

**City of Vernon
Request for Proposals (RFP)**

**Infrastructure Valuation in Accordance with
GASB 34 and 51**



**City of Vernon
Finance Department
4305 Santa Fe Avenue, Vernon, CA 90058
Phone: (323) 583-8811**

1. INTRODUCTION AND PROJECT

The City of Vernon is requesting proposals for Infrastructure Valuation to determine the cost and accumulated depreciation of the City's Infrastructure as set forth by the capital asset reporting requirements of Governmental Accounting Standards Board (GASB) Statement #34 and #51.

The City will select one firm, based on demonstrated competence and a cost effective approach to design, conduct, and assist in the infrastructure valuation.

2. BACKGROUND

The City of Vernon was founded in 1905, is approximately 5.2 square miles in size and is located approximately 5 miles southeast of downtown Los Angeles California. Over its long history Vernon has been developed as an industrial community. At the turn of the 20th century the lands that make up Vernon were comprised largely of farmlands. The presence of three major rail lines in the area led influential business and property owners to encourage the railroad companies to run spur lines onto the farmlands. These rail extensions enabled the creation of an "exclusively industrial" city. By the 1920's Vernon was attracting large stockyards and meatpacking facilities. In the 1930's Vernon became the location of choice for many heavy industrial plants. As economic conditions changed over the decades, these large scale industrial operations have relocated out of Southern California and Vernon has attracted smaller, lighter industrial facilities. The City's business friendly environment, low cost utilities and key location for trucking and rail transport continue to position Vernon as an ideal location for industrial uses.

City Government: The City Council consists of five members, elected at-large, who serve five-year staggered terms. The City Council annually appoints a Mayor and a Mayor Pro Tem from its own membership to serve one-year terms.

Labor Force: Vernon has approximately 250 employees, and its departments include a Fire Department, Police Department, Finance Department, Public Works, Water and Development Services Department, Gas and Electric Department and Health and Environmental Control Department. Present bargaining units recognized include the Vernon Police Officers Benefit Association, Vernon Police Management Association, Vernon Firemen's Association, the Vernon Fire Management Association, International Brotherhood of Electrical Workers Local 47, and Teamsters Local 911.

3. CAPITAL ASSET APPRAISAL AND VALUATION

Determine the cost and accumulated depreciation of the City's infrastructure as set forth by the capital asset reporting requirements of Governmental Accounting Standards Board (GASB) Statement #34 and #51.

4. SCOPE OF SERVICES REQUIRED

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The successful Bidder will appraise capital assets classified as infrastructure, including right of ways, in accordance with GASB Statement #34 and #51.

Bidder will be required to perform a comprehensive appraisal and valuation of all major infrastructure assets identified in the City's GIS System. During the appraisal and valuation process, all major infrastructure assets of the City should be documented and grouped by networks and sub-systems to the extent possible.

Upon completion, the Bidder is to prepare an Infrastructure Asset Listing to be maintained by City's Public Works Department.

For all infrastructure assets appraised or valued, Bidder will document the City's decisions and actions including:

1. Identifying the infrastructure assets required to be reported under GASB #34 and #51 and the adequacy of present documentation for those assets.
2. Determining the grouping of the infrastructure assets by networks and subsystems for reporting, when applicable.
3. Determining the historical cost, useful life, and accumulated depreciation based on available documents. In the absence of historical records, Bidder shall supply a reasonable estimate of historical cost, useful life, and accumulated depreciation in accordance with GASB Statement #34 and #51.

For purposes of this proposal, an infrastructure asset may be broadly defined to include:

- Street (49.1 centerline miles)
- Curb & Gutter
- Sidewalk
- Right-Of-Ways
- Streetlights
- Street Signs (5,028)
- Sewer Lines (44.6 miles)
- Water Lines (46.0 miles)
- Storm Drain Lines (13.9 miles)
- Catch Basin / Gates (431)
- Water Wells (9)
- Bridges (6)
- Traffic Signals (42)
- Trees (1,044)

Time for Completion

It is anticipated that the term of the contract will be for a period of no more than six (6) months. City may decide to enter into a new contract or extension with the successful Bidder for further enhancements or customizations subject to City Council approval, cost and the availability of funds. If necessary, written notice of City's intention to extend the contract shall be given approximately ninety (90) days prior to the expiration date of the initial contract period.

