

ATTACHMENT A

PROFESSIONAL SERVICES AGREEMENT WITH ROY JORGENSEN ASSOCIATES, INC. FOR FACILITIES MANAGEMENT AND MASTER PLAN SERVICES

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into as of this 11th day of February, 2020 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and ROY JORGENSEN ASSOCIATES, INC., a Delaware corporation ("Consultant"), whose address is 1340 Reynolds Avenue, Suite 116, Irvine, CA 92614, and is made with reference to the following:

RECITALS

- A. City is a municipal corporation duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California and the Charter of City.
- B. City desires to engage Consultant to provide comprehensive professional services to provide an update to the City's Facilities Maintenance Master Plan ("Project").
- C. Consultant possesses the skill, experience, ability, background, certification and knowledge to provide the professional services described in this Agreement.
- D. City has solicited and received a proposal from Consultant, has reviewed the previous experience and evaluated the expertise of Consultant, and desires to retain Consultant to render professional services under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. TERM

The term of this Agreement shall commence on the Effective Date, and shall terminate on September 1, 2021, unless terminated earlier as set forth herein.

2. SERVICES TO BE PERFORMED

Consultant shall diligently perform all the services described in the Scope of Services attached hereto as Exhibit A and incorporated herein by reference ("Services" or "Work"). City may elect to delete certain Services within the Scope of Services at its sole discretion.

3. TIME OF PERFORMANCE

3.1 Time is of the essence in the performance of Services under this Agreement and Consultant shall perform the Services in accordance with the schedule included in Exhibit A. In the absence of a specific schedule, the Services shall be performed to

completion in a diligent and timely manner. The failure by Consultant to strictly adhere to the schedule set forth in Exhibit A, if any, or perform the Services in a diligent and timely manner may result in termination of this Agreement by City.

3.2 Notwithstanding the foregoing, Consultant shall not be responsible for delays due to causes beyond Consultant's reasonable control. However, in the case of any such delay in the Services to be provided for the Project, each party hereby agrees to provide notice within two (2) calendar days of the occurrence causing the delay to the other party so that all delays can be addressed.

3.3 Consultant shall submit all requests for extensions of time for performance in writing to the Project Administrator as defined herein not later than ten (10) calendar days after the start of the condition that purportedly causes a delay. The Project Administrator shall review all such requests and may grant reasonable time extensions for unforeseeable delays that are beyond Consultant's control.

3.4 For all time periods not specifically set forth herein, Consultant shall respond in the most expedient and appropriate manner under the circumstances, by hand-delivery or mail.

4. COMPENSATION TO CONSULTANT

4.1 City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Two Hundred Fifty Four Thousand Two Hundred Forty Seven Dollars and 00/100 (\$254,247.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City.

4.2 Consultant shall submit monthly invoices to City describing the Work performed the preceding month. Consultant's bills shall include the name of the person who performed the Work, a brief description of the Services performed and/or the specific task in the Scope of Services to which it relates, the date the Services were performed, the number of hours spent on all Work billed on an hourly basis, and a description of any reimbursable expenditures. City shall pay Consultant no later than thirty (30) calendar days after approval of the monthly invoice by City staff.

4.3 City shall reimburse Consultant only for those costs or expenses specifically identified in Exhibit B to this Agreement or specifically approved in writing in advance by City.

4.4 Consultant shall not receive any compensation for Extra Work performed without the prior written authorization of City. As used herein, "Extra Work" means any Work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement.

Compensation for any authorized Extra Work shall be paid in accordance with the Schedule of Billing Rates as set forth in Exhibit B.

5. PROJECT MANAGER

5.1 Consultant shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Consultant has designated James Smith to be its Project Manager. Consultant shall not remove or reassign the Project Manager or any personnel listed in Exhibit A or assign any new or replacement personnel to the Project without the prior written consent of City. City's approval shall not be unreasonably withheld with respect to the removal or assignment of non-key personnel.

5.2 Consultant, at the sole discretion of City, shall remove from the Project any of its personnel assigned to the performance of Services upon written request of City. Consultant warrants that it will continuously furnish the necessary personnel to complete the Project on a timely basis as contemplated by this Agreement.

5.3 If Consultant is performing inspection services for City, the Project Manager and any other assigned staff shall be equipped with a cellular phone to communicate with City staff. The Project Manager's cellular phone number shall be provided to City.

