

PROFESSIONAL SERVICES AGREEMENT FOR HOUSING CONSULTANT

THIS AGREEMENT for Professional Services (“Agreement”) is made this 19th day of September, 2017 (“Effective Date”) by and between the City of Commerce (“City”) and MDG Associates, Inc. (“Contractor”) together sometimes referred to the (“Parties”).

SECTION 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in the Scope of Work attached as Exhibit A and incorporated here. Such work shall be provided at the time and place and in the manner specified in Exhibit A. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

- 1.1 Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end three years after the Effective Date. Contractor shall complete the work described in Exhibit A prior to that date, unless the term of the Agreement is otherwise terminated or extended as provided for in Section 7. The time provided to Contractor to complete the services required by this Agreement shall not affect City’s right to terminate the Agreement, as provided for in Section 7.
- 1.2 Standard of Performance.** Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner including the necessary expertise or knowledge of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession and to the sole satisfaction of the Contract Administrator.
- 1.3 Assignment of Personnel.** Contractor shall assign only competent personnel to perform services pursuant to Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons. Contractor shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.
- 1.4 Time.** Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to satisfy Contractor’s obligations hereunder.
- 1.5 Authorization to Perform Services.** Contractor is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from City’s project representative.

SECTION 2. COMPENSATION. City hereby agrees to pay Contractor in accordance with the payment schedule as set forth in Exhibit A. In the event of a conflict between this Agreement and Exhibit A regarding the amount of compensation, this Agreement shall prevail. City shall pay Contractor for services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to

Contractor for services rendered pursuant to this Agreement. Contractor shall submit all invoices to City in the manner specified herein. Except as specifically authorized in advance by City, Contractor shall not bill City for duplicate services performed by more than one person.

- 2.1 **Invoices.** Contractor shall submit invoices monthly during the term of this Agreement, based on the work completed. Invoices shall identify the project being worked on and detail of services performed.
- 2.2 **Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed and for authorized reimbursable costs incurred. City shall have 30 days from the receipt of an invoice that complies with all of the requirements above to pay Contractor.
- 2.3 **Total Payment.** City shall not pay any additional sum for any expense or cost whatsoever incurred by Contractor in rendering services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.
- 2.4 **Payment of Taxes.** Contractor is solely responsible for the payment of employment taxes incurred under this Agreement and any federal or state taxes.
- 2.5 **Payment upon Termination.** In the event that City or Contractor terminates this Agreement pursuant to Section 7, City shall compensate the Contractor for all outstanding costs and reimbursable expenses incurred for work satisfactorily completed as of the date of written notice of termination. Contractor shall maintain adequate logs and timesheets in order to verify costs incurred to that date.

SECTION 3. EQUIPMENT. Except as otherwise provided, Contractor shall, at its sole cost and expense, provide all supplies and equipment necessary to perform the services required by this Agreement.

SECTION 4. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance checked below and provide Certificates of Insurance, indicating that Contractor has obtained or currently maintains insurance that meets the requirements of this section and which is satisfactory, in all respects, to City. Contractor shall maintain the insurance policies required by this section throughout the term of this Agreement. Contractor shall not allow any subcontractor to commence work on any subcontract until Contractor has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. All insurance coverage and limits provided by Contractor and available or applicable under this Agreement are intended to apply to the full extent of the policies. Nothing contained in this Agreement limits the application of such insurance coverage.

4.1 Workers' Compensation. Contractor shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor. The Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident. In the alternative, Contractor may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or the Contractor, if a program of self-insurance is provided, shall waive all rights of subrogation against City and its officers, officials, employees, and authorized volunteers for loss arising from work performed under this Agreement.

4.2 Commercial General Insurance and Automobile Liability Insurance.

4.2.1 Commercial General Liability Insurance: Contractor, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than TWO MILLION DOLLARS (\$2,000,000.00) per occurrence, combined single limit coverage of \$2,000,000 in the general aggregate, for risks associated with the work contemplated by this Agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (per occurrence). Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (per accident). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

- b. Any failure of Contractor to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

4.3 Professional Liability Insurance.

4.3.1 General requirements. Contractor, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) covering the licensed professionals' errors and omissions.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five years after completion of the Agreement or the work, so long as commercially available at reasonable rates.
- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Contractor must provide extended reporting coverage for a minimum of five years after completion of the Agreement or the work. City shall have the right to exercise, at the Contractor's sole cost and expense, any extended reporting provisions of the policy, if the Contractor cancels or does not renew the coverage.
- d. A copy of the claim reporting requirements must be submitted to City prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Acceptability of insurers. All insurance required by this section is to be placed with insurers with a Bests' rating of no less than A-.