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If City elects to exercise the option to extend the contract, the contract price for the period of time shall be negotiated between City and Bidder.

5. **QUALIFICATIONS & CRITERIA**

- A. **Qualifications:** The City of Vernon will select one firm for all of the outlined Scope of Service on the basis of qualifications, experience, and cost. The following are the minimum qualifications to be used to evaluate responses to this Request for Proposal:

1. EXECUTIVE SUMMARY/INTRODUCTION:

The Executive Summary or Introduction should provide a description of the scope of services to be performed and list all proposed sub-consultants, who will be used to accomplish this scope of work, if any. The summary should include a brief description of the firm's organizational structure and resumes of key personnel expected to work on or provide technical assistance for this project. The work plan, programmatic goals, and delivery methods should also be addressed here.

2. QUALIFICATIONS STATEMENT:

The Bidder must submit a certification affirming the following information relative to their Team's composition, qualifications and experience:

- a. Bidder meets the independence requirements of Government auditing standards.
- b. Bidder does not have a record of substandard work on similar assignments.
- c. Bidder meets all local and state qualifications to perform this type of engagement.

3. ORGANIZATION STRUCTURE/KEY PERSONNEL:

Bidder shall provide a detailed description of bidder's organizational layout and staffing. The information provided should include, but need not be limited to, the following:

- a. Brief history of organization, including size and any specialty areas;
- b. Background organization data, including financial references;
- c. Particular expertise or involvement in the industry; and
- d. Municipal experience.

4. EXPERIENCE:

Bidder shall submit written and/or graphic evidence of no more than five (5) significant projects that Bidder and its identified project manager have completed that are similar in scope to the Project(s) described in this RFP. Bidder is responsible for establishing in this section the relevance of a listed project to the scope of work shown in this RFP.

Bidder should not include previous engagements with City of Vernon as experience.

5. REFERENCES:

Provide current references from no more than three (3) organizations or clients that can address your specific capabilities as they relate to the requirements of the RFP from the list of five (5) previous projects listed above. Reference information must include the following minimum information:

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- a. Contact names, titles and telephone numbers of contacts with first hand knowledge of your firm's work on the related project.

6. WORK PLAN/PROJECT APPROACH:

Provide a description of the work plan proposed to carry out the major tasks needed to bring the proposed project to completion. It should provide a detailed outline of the approach and not simply reiterate the Scope of Work described in this RFP.

7. OTHER REQUIRED SUBMISSION DOCUMENTS:

Each Bidder is required to submit, in addition to those listed in items 4, the documents included in the Submission Documents package. These include:

- a. Cost Proposal - (form included; Bidder to provide a single copy in sealed envelope) - Although cost is not the sole determining factor City will use to select a firm; cost is an important part of the proposal and shall be considered when determining the winning bid.
- b. Liens, suits or judgments - submit notarized statement on the firm's letterhead, indicating a description of any disputes, suites, judgments and liens during the past two (2) years. If this is not applicable, then so state.

- B. **Selection Criteria:** The City will conduct a comprehensive, fair, and impartial evaluation of proposals received in response to this RFP. All proposals received will be reviewed and evaluated by a committee of qualified personnel. The name, information, or experience of the individual members will not be made available to any proposer. The Evaluation Committee will first review and screen all proposals submitted, except for the cost proposals, according to the minimum qualifications set forth above. The following criteria will be used in reviewing and comparing the proposals and in determining the highest scoring bid:

1. 30% Qualifications, background and prior experience of the firm in the Service Area(s) being proposed, experience of key staff assigned to oversee services provided to Vernon, evaluation of size and scope of similar work performed and success on that work.
2. 30% Cost and fees to the City for handling matters. Cost is not the sole determining factor but will be taken into consideration. Proposer must offer services at a rate comparable to the rate proposer offers to other governmental entities for similar work. Offering a higher rate to the City than the comparable rate is grounds for disqualification of the Proposer. If rates differ for different types or levels of service, or for different Service Areas, the Proposer should so state.
3. 20% Responsiveness to the RFP, and quality and responsiveness of the proposal.
4. 20% References including past performance of proposer.