6. ADMINISTRATION

This Agreement will be administered by the Public Works. City's Director of Public Works or designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.

7. CITY'S RESPONSIBILITIES

To assist Consultant in the execution of its responsibilities under this Agreement, City agrees to provide access to and upon request of Consultant, one copy of all existing relevant information on file at City. City will provide all such materials in a timely manner so as not to cause delays in Consultant's Work schedule.

8. STANDARD OF CARE

8.1 All of the Services shall be performed by Consultant or under Consultant's supervision. Consultant represents that it possesses the professional and technical personnel required to perform the Services required by this Agreement, and that it will perform all Services in a manner commensurate with community professional standards and with the ordinary degree of skill and care that would be used by other reasonably competent practitioners of the same discipline under similar circumstances. All Services shall be performed by qualified and experienced personnel who are not employed by City. By delivery of completed Work, Consultant certifies that the Work conforms to the requirements of this Agreement, all applicable federal, state and local laws, and legally recognized professional standards.

8.2 Consultant represents and warrants to City that it has, shall obtain, and shall keep in full force and effect during the term hereof, at its sole cost and expense, all licenses, permits, qualifications, insurance and approvals of whatsoever nature that is legally required of Consultant to practice its profession. Consultant shall maintain a City of Newport Beach business license during the term of this Agreement.

8.3 Consultant shall not be responsible for delay, nor shall Consultant be responsible for damages or be in default or deemed to be in default by reason of strikes, lockouts, accidents, acts of God, or the failure of City to furnish timely information or to approve or disapprove Consultant's Work promptly, or delay or faulty performance by City, contractors, or governmental agencies.

9. HOLD HARMLESS

9.1 To the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City, its City Council, boards and commissions, officers, agents, volunteers and employees (collectively, the "Indemnified Parties") from and against any and all claims (including, without limitation, claims for bodily injury, death or damage to property), demands, obligations, damages, actions, causes of action, suits, losses, judgments, fines, penalties, liabilities, costs and expenses (including, without limitation, attorneys' fees, disbursements and court costs) of every kind and nature whatsoever (individually, a Claim; collectively, "Claims"), which may arise from or in any manner relate (directly or indirectly) to any breach of the terms and conditions of this Agreement, any Work performed or Services provided under this Agreement including, without limitation, defects in workmanship or materials or Consultant's presence or activities conducted on the Project (including the negligent, reckless, and/or willful acts, errors and/or omissions of Consultant, its principals, officers, agents, employees, vendors, suppliers, consultants, subcontractors, anyone employed directly or indirectly by any of them or for whose acts they may be liable, or any or all of them).

9.2 Notwithstanding the foregoing, nothing herein shall be construed to require Consultant to indemnify the Indemnified Parties from any Claim arising from the sole negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorneys' fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant.

10. INDEPENDENT CONTRACTOR

It is understood that City retains Consultant on an independent contractor basis and Consultant is not an agent or employee of City. The manner and means of conducting the Work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the expressed terms of this Agreement. No civil service status or other right of employment shall accrue to Consultant or its employees. Nothing in this Agreement shall be deemed to constitute approval for Consultant or any of Consultant's employees or agents, to be the agents or employees of City. Consultant

shall have the responsibility for and control over the means of performing the Work, provided that Consultant is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Consultant as to the details of the performance of the Work or to exercise a measure of control over Consultant shall mean only that Consultant shall follow the desires of City with respect to the results of the Services.

11. COOPERATION

Consultant agrees to work closely and cooperate fully with City's designated Project Administrator and any other agencies that may have jurisdiction or interest in the Work to be performed. City agrees to cooperate with the Consultant on the Project.

12. CITY POLICY

Consultant shall discuss and review all matters relating to policy and Project direction with City's Project Administrator in advance of all critical decision points in order to ensure the Project proceeds in a manner consistent with City goals and policies.

13. PROGRESS

Consultant is responsible for keeping the Project Administrator informed on a regular basis regarding the status and progress of the Project, activities performed and planned, and any meetings that have been scheduled or are desired.

14. INSURANCE

Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement or for other periods as specified in this Agreement, policies of insurance of the type, amounts, terms and conditions described in the Insurance Requirements attached hereto as Exhibit C, and incorporated herein by reference.