4.4.2 Verification of coverage. Prior to beginning any work under this Agreement, Contractor shall furnish City with Certificates of Insurance, and upon request, complete certified copies of all policies, including complete certified copies of all endorsements. All copies of policies and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

4.4.3 Notice of Reduction in or Cancellation of Coverage. A certified endorsement shall be attached to all insurance obtained pursuant to this Agreement stating that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice (or ten (10) days' notice in the event of cancellation due to nonpayment of premiums) by certified, mail, return receipt requested, has been given to City. In the event that any coverage required by this section is reduced, limited, cancelled, or materially affected in any other manner, Contractor shall provide written notice to City at Contractor's earliest possible opportunity and in no case later than ten (10) working days after Contractor is notified of the change in coverage.

4.4.4 Additional insured; primary insurance – NOT applicable to professional liability insurance. City and its officers, employees, agents, and authorized volunteers shall be covered as additional insureds with respect to each of the following: liability arising out of activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations of Contractor, as applicable; premises owned, occupied, or used by Contractor; and automobiles owned, leased, or used by the Contractor in the course of providing services pursuant to this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or authorized volunteers.

A certified endorsement must be attached to all policies stating that coverage is primary insurance with respect to City and its officers, officials, employees and volunteers, and that no insurance or self-insurance maintained by City shall be called upon to contribute to a loss under the coverage.

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

4.4.6 Variation. The City Attorney may approve in writing a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that City's interests are otherwise fully protected.

4.4.7 No policy required hereunder shall prohibit Contractor from waiving any right with regard to the Indemnities set out below in Section 5.

4.5 Remedies. In addition to any other remedies City may have if Contractor

fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Contractor's breach:

- Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- Order Contractor to stop work under this Agreement or withhold any payment that becomes due to Contractor hereunder, or both stop work and withhold any payment, until Contractor demonstrates compliance with the requirements hereof; and/or
- Terminate this Agreement.

SECTION 5. INDEMNIFICATION

5.1. Contractor shall indemnify, defend with counsel acceptable to City and hold harmless City and its officials, officers, employees, members, agents and authorized volunteers from and against any and all losses, liabilities, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, damages and expenses of any kind, whether actual or threatened (including but not limited to attorneys' fees and costs, court costs, interest defense costs, and expert witness fees) where the same arise out of, are a consequence of or are in any way attributable to, in whole or in part, the performance of this Agreement (or the failure to perform) by Contractor or by any individual or entity for which Contractor is legally liable, including but not limited to officers, agents, employees or subcontractors of Contractor. Such indemnification, defense and hold harmless extend to Contractor's provision, use, transport and storage of hazardous materials, as those commonly are defined under state and federal laws and regulations.

5.2. The foregoing obligation of Contractor shall not apply when (1) the injury, loss of life, damage to property or violation of law arises wholly from the negligence or willful misconduct of City or its officers, employees, agents or authorized volunteers and (2) the actions of Contractor or its employees, subcontractors or agents have contributed in no part to the injury, loss of life, damage to property, or violation of law.

5.3. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Agreement, Contractor acknowledges

and agrees to the provisions of this Section and that it is a material element of consideration.

SECTION 6. LEGAL REQUIREMENTS.

- 6.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 6.2 Compliance with Applicable Laws.** Contractor and any subcontractor shall comply with all applicable local, state and federal laws and regulations applicable to the performance of the work hereunder.
- 6.3 Licenses and Permits.** Contractor represents and warrants to City that Contractor and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that is legally required to practice their respective professions. Contractor represents and warrants to City that Contractor and its employees, agents and any subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Contractor and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.

SECTION 7. TERMINATION AND MODIFICATION.

- 7.1 Termination.** City and Contractor hereby agree that this Agreement may be cancelled upon 30 days' written notice.

In the event of termination, Contractor shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Contractor delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Contractor or prepared by or for Contractor or City in connection with this Agreement.