6. FORMAT AND DELIVERY OF RESPONSE

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Respondents are asked to submit seven (7) hard copies and one (1) electronic copy of their proposals in sufficient detail to allow for a thorough evaluation and comparative analysis. The proposal should include, at a minimum, the following information in sectionalized format addressing all phases of the work in the RFP.

A. **Format:** Limit your proposal to 20 typed 8.5" X 11" pages, or fewer, on white bond paper of at least 20-pound weight single sided (excluding cover letter and attachments. You may attach a firm brochure if you wish, but it must be as a separate attachment and independent from the required elements noted above.

1. Use a conventional typeface with a minimum font size of 12 points. Use a 1" margin on all borders.
2. Organize your submittal in the order described above.
3. Provide one (1) unbound original of your firm's response and one electronic version (via email to [insert email contact])
4. Prominently label the package: "Infrastructure Valuation" and include the name of the primary contact for the respondent.

Deliver the response to:
City of Vernon
Attention: William Fox, Finance Director
4305 Santa Fe Avenue
Vernon, CA 90058

5. Responses are due on or **before 5:00 p.m. on June 30, 2016**. Late response will not be accepted.
6. If you have any question about this RFP, please contact William Fox at (323) 583-8811 ext. 849.

B. **Cover Letter:** All proposals shall include a cover letter which states that the proposal shall remain valid for a period of not less than ninety (90) days from the date of submittal. If the proposal contemplates the use of sub-contractors, the sub-contractors shall be identified in the cover letter. If the proposal is submitted by a business entity, the cover letter shall be signed by an officer authorized to contractually bind the business entity. With respect to the business entity, the cover letter shall also include: the identification of the business entity, including the name, address and telephone number of the business entity; and the name, title, address and telephone number of a contact person during the proposal evaluation period.

C. **Introduction:** Present an introduction of the proposal and your understanding of the assignment and significant steps, methods and procedures to be employed by the proposer to ensure quality deliverables that can be delivered within the required time frames and your identified budget.

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- D. **General Scope of Work:** Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.
- E. **Work Plan:** Present concepts for conducting the work plan and interrelationship of all projects. Define the scope of each task including the depth and scope of analysis or research proposed.
- F. **Fees and costs:** Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any firm. All prices should reflect "not to exceed" amounts per item. Proposer must offer services at a rate comparable to the rate proposer offers to other governmental entities for similar work. Offering a higher rate to the City than the comparable rate is grounds for disqualification of the Proposer.
- G. **Ability of the Proposer to Perform:** Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and past experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.

The selected firm shall not subcontract any work under the RFP nor assign any work without the prior written consent of the City.

- H. **Affidavit of Non-Collusion.** Proposer must submit a completed and signed, "Affidavit of Non-Collusion." (Copy attached as Exhibit A).

7. **ADDENDA, CHANGES, AND AMENDMENTS TO THIS SOLICITATION**

At any time prior to the due date for responses, the City may make changes, amendments, and addenda to this solicitation, including changing the date due to allow respondents time to address such changes. Addenda, changes, and amendments, if made, will be posted on the City's website (www.cityofvernon.org), which is deemed adequate notice. A proposer may make a request to the City's project coordinator to be placed on a list of persons to receive notice of any such addenda, changes, or amendments. The preferred manner of communications is via e-mail due to its timeliness.

8. CONDITIONS FOR RESPONSES TO RFP

The following conditions apply to this RFP process:

- A. Nothing contained in this RFP shall create any contractual relationship between the respondent and the City.
- B. This RFP does not obligate the City to establish a list of service providers qualified as prime contractors, or award a contract to any respondent. The City reserves the right to amend or cancel this RFP without prior notice, at any time, at its sole discretion.
- C. The City shall not be liable for any expenses incurred by any individual or organization in connection with this RFP.
- D. No conversations or agreements with any officer, agent, or employee of the City shall affect or modify any terms of this RFP. Oral communications or any written/e-mail materials provided by any person other than designated contact staff of City shall not be considered binding.
- E. The City reserves the right, in its sole discretion, to accept or reject any or all Proposals without prior notice and to waive any minor irregularities or defects in a Proposal. The City reserves the right to seek clarification on a Proposal with any source.
- F. The dates, times, and sequence of events related to this RFP shall ultimately be determined by the City. The schedule shown above is subject to change, at the sole discretion of the City, although the City will attempt to follow it and, if it must be altered, will attempt to provide reasonable notice of the changes.
- G. Respondents shall not issue any news release pertaining to this RFP, or the City without prior written approval of the City.
- H. All submitted proposals and information included therein or attached thereto shall become public record upon delivery to the Finance Director's Office.