15. PROHIBITION AGAINST ASSIGNMENTS AND TRANSFERS

Except as specifically authorized under this Agreement, the Services to be provided under this Agreement shall not be assigned, transferred contracted or subcontracted out without the prior written approval of City. Any of the following shall be construed as an assignment: The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint-venture or syndicate or co-tenancy, which shall result in changing the control of Consultant. Control means fifty percent (50%) or more of the voting power or twenty-five percent (25%) or more of the assets of the corporation, partnership or joint-venture.

16. SUBCONTRACTING

The subcontractors authorized by City, if any, to perform Work on this Project are identified in Exhibit A. Consultant shall be fully responsible to City for all acts and omissions of any subcontractor. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the part of City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise required by law. City is an intended beneficiary of any Work performed by the subcontractor for purposes of establishing a duty of care between the subcontractor and City. Except as specifically authorized herein, the Services to be provided under this Agreement shall not be otherwise assigned, transferred, contracted or subcontracted out without the prior written approval of City.

17. OWNERSHIP OF DOCUMENTS

17.1 Each and every report, draft, map, record, plan, document and other writing produced, including but not limited to, websites, blogs, social media accounts and applications (hereinafter "Documents"), prepared or caused to be prepared by Consultant, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or any other party. Additionally, all material posted in cyberspace by Consultant, its officers, employees, agents and subcontractors, in the course of implementing this Agreement, shall become the exclusive property of City, and City shall have the sole right to use such materials in its discretion without further compensation to Consultant or any other party. Consultant shall, at Consultant's expense, provide such Documents, including all logins and password information to City upon prior written request.

17.2 Documents, including drawings and specifications, prepared by Consultant pursuant to this Agreement are not intended or represented to be suitable for reuse by City or others on any other project. Any use of completed Documents for other projects and any use of incomplete Documents without specific written authorization from Consultant will be at City's sole risk and without liability to Consultant. Further, any and all liability arising out of changes made to Consultant's deliverables under this Agreement by City or persons other than Consultant is waived against Consultant, and City assumes full responsibility for such changes unless City has given Consultant prior notice and has received from Consultant written consent for such changes.

17.3 All written documents shall be transmitted to City in formats compatible with Microsoft Office and/or viewable with Adobe Acrobat.

18. OPINION OF COST

Any opinion of the construction cost prepared by Consultant represents the Consultant's judgment as a design professional and is supplied for the general guidance of City. Since Consultant has no control over the cost of labor and material, or over

competitive bidding or market conditions, Consultant does not guarantee the accuracy of such opinions as compared to Consultant or contractor bids or actual cost to City.

19. CONFIDENTIALITY

All Documents, including drafts, preliminary drawings or plans, notes and communications that result from the Services in this Agreement, shall be kept confidential unless City expressly authorizes in writing the release of information.

20. INTELLECTUAL PROPERTY INDEMNITY

Consultant shall defend and indemnify City, its agents, officers, representatives and employees against any and all liability, including costs, for infringement or alleged infringement of any United States' letters patent, trademark, or copyright, including costs, contained in Consultant's Documents provided under this Agreement.

21. RECORDS

Consultant shall keep records and invoices in connection with the Services to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any Services, expenditures and disbursements charged to City, for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of City to examine, audit and make transcripts or copies of such records and invoices during regular business hours. Consultant shall allow inspection of all Work, data, Documents, proceedings and activities related to the Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

22. WITHHOLDINGS

City may withhold payment to Consultant of any disputed sums until satisfaction of the dispute with respect to such payment. Such withholding shall not be deemed to constitute a failure to pay according to the terms of this Agreement. Consultant shall not discontinue Work as a result of such withholding. Consultant shall have an immediate right to appeal to the City Manager or designee with respect to such disputed sums. Consultant shall be entitled to receive interest on any withheld sums at the rate of return that City earned on its investments during the time period, from the date of withholding of any amounts found to have been improperly withheld.

23. ERRORS AND OMISSIONS

In the event of errors or omissions that are due to the negligence or professional inexperience of Consultant which result in expense to City greater than what would have resulted if there were not errors or omissions in the Work accomplished by Consultant, the additional design, construction and/or restoration expense shall be borne by

Consultant. Nothing in this Section is intended to limit City's rights under the law or any other sections of this Agreement.

24. CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS

City reserves the right to employ other Consultants in connection with the Project.

