during the entire term of the Agreement and shall be null and void only if the Contractor completely and faithfully pays all subcontractors and suppliers that have been approved in writing pursuant to Section 4.3 of this Agreement to perform in whole or part the services required herein.

The payment bond shall be in a sum not less than that prescribed by law under California Civil Code § 3248, such that the bond shall be in the sum of:

- (a) One hundred percent (100%) of the total amount payable by the terms of this Agreement if the total amount payable does not equal or exceed five million dollars (\$5,000,000); or
- (b) Fifty percent (50%) of the total amount payable by the terms of this Agreement if the total amount payable is not less than five million dollars (\$5,000,000) and does not exceed ten million dollars (\$10,000,000); or
- (c) Twenty five percent (25%) of the total amount payable by the terms of this Agreement if the Agreement exceeds ten million dollars (\$10,000,000).

If Contractor is the provider of architectural, engineering, and land surveying services pursuant to an existing contract with City for a public work, Contractor shall not be required to post or deliver a payment bond. Further, if the sum of the payment bond as required under California Civil Code § 3248 is different than the sum required under this Agreement, the sum specified in California Civil Code §

3248 is controlling.

5.6 Sufficiency of Insurer or Surety for Payment Bond. If Contractor must deliver a payment bond pursuant to Section 5.5 of this Agreement, Contractor shall deliver, concurrently with the execution of this Agreement and delivery of said payment bond, to City the following documents:

- (a) A certified copy of the Certificate of Authority of the Insurer or Surety issued by the Insurance Commissioner, which authorizes the Insurer or Surety to transact insurance in the State of California;
- (b) A certificate from the Clerk of the County of Los Angeles that the Certificate of Authority of the Insurer or Surety has not been surrendered, revoked, canceled, annulled, or suspended; or, in the event the Certificate of Authority of the Insurer or Surety has been suspended, that renewed authority has been granted; and
- (c) True and correct copies of the Insurer's or Surety's most recent annual statement and quarterly statement filed with the Department of Insurance.

Failure of Contractor to deliver these documents by the time of execution of this Agreement shall require City to refrain from entering the Agreement, as Contractor will be deemed to have failed to ensure the sufficiency of the Insurer or Surety to the satisfaction of City, as required by the provisions of the Bond and Undertaking Law, Code of Civil Procedure § 995.660.

## 6.0 RECORDS AND REPORTS

6.1 Reports. Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or shall materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto and, if Contractor is providing design services, the estimated increased or decreased cost estimate for the project being designed.

6.2 Records. Contractor shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such

records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Any use of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor shall be at the City's sole risk and without liability to Contractor, and the City shall indemnify the Contractor for all damages resulting therefrom. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

6.4 Release of Documents. The drawings, specifications, reports, records, documents and other materials prepared by Contractor in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Contract Officer.

## **7.0 ENFORCEMENT OF AGREEMENT**

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. Service of process on City shall be made in the manner required by law for service on a public entity. Service of process on Consultant shall be made in any manner permitted by law and shall be effective whether served inside or outside of California.

7.2 Disputes. Subject to the provisions of Section 7.7, in the event of a dispute arising under this Agreement, Contractor shall comply with the provisions of this Section, and City may, in its sole discretion, comply with the provisions of this Section. The injured party shall notify the injuring party in writing of its contentions. The injured party shall continue performing its obligations hereunder so long as the injuring party commences to cure such default within ten (10) days of service of such notice and completes the cure of such default within sixty (60) days after service of the notice, or such longer period as may be permitted by the injured party; provided that if the default is an immediate danger to the health, safety and general welfare, such immediate action may be necessary. Compliance with the provisions of this Section shall be a condition precedent to termination of this Agreement for cause by Consultant and to any legal action commenced by Consultant, and such compliance shall not be a waiver of Consultant's right to take



legal action in the event that the dispute is not cured. Nothing herein shall limit City's right to terminate this Agreement with or without cause pursuant to Section 7.7.

7.3 Retention of Funds. Contractor hereby authorizes City to deduct from any amount payable to Contractor (whether or not arising out of this Agreement) (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Contractor's acts or omissions in performing or failing to perform Contractor's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Contractor, or any indebtedness shall exist which shall appear to be the basis for a claim of lien, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Contractor to insure, indemnify, and protect City as elsewhere provided herein.

7.4 Waiver. No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.6 Legal Action. In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

7.7 Termination Prior to Expiration Of Term. This Section shall govern any termination of this Agreement except as specifically provided in the following Section for termination for cause. The City reserves the right to terminate this Agreement at any time, with or without cause, upon written notice to Contractor. Contractor may terminate this Agreement only for cause and with not less than thirty (30) days prior written notice and only after following the procedures of Section 7.2 to enable the City to effect a cure of a default. Upon receipt of any notice of termination, Contractor shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. Except where the Contractor has initiated termination, the Contractor shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation or such as may be approved by the Contract Officer, except as provided in Section 7.3. In the event the Contractor has initiated

termination, the Contractor shall be entitled to compensation only for the lesser of (i) the amount due for work completed under the Schedule of Compensation or (ii) the reasonable value of the work product actually produced hereunder. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 7.2.

7.8 Termination for Default of Contractor. If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, City may take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.9 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to its expert witness fees and reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

## **8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION**

8.1 Non-liability of City Officers and Employees. No officer, official, employee, agent, representative, or volunteer of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest. No officer, official, employee, agent, representative, or volunteer of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and shall not pay or give any third party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination. Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Contractor shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex,

marital status, national origin, or ancestry.

## 9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Unless otherwise provided herein, all notices required to be delivered under this Agreement or under applicable law shall be (i) personally delivered, or (ii) delivered by United States mail, prepaid, certified, return receipt requested, or (iii) delivered by reputable document delivery service that provides a receipt showing date and time of delivery. Notices personally delivered or delivered by a document delivery service shall be effective upon receipt. Notices delivered by mail shall be effective at 5:00 p.m. on the second calendar day following dispatch. Notices shall be delivered to the City at the following address:

City of Carson  
Community Development Department  
Foreclosure Registration Program  
701 East Carson Street  
Carson, California 90745  
Attn: Cecil Flournoy, Housing Program Manager

Notices shall be delivered to Contractor at the following address: \_\_\_\_\_

Either party may change the address for receipt of notices to that party by written notice delivered in compliance with this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

9.4 Severability. In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this

Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

9.6 Authority to Execute. The person (s) executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

9.10 Warranty & Representation of Non-Collusion. No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of "financial interest" shall be consistent with State law and shall not include interests found to be "remote" or "noninterests" pursuant to Government Code Sections 1091 or 1091.5 Consultant warrants and represents that it has not paid or given, and will not pay or give, to any third party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Consultant further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Consultant is aware of and understands that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

Consultant's Authorized Initials \_\_\_\_\_

[end - signature page and exhibits follow]

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

**CITY:**

CITY OF CARSON,  
a municipal corporation

\_\_\_\_\_  
Mayor Jim Dear

**ATTEST:**

\_\_\_\_\_  
City Clerk Donesia L. Gause, CMC

APPROVED AS TO FORM:  
ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
City Attorney

**CONTRACTOR:**

\_\_\_\_\_  
By: \_\_\_\_\_  
[signature to be notarized]

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_  
[signature to be notarized]

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT "A"**  
**SCOPE OF SERVICES**