9. RIGHT BY THE CITY TO WITHDRAW THIS REQUEST

The City may, at its sole discretion and for any reason whatsoever, withdraw this solicitation at any time.

10. LIVING WAGE ORDINANCE

The selected consultant shall pay qualifying employees a wage of not less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits. The consultant shall also provide qualifying employees at least twelve days off per year for sick leave,

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vacation or personnel necessity, and an additional ten days a year of uncompensated time for sick leave. There shall be a prohibition on an employer's retaliation against an employee's complaining to the City with regard to the employer's compliance with the living wage ordinance. Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D" of the standard form contract, attached hereto as Exhibit B. Upon the City's request, certified payroll records shall promptly be provided to the City.

11. STANDARD TERMS AND CONDITIONS

Prior to the award of any work hereunder, City and proposer shall enter into the written contract for services attached hereto as Exhibit B. Proposers responding to this RFP are strongly advised to review all the terms and conditions of the Contract. The term of the Contract shall not exceed three (3) years.

EXHIBIT A

AFFIDAVIT OF NON-COLLUSION

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EXHIBIT B

STANDARD FORM CONTRACT

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME] FOR [BRIEF DESCRIPTION OF SERVICES]

COVER PAGE

Contractor: [insert name of contractor]

Responsible Principal of Contractor: [insert name, title]

Notice Information - Contractor: [insert name of contractor]
[insert street address]
[insert city, state, zip code]
Attention: [insert name, title]
Phone: [insert phone number]
Facsimile: [insert fax number]

Notice Information - City: City of Vernon
4305 Santa Fe Avenue
Vernon, CA 90058
Attention: [insert department head]
[insert department head title]
Telephone: (323) 583-8811 ext. [insert]
Facsimile: [insert fax number]

Commencement Date: [insert commencement date]

Termination Date: [insert termination date]

Consideration: Total not to exceed \$[insert amount]
(includes all applicable sales tax); and more particularly described in Exhibit C

Records Retention Period Three (3) years, pursuant to Section 9.19

SERVICES AGREEMENT BETWEEN THE CITY OF VERNON AND [CONTRACTOR'S NAME] FOR [BRIEF DESCRIPTION OF SERVICES]

This Contract is made between the City of Vernon ("City"), a California charter City and California municipal corporation ("City"), and [Contractor's Name], a [State incorporated in] corporation ("Contractor").

The City and Contractor agree as follows:

1.0 EMPLOYMENT OF CONTRACTOR. City agrees to engage Contractor to perform the services as hereinafter set forth as authorized by the City Council on _____, _____.

2.0 SCOPE OF SERVICES.

2.1 Contractor shall perform all work necessary to complete the services set forth in the Request for Proposals dated _____, Exhibit "A", and Contractor's proposal to the City ("Proposal") dated _____, Exhibit "B", both of which are attached to and incorporated into this Contract, by reference.

2.2 All services shall be performed to the satisfaction of City.

2.3 All services shall be performed according to the standards then prevailing in the **[state]** profession.

3.0 PERSONNEL.

3.1 Contractor represents that it employs, or will employ, at its own expense, all personnel required to perform the services under this Contract.

3.2 Contractor shall not subcontract any services to be performed by it under this Contract without prior written approval of City.

3.3 All of the services required hereunder will be performed by Contractor or by City-approved subcontractors. Contractor, and all personnel engaged in the work, shall be fully qualified and authorized or permitted under State and local law to perform such services and shall be subject to approval by the City.

4.0 TERM. The Contractor shall commence the delivery of services on receipt of a written notice to proceed and shall complete the services within one (1)

year of the commencement date, unless terminated at an earlier date pursuant to the provisions thereof.

5.0 COMPENSATION AND FEES.

5.1 Contractor has established rates for the City of Vernon which are comparable to and do not exceed the best rates offered to other governmental entities in and around Los Angeles County for the same services. For satisfactory and timely performance of the services, the City will pay Contractor in accordance with the payment schedule set forth in Exhibit "C".