25. CONFLICTS OF INTEREST

25.1 Consultant or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act") and/or Government Code §§ 1090 et seq., which (1) require such persons to disclose any financial interest that may foreseeably be materially affected by the Work performed under this Agreement, and (2) prohibit such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

25.2 If subject to the Act and/or Government Code §§ 1090 et seq., Consultant shall conform to all requirements therein. Failure to do so constitutes a material breach and is grounds for immediate termination of this Agreement by City. Consultant shall indemnify and hold harmless City for any and all claims for damages resulting from Consultant's violation of this Section.

26. NOTICES

26.1 All notices, demands, requests or approvals, including any change in mailing address, to be given under the terms of this Agreement shall be given in writing, and conclusively shall be deemed served when delivered personally, or on the third business day after the deposit thereof in the United States mail, postage prepaid, first-class mail, addressed as hereinafter provided.

26.2 All notices, demands, requests or approvals from Consultant to City shall be addressed to City at:

Attn: Director of Public Works
Public Works
City of Newport Beach
100 Civic Center Drive
PO Box 1768
Newport Beach, CA 92658

26.3 All notices, demands, requests or approvals from City to Consultant shall be addressed to Consultant at:

Attn: James Smith
Roy Jorgensen Associates, Inc.
1340 Reynolds Avenue, Suite 116
Irvine, CA 92614

27. CLAIMS

Unless a shorter time is specified elsewhere in this Agreement, before making its final request for payment under this Agreement, Consultant shall submit to City, in writing, all claims for compensation under or arising out of this Agreement. Consultant's acceptance of the final payment shall constitute a waiver of all claims for compensation under or arising out of this Agreement except those previously made in writing and identified by Consultant in writing as unsettled at the time of its final request for payment. Consultant and City expressly agree that in addition to any claims filing requirements set forth in the Agreement, Consultant shall be required to file any claim Consultant may have against City in strict conformance with the Government Claims Act (Government Code sections 900 *et seq.*).

28. TERMINATION

28.1 In the event that either party fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, that party shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) calendar days, or if more than two (2) calendar days are reasonably required to cure the default and the defaulting party fails to give adequate assurance of due performance within two (2) calendar days after receipt of written notice of default, specifying the nature of such default and the steps necessary to cure such default, and thereafter diligently take steps to cure the default, the non-defaulting party may terminate the Agreement forthwith by giving to the defaulting party written notice thereof.

28.2 Notwithstanding the above provisions, City shall have the right, at its sole and absolute discretion and without cause, of terminating this Agreement at any time by giving no less than seven (7) calendar days' prior written notice to Consultant. In the event of termination under this Section, City shall pay Consultant for Services satisfactorily performed and costs incurred up to the effective date of termination for which Consultant has not been previously paid. On the effective date of termination, Consultant shall deliver to City all reports, Documents and other information developed or accumulated in the performance of this Agreement, whether in draft or final form.

29. STANDARD PROVISIONS

29.1 Recitals. City and Consultant acknowledge that the above Recitals are true and correct and are hereby incorporated by reference into this Agreement.

29.2 Compliance with all Laws. Consultant shall, at its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted. In addition, all Work prepared by Consultant shall conform to applicable City, county, state and federal laws, rules, regulations and permit requirements and be subject to approval of the Project Administrator and City.

29.3 Waiver. A waiver by either party of any breach, of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach

of the same or any other term, covenant or condition contained herein, whether of the same or a different character.

29.4 Integrated Contract. This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions herein.

29.5 Conflicts or Inconsistencies. In the event there are any conflicts or inconsistencies between this Agreement and the Scope of Services or any other attachments attached hereto, the terms of this Agreement shall govern.

29.6 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 the Agreement or any other rule of construction which might otherwise apply.

29.7 Amendments. This Agreement may be modified or amended only by a written document executed by both Consultant and City and approved as to form by the City Attorney.

29.8 Severability. If any term or portion of this Agreement is held to be invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement shall continue in full force and effect.

29.9 Controlling Law and Venue. The laws of the State of California shall govern this Agreement and all matters relating to it and any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

29.10 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, sexual orientation, age or any other impermissible basis under law.

29.11 No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall not be entitled to attorneys' fees.

29.12 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all of which together shall constitute one (1) and the same instrument.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates written below.