- 7.2 Extension.** Both parties agree that extending the Agreement beyond that provided for in Subsection 1.1 may be in the best interest of all concerned. Any such extension shall require a written amendment to this Agreement, as provided for herein. City and Contractor understand and agree that, if both parties agree to such an extension, all terms and conditions of the original Agreement shall remain the same, and extended to the date provided for in said amendment.
- 7.3 Amendments.** The parties may amend this Agreement only by a writing signed by all the parties.

7.4 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Contractor shall survive the termination of this Agreement.

7.5 Options upon Breach by Contractor. If Contractor materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, any or all the following:

7.5.1 Immediately terminate the Agreement;

7.5.2 Retain the documents, and any other work product prepared by Contractor pursuant to this Agreement;

7.5.3 Retain a different Contractor to complete the work described in Exhibit A not finished by Contractor; or

7.5.4 Charge Contractor the difference between the costs to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Contractor pursuant to Section 2 if Contractor had completed the work.

SECTION 8. KEEPING AND STATUS OF RECORDS.

8.1 Records Created as Part of Contractor's Performance.

Contractor will be providing proprietary documents, materials, written programs, forms, policies and procedures (collectively the "Materials") for use by the City pursuant to this Agreement. The ownership of all of the Materials shall remain exclusively with Contractor. During the term of this Agreement, the City shall have the right to use the Materials. Nothing herein shall grant the City any right, title, or interest in Contractor's protected Materials, other than as provided herein. At no time during or after the term of this Agreement shall the City challenge or assist others to challenge Contractor's protected Materials or the registration thereof or attempt to register any materials that would infringe upon those of Contractor. If requested to do so, the City agrees to legibly and durably affix to all Materials, notices in compliance with applicable copyright and trademark laws, including but not limited to the use of the symbol "©" or similar symbols. The City shall immediately notify Contractor in writing of any actual or potential infringement of the Materials of which the City becomes aware. The City agrees to take any reasonable action requested by Contractor to preserve and protect the copyright protection of the Material. Any new use, modification, or enhancement of the Materials or any variation thereof, shall belong exclusively to Contractor and City does hereby assign, sell, and transfer to Contractor any rights in the same.

- 8.2 Contractor's Books and Records.** Contractor shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement.
- 8.3 Inspection and Audit of Records.** Any records or documents that Section 8.2 of this Agreement requires Contractor to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds Ten Thousand Dollars (\$10,000.00), the Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under the Agreement.

SECTION 9. UNAUTHROIZED ALIENS.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

SECTION 10. CONFLICTS OF INTEREST.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Consultant's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

SECTION 11. MISCELLANEOUS PROVISIONS.

- 11.1 Assignment.** The expertise and experience of Contractor are material considerations for this Agreement. City has an interest in the qualifications of and capability of the persons and entities that will fulfill the duties and obligations imposed upon Contractor under this Agreement. In recognition of

that interest, Contractor shall not assign or transfer this Agreement or any portion of this Agreement or the performance of any of Consultant's duties or obligations under this Agreement without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this Agreement entitling City to any and all remedies at law or in equity, including summary termination of this Agreement.

- 11.2 Attorneys' Fees.** If either party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 11.3 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in Los Angeles County.
- 11.4 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 11.5 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 11.6 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and permitted assigns of the parties.
- 11.7 Contractor Representative.** All matters under this Agreement shall be handled for Contractor by Contractor's President, or his designee; Contractor shall provide the City with written notification of the person responsible for Contractor.
- 11.8 City Contract Administration.** This Agreement shall be administered by Maryam Babaki, Director of Public Works and Development Services, or her designee ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his or her designee.
- 11.9 Notices.** Any written notice to Contractor shall be sent to:

Rudy Munoz, President
10722 Arrow Route, Suite 822

Ranch Cucamonga, CA 91730

Any written notice to City shall be sent to:

Maryam Babaki
Director of Public Works and Development Services
2535 Commerce Way
Commerce, CA 90040

11.10 Integration. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibit A, represents the entire and integrated agreement between City and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral.

11.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

The Parties have executed this Agreement as of the Effective Date.

CITY OF COMMERCE

CONTRACTOR

Oralia Rebollo, Mayor

Rudy Munoz, President

Attest:

Lena Shumway, City Clerk

Approved as to Form:

Noel Tapia, City Attorney