5.2 Contractor's grand total compensation for the entire term of this Contract, including change orders, shall not exceed **[state amount]** without the prior authorization of the City Council and written amendment of this Contract.

5.3 Contractor shall, at its sole cost and expense, furnish all necessary and incidental labor, material, supplies, facilities, equipment and transportation which may be required for furnishing services pursuant to this Contract. Materials shall be of the highest quality. The above Contract fee shall include all staff time and all clerical, administrative, overhead, insurance, reproduction, telephone, air travel, auto rental, subsistence, and all related costs and expenses.

6.0 PAYMENT.

6.1 As scheduled services are completed, Contractor shall submit to the City an invoice for the services completed, authorized expenses, and authorized extra work actually performed or incurred according to said schedule.

6.2 Each such invoice shall state the basis for the amount invoiced, including a detailed description of the services completed, the number of hours spent, reimbursable expenses incurred and any extra work performed.

6.3 Contractor shall also submit a progress report with each invoice that describes in reasonable detail the services and the extra work, if any, performed in the immediately preceding calendar month.

6.4 Contractor understands and agrees that invoices which lack sufficient detail to measure performance will be returned and not processed for payment.

6.5 City will pay Contractor the amount invoiced within thirty (30) days after the City approves the invoice.

6.6 Payment of such invoices shall be payment in full for all services, authorized costs and authorized extra work covered by that invoice.

7.0 CHANGE ORDERS. The Finance Director shall have the authority to issue change orders for administrative and non-material changes to the scope of services and to the time for performance as long as the change orders do not increase the compensation due to Contractor under this Contract and as long as the time is not extended beyond three years. The City Administrator, shall have the authority to issue administrative change orders to increase the compensation due Contractor under this Contract, but the combined total amount of such change orders shall not exceed [**state amount**].

8.0 CITY'S RESPONSIBILITY. City shall cooperate with Contractor as may be reasonably necessary for Contractor to perform its services; and will give any required decisions as promptly as practicable so as to avoid unreasonable delay in the progress of Contractor's services.

9.0 GENERAL TERMS AND CONDITIONS.

9.1 INDEPENDENT CONTRACTOR.

9.1.1 It is understood that in the performance of the services herein provided for, Contractor shall be, and is, an independent contractor, and is not an agent or employee of City and shall furnish such services in its own manner and method except as required by this Contract. Further, Contractor has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by Contractor in the performance of the services hereunder. Contractor shall be solely responsible for, and shall indemnify, defend and save City harmless from all matters relating to the payment salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

9.1.2 Contractor acknowledges that Contractor and any subcontractors, agents or employees employed by Contractor shall not, under any circumstances, be considered employees of the City, and that they shall not be entitled to any of the benefits or rights afforded employees of City, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits.

9.2 CONTRACTOR NOT AGENT. Except as the City may authorize in writing, Contractor and its subcontractors shall have no authority, express or implied, to act on behalf of or bind the City in any capacity whatsoever as agents or otherwise.

9.3 OWNERSHIP OF WORK. All reports, drawings, plans, specifications, computer tapes, floppy disks and printouts, studies, memoranda, computation sheets and other documents prepared by Contractor in furtherance of the work shall be the sole property of City and shall be delivered to City whenever requested. Contractor shall keep such documents and materials on file and available for audit by the City for at least three (3) years after completion or earlier termination of this Contract. Contractor may make duplicate copies of such materials and documents for its own files or for such other purposes as may be authorized in writing by the City.

9.4 CORRECTION OF WORK. Contractor shall promptly correct any defective, inaccurate or incomplete tasks, deliverables, goods, services and other work, without additional cost to the City. The performance or acceptance of services furnished by Contractor shall not relieve the Contractor from the obligation to correct subsequently discovered defects, inaccuracy or incompleteness.

9.5 WAIVER. The City's waiver of any term, condition, breach or default of this Contract shall not be considered to be a waiver of any other term, condition, default or breach, nor of a subsequent breach of the one waived.

9.6 SUCCESSORS. This Contract shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective heirs, successors and/or assigns.

9.7 NO ASSIGNMENT. Contractor shall not assign or transfer this Contract or any rights hereunder without the prior written consent of the City and approval by the City Attorney, which may be withheld in the City's sole discretion. Any unauthorized assignment or transfer shall be null and void and shall constitute a material breach by the Contractor of its obligations under this Contract. No assignment shall release the original parties or otherwise constitute a novation.