**APPROVED AS TO FORM:
CITY ATTORNEY'S OFFICE**

Date: 1/28/2020

By: *Aaron C. Harp*
For: Aaron C. Harp
City Attorney

*01.28.20
CH*

ATTEST:

Date: _____

By: _____
Leilani I. Brown
City Clerk

CITY OF NEWPORT BEACH,
a California municipal corporation

Date: _____

By: _____
Will O'Neill
Mayor

CONSULTANT:

ROY JORGENSEN ASSOCIATES, INC.,
a Delaware corporation

Date: _____

By: _____
Douglas W. Selby
President

Date: _____

By: _____
John S. Jorgensen
Assistant Treasurer

[END OF SIGNATURES]

Attachments: Exhibit A – Scope of Services
 Exhibit B – Schedule of Billing Rates
 Exhibit C – Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

EXHIBIT A

SCOPE OF SERVICES

FACILITIES MAINTENANCE AND MASTER PLAN SERVICES

Work Plan and Services

PHASE I – FIELD DATA COLLECTION

The proposed team will begin field data collection with a thorough understanding of the maintenance and repair history of the City's facilities, including recurring maintenance and repair issues, lack of adequate functionality, and other issues through face-to-face interviews with stakeholders. Understanding these prior to the commencement of field data collection will allow the team to better assess actual field conditions through the perspective of the users and to place observed conditions into a proper context. The review of any as-built drawings, plans for upcoming construction or renovation, previous assessment data, and other pertinent information that the City can provide will further ensure that the data collection team integrates all available information and that its conclusions remain accurate and relevant to the purposes of this study.

The proposed field data collection team members have been carefully selected for their areas of expertise in relation to the City's requirements and represent an interdisciplinary team Civil and Mechanical Engineers, Architecture, and other Facility Management analysts and professionals with extensive experience in conducting similar condition assessments. Each of these individuals will be assigned principal responsibility for given systems or categories of features. This ensures that data collection progresses in a timely fashion, economically, and with the highest degree of accuracy.

Team Primary Field Responsibility Matrix

EXTERIOR – Justin May, Stan Klemanowicz

STRUCTURE – Jaime Rosenbach

ROOF – Stan Klemanowicz, Justin May

SITE – Justin May

INTERIOR – Justin May, Stan Klemanowicz, Jaime Rosenbach

MECHANICAL – Justin May

ELECTRICAL – Justin May

PLUMBING – Justin May

ELEVATOR – Justin May

FIRE/SECURITY – Stan Klemanowicz

OPTIONAL GIS DATA INTEGRATION – Justin May

Consultant will collect detailed notes and photographic evidence in relation to buildings and site systems, documenting all required repairs, evidence of deferred maintenance, and areas for suggested renovation. Full attention to buildings and building features and options for their return to modern standards will also be given.

All data will be collected utilizing hand-held devices and Consultant's Mobile Integrated Data Acquisition System (MIDAS™) software to ensure that all requisite information is gathered and that it is recorded accurately, precluding the need for any later data re-entry from hand-written notes.

JorgensenFM Mobile Integrated Data Acquisition System (MIDAS™)

MIDAS™ uses the Connixt "iMarq" mobile application as the base engine to enable the rapid and accurate acquisition or verification of client assets.

- ✓ Imports the client's existing asset inventory
- ✓ Exports data to the client's CMMS asset inventory
- ✓ Independent of Client's CMMS engine
- ✓ Communicates via Wi-Fi or cellular telephone network
- ✓ MIDAS™ possesses the ability to capture photographs, GPS coordinates, or bar code or QR codes
- ✓ All captured data can be readily integrated into the client's own CMMS software.

Consultant will assess all required systems (systems-level assessment) to include the equipment's overall condition, age, remaining useful life, and any reconsideration of the life-cycle that positively or negatively impacts the manufacturers' estimated useful life for the equipment or feature. Full attention to all requested building core and shell components and systems will be given to incorporate these into the assessment and the 5-20 year forecast.

As part of the documentation process, photographs of observed deficiencies and general conditions will be gathered by the data collection team. All such documentation (written and photographic) will be cross-linked in the final condition and replacement plan reports for ease of use.

In order to remain on-budget and on-schedule, Consultant's inspection team will require full access to the City's facilities (provided ample notice has been given). Without scheduled access, the project's schedule will likely extend out and our budget will be negatively impacted. In addition to the facility condition index (FCI) discussed further below, the field data collection team will describe and rate the condition of each of the individual building systems (SITE, STRUCTURE, EXTERIOR SYSTEMS, INTERIOR SYSTEMS, MECHANICAL, ELECTRICAL, PLUMBING, CONVEYANCE [elevators], FIRE/LIFE SAFETY) based on the following condition code criteria.