9.8 COMPLIANCE WITH LAWS. Contractor shall comply with all Federal, State, County and City laws, ordinances, rules and regulations, which are, as amended from time to time, incorporated herein and applicable to the performance hereof, including but without limitation, the Vernon Living Wage Ordinance. Violation of any law material to performance of this Contract shall entitle the City to terminate the Contract and otherwise pursue its remedies.

9.9 ATTORNEY'S FEES. If any action at law or in equity is brought to enforce or interpret the terms of this Contract, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

9.10 INTERPRETATION.

9.10.1 Applicable Law. This Contract, and the rights and duties of the parties hereunder (both procedural and substantive), shall be governed by and construed according to the laws of the State of California.

9.10.2 Entire Agreement. This Contract, including any exhibits attached hereto, constitutes the entire agreement and understanding between the parties regarding its subject matter and supersedes all prior or contemporaneous negotiations, representations, understandings, correspondence, documentation and agreements (written or oral).

9.10.3 Written Amendment. This Contract may only be changed by written amendment signed by Contractor and the City Administrator or other authorized representative of the City, subject to any requisite authorization by the City Council. Any oral representations or modifications concerning this Contract shall be of no force or effect.

9.10.4 Severability. If any provision in this Contract is held by any court of competent jurisdiction to be invalid, illegal, void, or unenforceable, such portion shall be deemed severed from this Contract, and the remaining provisions shall nevertheless continue in full force and effect as fully as though such invalid, illegal, or unenforceable portion had never been part of this Contract.

9.10.5 Order of Precedence. In case of conflict between the terms of this Contract and the terms contained in any document attached as an Exhibit or otherwise incorporated by reference, the terms of this Contract shall strictly prevail. The terms of the City's Request for Proposals shall control over the Contractor's Proposal.

9.10.6 Choice of Forum. The parties hereby agree that this Contract is to be enforced in accordance with the laws of the State of California, is entered into and/or is to be performed in the City of Vernon and that all claims or controversies arising out of or related to performance under this Contract shall be submitted to and resolved in a forum within the County of Los Angeles at a place to be determined by the rules of the forum.

9.10.7 Duplicate Originals. There shall be two (2) fully signed copies of this Contract, each of which shall be deemed an original.

9.11 TIME OF ESSENCE. Time is strictly of the essence of this contract and each and every covenant, term and provision hereof.

9.12 AUTHORITY OF CONTRACTOR. The Contractor hereby represents and warrants to the City that the Contractor has the right, power, legal capacity and authority to enter into and perform its obligations under this Contract, and its execution of this Contract has been duly authorized.

9.13 ARBITRATION OF DISPUTES. Any dispute for under \$25,000 arising out of or relating to the negotiation, construction, performance, non-performance, breach or any other aspect of this Contract, shall be settled by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association at Los Angeles, California and judgment upon the award rendered by the Arbitrators may be entered in any court having jurisdiction thereof. The City does not waive its right to object to the timeliness or sufficiency of any claim filed or required to be filed against the City and reserves the right to conduct full discovery.

9.14 INDEMNITY.

9.14.1 Contractor agrees to indemnify, hold harmless and defend (even if the allegations are false, fraudulent or groundless), to the maximum extent permitted by law, the City, its City Council and each member thereof, and its officers, employees, commission members and representatives, from any and all liability, loss, suits, claims, damages, costs, judgments and expenses (including attorney's fees and costs of litigation) which in whole or in part result from, or arise out of, or are claimed to result from or to arise out of:

(a) any activity on or use of City's premises or facilities or any performance under this Contract; or

(b) any acts, errors or omissions (including, without limitation, professional negligence) of Contractor, its employees, representatives, subcontractors, or agents in connection with the performance of this Contract.

9.14.2 This agreement to indemnify includes, but is not limited to, personal injury (including death at any time) and property or other damage (including, but without limitation, contract or tort or patent, copyright, trade secret or trademark infringement) sustained by any person or persons (including, but not limited to, companies, or corporations, Contractor and its employees or agents, and members of the general public).