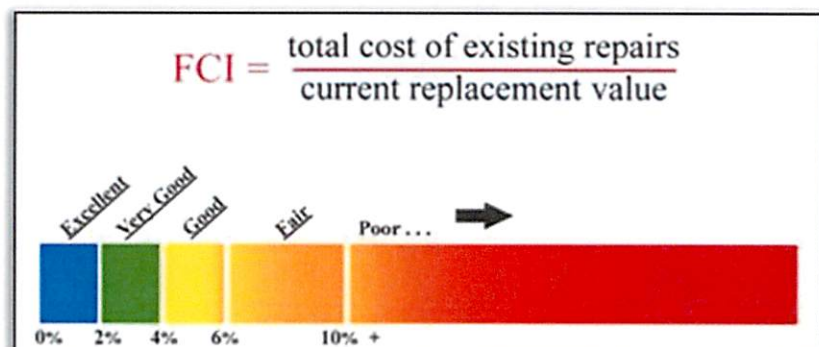
The Condition Code method of systems description (see the table below) provides a convenient, means of referring to general conditions associated with a building's major components.

Condition Code Definitions		
Rating	Status	Description
5	Excellent	Condition and appearance are as new with no defects; only normal scheduled maintenance is required.
4	Good	Superficial wear and tear, minor defects, minor signs of deterioration to surface finishes are present, but the unit or system does not require major maintenance. No major defects exist. System functions normally.
3	Fair	Some minor repairs and some infrequent larger repair are required. The system is occasionally unable to function as intended. Deteriorated surface finishes require attention; services are functional, but deferred maintenance work may exist.
2	Poor	A significant number of major defects exist. Excessive wear and tear is clearly visible. The system is obsolete or does not fully functional or services are frequently failing. Repair parts are not easily obtainable. The unit or system may not meet all codes.
1	Failure	Major repair or replacement is required to restore function. System or asset has failed. Unsafe to use.

PHASE 2 – DATA REDUCTION AND ANALYSIS

Field data collection (Phase I) will generate the raw materials for the prioritized list of projects and remediation work, the opinions of probable cost, and the facility condition indices (FCI). The FCI is a common facilities metric used to describe conditions and is a **ratio of deferred maintenance and repairs to the Current Replacement Value (CRV) of the building**. In summary, the lower the FCI, the better the condition of the building. The higher the FCI, the worse the condition of the building.

In relative terms, the FCI can be represented by the accompanying graphic. In addition to its use as an independent metric to compare one building to



another, its calculation is essential to the development of a 10-year forecast (see further below, Phase 3). A complete, up-to-date set of Current Replacement Values (CRVs) will be required from the City in order to complete the calculation of the FCI.

As mentioned above, one of the principal outcomes of Phase 2 is the master list of remediation project work. The master list identifies each project by building location, assigning each project a:

- Unique identifier based on the CSI nomenclature (ASTM standard)
- Any legacy numbers that the City may currently employ
- Prioritization based on criticality and life safety impact
- Description of the scope of the work
- Budgetary opinion of probable costs (single line), including contingencies
- Photographic link

Based on the nature of the deficiency and its potential impact to ongoing operations, each line item will also be assigned priorities of 1 (Year 1-2), 2 (Year 3-5), 3 (Year 6-7), 4 (Year 7-10), or 5 (Variable; Sensible alterations/improvements that do not impact the usability of the equipment or feature). The development of outlying year cohorts (up to 10 years) is an outcome of econometric modeling and is the principal deliverable from Phase 3 (described below). The line items will encompass all aspects of the scope of work. The sample on the following page illustrate an excerpt from a project summary list prepared for another client. A similar list will be compiled as an outcome of Phase 2 for the City based on the City's own unique set of requirements and agreed-to formatting. The master list is presented in an open Excel format that is readily updatable and can be maintained by City engineering personnel following the completion of the project. It is fully sortable according to any criteria. No licensing or system maintenance fees are required; the Excel formatted master list is economic, simple to use, and its functionality will deliver all that the City might require for integration into standard MMS.

PHASE 3 – DEVELOPMENT OF REINVESTMENT FUNDING OPTIONS AND MAINTENANCE PROGRAM RECOMMENDATIONS

The populated datasets as described above will provide the raw materials for the City's budget forecasting for a minimum of a 5-year outlook—though Consultant will provide (at the City's discretion) a 20-year outlook at no additional charge. Employing agreed-upon prioritization criteria and fiscal year assignments, the project and remediation data will segregate into natural groupings that roll up to a total budget requirement for a particular year, or span of years. Accuracy in the forecasting process typically decreases within years 7-10, with the highest degree of probability and accuracy in years 1-7. For outlying years 7-10 (should the City require out-year funding projections),

Consultant will generate waves (or cycles) of funding requirements based on known factors. The basis for the development of funding scenarios for the outlying years rests on econometric modeling that incorporates a constellation of data points, including the

Current Replacement Value (CRV), the Facility Condition Indices (FCI), the City's existing reinvestment rates/budgets into the facilities, and a building's construction type and its use. Each of these three data sets is essential to the 10-year projection of probable costs associated with the City facilities. As touched on above, the econometric modeling creates future profiles of the City's facilities based on current conditions and reinvestment rates. Using the City's current facilities funding rates, the model predicts the state of preservation of the buildings (expressed as a Facility Condition Index— FCI) across the 10-year horizon given a steady-state reinvestment rate. The model also provides other options for reinvestment funding that target different states of preservation (FCIs).

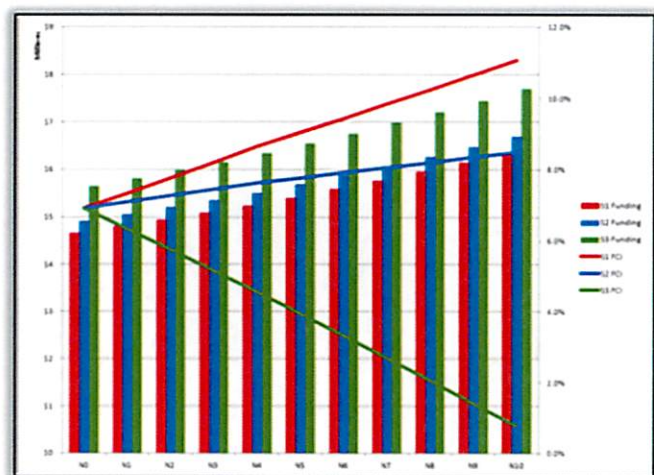
The City will have insight into the following:

1. Better understanding of the long-range implications of the City's current funding strategy
2. Better understanding of the state of preservation of its buildings and the implications in order to supplement or reduce funding levels depending on economic conditions.
3. The option to choose to target a particular ongoing state of preservation (FCI), or target an FCI at the end of the outlook horizon, and understand the impact to aesthetics and building/equipment reliability.

These considerations tie directly to the FCI, and thereby link the City's chosen strategy and associated funding requirements to objective criteria.

A key deliverable in this regard is the presentation of three funding scenarios for the City. Typically, the first is based on the existing investment level; the second and third can target conditions that are “as-new” or that reflect conditions similar to other peer municipal governmental agencies. We suggest a face-to-face meeting prior to the calculation of the models to clarify assumptions and to establish potential meaningful and achievable targeted reinvestment rates across the requested 5-year horizon. An excerpted sample of this deliverable appears on the following page in the accompanying graph and table.

The graph illustrates the relationship between the FCI and the different funding rate scenarios (S1, S2, S3)—noting especially the inverse relationship between the two: the higher the funding the lower the FCI; the lower the FCI, the better the facility's condition. The graph gives a high-level overview of where the City's funding levels are leading it.



An annual (year-by-year) funding table will also comprise the econometric model for the City. This table shall deliver the granularity required by the City's financial managers—in particular, how much funding is required each year to meet a particular targeted FCI over the study's horizon. It shall provide the funding dollars and illustrates the impact to deferred maintenance and the FCI. Once adopted, the table becomes, in effect, an important contribution to the City's budget process. The reserve funding requirements will also be accompanied by a clear presentation of all assumptions incorporated into the forecast.

During this phase, members of the team will examine the maintenance procedures of the City. The maintenance program will be assessed for completeness with respect to coverage of all functional components, the application of industry standard maintenance frequencies, tasking, and procedures, as well as present observations on regarding staffing or training requirements. Based on our time spent at the City and among the City's maintenance personnel, Consultant will provide recommendations for any hardware and software requirements for optimization of the maintenance management.