9.14.3 RELEASE. Contractor agrees to release and covenants not to

sue the City, its City Council and each member thereof, and its officers, employees, commission members and representatives for any damage or injury (including death) to itself, its officers, employees, agents and independent contractors damaged or claiming to be damaged from any performance under this Contract.

9.15 INSURANCE. Contractor shall, at its own expense, procure and maintain policies of insurance of the types and in the amounts set forth below, for the duration of the Contract, including any extensions thereto. The policies shall state that they afford primary coverage.

9.15.1 Automobile Liability with minimum limits of at least \$100,000/300,000/50,000 if written on a personal automobile liability form, for using a personal vehicle; or an amount of \$500,000 including owned, hired, and non-owned liability coverage if written on a Commercial automobile liability form.

9.15.2 General Liability with minimum limits of at least \$1,000,000 combined single limits written on an Insurance Services Office (ISO) Comprehensive General Liability "occurrence" form or its equivalent for coverage on an occurrence basis. Premises/Operations and Personal Injury coverage is required. The City of Vernon, its directors, commissioners, officers, employees, agents and volunteers must be endorsed on the policy as additional insureds as respects liability arising out of the Contractor's performance of this Contract.

(a) If Contractor employs other contractors as part of the services rendered, Contractor's Protective Coverage is required. Contractor may include all subcontractors as insureds under its own policy or shall furnish separate insurance for each subcontractor, meeting the requirements set forth herein.

9.15.3 Professional Errors and Omissions coverage in a sum of at least \$1,000,000. Applicable aggregates must be identified and claims history provided to determine amounts remaining under the aggregate.

9.15.4 Contractor shall comply with the applicable sections of the

California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

(a) Provide copy of permissive self-insurance certificate approved by the State of California; or

(b) Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of \$1,000,000 per accident. The policy shall be endorsed to waive all rights of subrogation against City, its directors, commissioners, officers, employees, and volunteers for losses arising from performance of this Contract; or

(c) Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

9.15.5 Each insurance policy included in this clause shall be endorsed to state that coverage shall not be cancelled except after thirty (30) days' prior written notice to City.

9.15.6 Insurance shall be placed with insurers with a Best's rating of no less than B:VIII.

9.15.7 Prior to commencement of performance, Contractor shall furnish City with a certificate of insurance for each policy. Each certificate is to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificate(s) must be in a form approved by City. City may require complete, certified copies of any or all policies at any time.

9.15.8 Failure to maintain required insurance at all times shall constitute a default and material breach. In such event, Contractor shall immediately notify City and cease all performance under this Contract until further directed by the City. In the absence of satisfactory insurance coverage, City may, at its option: (a) procure insurance with collection rights for premiums, attorney's fees and costs against Contractor by way of set-off or

recoupment from sums due Contractor, at City's option; (b) immediately terminate this Contract; or (c) self insure the risk, with all damages and costs incurred, by judgment, settlement or otherwise, including attorney's fees and costs, being collectible from Contractor, by way of set- off or recoupment from any sums due Contractor.

9.16 NOTICES. Any notice or demand to be given by one party to the other be given in writing and by personal delivery or prepaid first-class, registered or certified mail, addressed as follows. Notice simply to the City of Vernon or any other City department is not adequate notice.

If to the City:

If to the Contractor:

Any such notice shall be deemed to have been given upon delivery, if personally delivered, or, if mailed, upon receipt or upon expiration of three (3) business days from the date of posting, whichever is earlier. Either party may change the address at which it desires to receive notice upon giving written notice of such request to the other party.

9.17 TERMINATION FOR CONVENIENCE (Without Cause). City may terminate this Contract in whole or in part at any time, for any cause or without cause, upon fifteen (15) calendar days' written notice to Contractor. If the Contract is thus terminated by City for reasons other than Contractor's failure to perform its obligations, City shall pay Contractor a prorated amount based on the services satisfactorily completed and accepted prior to the effective date of termination. Such payment shall be Contractor's exclusive remedy for termination without cause.

9.18 DEFAULT. In the event either party materially defaults in its obligations hereunder, the other party may declare a default and terminate this Contract by written notice to the defaulting party. The notice shall specify the basis for the default. The Contract shall

terminate unless such default is cured before the effective date of termination stated in such notice, which date shall be no sooner than ten (10) days after the date of the notice.