As noted further above, the study will also contribute a complete set of preventive maintenance and inspection Work Activity Guides™ (WAG™) for City engineering staff to apply to ongoing maintenance of the facilities. These guides have been assembled with industry-standard maintenance and inspection frequencies and tasking, as well as with other pertinent information.

The provision of the WAGs and a 52-week maintenance calendar will help the City to ensure that basic maintenance that supports the preservation of its facility portfolio and the City's ongoing funding requirements.

GIS Data Integration

At the City's discretion Consultant will collect and collate data for integration into the City's GIS system. The definition of the relevant data should include the location, asset age, available of as-builts, maintenance and replacement schedules and unique conditions. Prior to finalizing the list of relevant data Consultant will schedule a meeting with the City's stakeholders to gain agreement on any other data for incorporation into the GIS system.

EXHIBIT B

SCHEDULE OF BILLING RATES

EXHIBIT B
BILLING RATES

Total not-to-exceed amount: \$254,247.00

Title	Hourly Rate
Principal	\$175
Project Manager	\$150
Lead Asset Specialist	\$90
Mechanical Asset Specialist	\$150
Data Manager/Admin	\$75
Lead Architectural	\$150
Lead Structural Consultant	\$204
Structural Specialist	\$190

EXHIBIT C

INSURANCE REQUIREMENTS – PROFESSIONAL SERVICES

1. Provision of Insurance. Without limiting Consultant's indemnification of City, and prior to commencement of Work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City. Consultant agrees to provide insurance in accordance with requirements set forth here. If Consultant uses existing coverage to comply and that coverage does not meet these requirements, Consultant agrees to amend, supplement or endorse the existing coverage.
2. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.
3. Coverage Requirements.
 - A. Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance, statutory limits, and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000) each accident for bodily injury by accident and each employee for bodily injury by disease in accordance with the laws of the State of California, Section 3700 of the Labor Code.

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its City Council, boards and commissions, officers, agents, volunteers and employees.
 - B. General Liability Insurance. Consultant shall maintain commercial general liability insurance, and if necessary umbrella liability insurance, with coverage at least as broad as provided by Insurance Services Office form CG 00 01, in an amount not less than one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate. The policy shall cover liability arising from premises, operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).
 - C. Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than one million dollars (\$1,000,000) combined single limit each accident.

- D. Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the Effective Date of this Agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the Services required by this Agreement.
4. Other Insurance Requirements. The policies are to contain, or be endorsed to contain, the following provisions:
- A. Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this Agreement shall be endorsed to waive subrogation against City, its City Council, boards and commissions, officers, agents, volunteers and employees or shall specifically allow Consultant or others providing insurance evidence in compliance with these requirements to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers from each of its subconsultants.
- B. Additional Insured Status. All liability policies including general liability, excess liability, pollution liability, and automobile liability, if required, but not including professional liability, shall provide or be endorsed to provide that City, its City Council, boards and commissions, officers, agents, volunteers and employees shall be included as insureds under such policies.
- C. Primary and Non Contributory. All liability coverage shall apply on a primary basis and shall not require contribution from any insurance or self-insurance maintained by City.
- D. Notice of Cancellation. All policies shall provide City with thirty (30) calendar days' notice of cancellation (except for nonpayment for which ten (10) calendar days' notice is required) or nonrenewal of coverage for each required coverage.
5. Additional Agreements Between the Parties. The parties hereby agree to the following:
- A. Evidence of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation and other endorsements as specified herein for each coverage. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least

fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

- B. City's Right to Revise Requirements. City reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving Consultant sixty (60) calendar days' advance written notice of such change. If such change results in substantial additional cost to Consultant, City and Consultant may renegotiate Consultant's compensation.
- C. Enforcement of Agreement Provisions. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any requirement imposes no additional obligations on City nor does it waive any rights hereunder.
- D. Requirements not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.
- E. Self-insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these requirements unless approved by City.
- F. City Remedies for Non-Compliance. If Consultant or any subconsultant fails to provide and maintain insurance as required herein, then City shall have the right but not the obligation, to purchase such insurance, to terminate this Agreement, or to suspend Consultant's right to proceed until proper evidence of insurance is provided. Any amounts paid by City shall, at City's sole option, be deducted from amounts payable to Consultant or reimbursed by Consultant upon demand.

- G. Timely Notice of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.
- H. Consultant's Insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the Work.