Termination for cause shall relieve the terminating party of further liability or responsibility under this Contract, including the payment of money, except for payment for services satisfactorily and timely performed prior to the service of the notice of termination, and except for reimbursement of (1) any payments made by the City for service not subsequently performed in a timely and satisfactory manner, and (2) costs incurred by the City in obtaining substitute performance.

9.19 MAINTENANCE AND INSPECTION OF RECORDS.

The City, or its authorized auditors or representatives, shall have access to and the right to audit and reproduce any of the Contractor's records to the extent the City deems necessary to insure it is receiving all money to which it is entitled under the Contract and/or is paying only the amounts to which Contractor is properly entitled under the Contract or for other purposes relating to the Contract.

The Contractor shall maintain and preserve all such records for a period of at least 3 years after termination of the Contract.

The Contractor shall maintain all such records in the City of Vernon. If not, the Contractor shall, upon request, promptly deliver the records to the City of Vernon or reimburse the City for all reasonable and extra costs incurred in conducting the audit at a location other than the City of Vernon, including, but not limited to, such additional (out of the City) expenses for personnel, salaries, private auditors, travel, lodging, meals and overhead.

9.20 CONFLICT. Contractor hereby represents, warrants and certifies that no member, officer or employee of the Contractor is a director, officer or employee of the City of Vernon, or a member of any of its boards, commissions or committees, except to the extent permitted by law.

9.21 ENFORCEMENT OF WAGE AND HOUR LAWS. Eight hours labor constitutes a legal day's work. The Contractor, or subcontractor, if any, shall forfeit twenty-five

dollars (\$25) for each worker employed in the execution of this Agreement by the respective Contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of Sections 1810 through 1815 of the California Labor Code as a penalty paid to the City; provided, however, work performed by employees of contractors in excess of 8 hours per day, and 40 hours during any one week, shall be permitted upon compensation for all hours worked in excess of 8 hours per day at not less than 1½ times the basic rate of pay.

9.22 LIVING WAGES. Contractor, and any Subcontractor(s), shall comply with the City's Living Wage Ordinance. The current Living Wage Standards are set forth in Exhibit "D". Upon the City's request, certified payroll records shall promptly be provided to the City.

9.23 EQUAL EMPLOYMENT OPPORTUNITY PRACTICES. Contractor certifies and represents that, during the performance of this Contract, it and any other parties with whom it may subcontract shall adhere to equal employment opportunity practices to assure that applicants, employees and recipients of service are treated equally and are not discriminated against because of their race, religion, color, national origin, ancestry, disability, sex, age, medical condition, sexual orientation or marital status. Contractor further certifies that it will not maintain any segregated facilities. Contractor further agrees to comply with The Equal Employment Opportunity Practices provisions as set forth in Exhibit "E".

[Signatures Begin on Next Page].

IN WITNESS WHEREOF, the Parties have signed this Agreement as of the date stated in the introductory clause.

City of Vernon, a California charter City and California municipal corporation

[CONTRACTOR'S NAME, a [State incorporated in] corporation

By: _____
Carlos Fandino, City Administrator

By: _____

Name: _____

Title: _____

ATTEST:

By: _____

Maria E. Ayala, City Clerk

Name: _____

Title: _____

APPROVED AS TO FORM:

Hema Patel, City Attorney

EXHIBIT A
REQUEST FOR PROPOSALS

EXHIBIT B
PROPOSAL

EXHIBIT C
SCHEDULE

EXHIBIT D

LIVING WAGE PROVISIONS

Minimum Living Wages:

A requirement that Employers pay qualifying employees a wage of no less than \$10.30 per hour with health benefits, or \$11.55 per hour without health benefits.

Paid and Unpaid Days Off:

Employers provide qualifying employees at least twelve compensated days off per year for sick leave, vacation, or personal necessity, and an additional ten days a year of uncompensated time for sick leave.

No Retaliation:

A prohibition on employer retaliation against employees complaining to the City with regard to the employer's compliance with the living wage ordinance. Employees may bring an action in Superior Court against an employer for back pay, treble damages for willful violations, and attorney's fees, or to compel City officials to terminate the service contract of violating employers.

EXHIBIT E

EQUAL EMPLOYMENT OPPORTUNITY

PRACTICES PROVISIONS

- A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.
- B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.
- C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.
- D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.
- E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.