



Staff Report

City of Manhattan Beach

TO: Honorable Mayor Tell and Members of the City Council

THROUGH: David N. Carmany, City Manager

FROM: Jim Arndt, Director of Public Works
 Richard Thompson, Director of Community Development
 Bruce Moe, Director of Finance
 Richard Gill, Director of Parks and Recreation

DATE: August 2, 2011

SUBJECT: Consideration of a Professional Services Agreement with Johnson/Favaro for Library Reconstruction (\$1,200,000)

RECOMMENDATION:

Staff recommends City Council authorize the City Manager to award a Professional Services Agreement with Johnson/Favaro for the Library Reconstruction Project.

FISCAL IMPLICATION:

Funding for improvements comes from accumulated county funds received from Manhattan Beach residents' property tax collected for operations/improvements for the Library. Current reserves are \$5,141,000. These funds are restricted and will be used only for Library purposes. Additional project funding will come from the County issuing bonds against future Los Angeles County tax collections.

No City of Manhattan Beach General Fund monies will be used for the project, nor will the City be issuing any bonds. The City will incur staff costs in the administration of the project, but no other materials, professional services, or construction costs will be incurred.

BACKGROUND:

The City has utilized the services of Johnson/Favaro in two contracts leading up to the proposed Professional Services Agreement now before the Council. In 2006, Johnson/Favaro was selected through an Request For Qualifications process to assist the City in its Facilities Strategic Plan, of which future plans for the library were a part of.

Because of their familiarity of the Library and community values surrounding the enhancement of a renovated library, in July, 2010 Johnson/Favaro was awarded a professional services contract of \$93,135 for pre-design services for the library project. Goals for the pre-design included: confirm preliminary programs and services that best respond to community needs; compare alternatives to confirm feasibility; develop preliminary building/site design; confirm project construction budget;

determine project delivery method; gain political approval on recommended approach, budget, and schedule for the design and construction of the library.

Johnson/Favaro worked with LAC Library and the City in the sizing, operational aspects, and building materials in the pre-design work, and presented information at various community and commission meetings. Meetings were held with architect, City and County staff with the Library Commission (July 12, October 26, December 13, 2010, June 13, July 11, 2011), and the Planning Commission (December 8, 2010) to discuss aspects of the project and gain input for inclusion in the pre-design. This pre-design work is now complete.

Decisions were made by the Council at their September 28, 2010 study session to demolish the existing library and construct a two story structure on the site for several reasons, including:

- efficiency of land, whereby the size increase from 12,000sf to 21,500sf could be accomplished in a much smaller footprint, thus allowing for options for the development of remaining land at a future date;
- seismic upgrade of the existing structure would be necessary if square footage were added to the existing structure as the original building was built using outdated seismic codes; the new building will incorporate the most recent codes changes;
- costs are approximately the same for either an addition/renovation project versus a new structure;
- operational layout in a new structure will allow layout of “quieter uses” such as adult reading and browsing (second floor) to be separated from “noisier uses” such as children reading and community room on the ground floor.

Other issues such as final design, building materials, environmental review, parking, etc. will be handled in the normal design and permit process, culminating with the Planning Commission recommended approval of the Use Permit and forwarded to City Council for approval. The building will be constructed to certified LEED Gold standard.

DISCUSSION:

LIBRARY PROJECT

The Los Angeles County Library project has been a joint project of Los Angeles County and the City of Manhattan Beach. The County sought City input in all aspects of pre-design and operations, including the City managing the pre-design contract with Johnson/Favaro. As the project proceeds into design, construction, and financing, Los Angeles County will assume the lead role in the completion of the Library. The City will remain involved, including issuing necessary permits. In this process, the County will formally establish the Manhattan Beach Library Project, approve the budget and related appropriation adjustment.

The project has a total budget of \$22,751,000, with the initial funding of pre-design and design documents coming from the \$5,141,000 of set aside accrued Los Angeles property tax funds.

The project scope includes demolition of the existing library and the construction of a new 21,500 sq.ft. library on the same site. The library will include adult reading areas, a teen area and early childhood area with dedicated programming space, a homework center, a 100-seat community meeting room, express-service checkout machines at the lobby information service desks, public access computers, staff areas, and public restrooms; associated site improvements, including

landscaping, walkways, and security lighting.

The project will be designed and constructed to achieve LEED Gold level certification by incorporating sustainable design features to optimize energy and water use efficiency, enhance the sustainability of the site, improve indoor environmental quality, and maximize the use and reuse of sustainable and local resources.

JOHNSON/FAVARO CONTRACT

The proposed contract (attachment) calls for Basic Service fees of \$888,300, "Other Services" of \$207,600, and "Additional/Reimbursable Services" of \$104,100. The total of the contract is \$1,200,000 and has been negotiated between Johnson/Favaro and Los Angeles County. Further, section 13 of the agreement provides for the assignment of the Agreement to Los Angeles County. It is terminable upon notification and has been written to: 1) meet County requirements, and 2) been pre-approved by County Counsel.

The Los Angeles County Board of Supervisors are scheduled at their August 9, 2011 Board of Supervisors meeting to delegate the assignment and implementation of the Professional Services Agreement from the City of Manhattan Beach to Los Angeles County Public Works Department for architectural and engineering services for the Manhattan Beach Library Project for an amount not-to-exceed of \$1,200,000.

The Johnson/Favaro contract includes a Scope of Work as outlined in Attachment 1 of their contract. Work includes (but not limited to): construction documents for architectural, structural, civil, mechanical, plumbing, electrical and landscaping, and shall submit scoping documents at schematic design, design development and 50% and 90% of construction documents to the County for their review and approval. They will also assist in the County's design- build process for project construction.

The City will approve documents as it relates to the City of Manhattan Beach Use Permit and environmental review process.

FINANCING TO FUND PROJECT

The underlying basis of the City Council has been to renovate/replace the County Library without the use of any City General Funds. The recent slowdown of the project has been in large part due to midcourse corrections and analysis to ensure that the project now contemplated can be confidently undertaken with that premise intact.

As the predesign information became available, both construction and operational costs increased significantly, jeopardizing previous funding scenarios considered. Annual surplus of tax revenues over the operating costs is required to cover debt service in order for there to be no additional County or City funds necessary.

Los Angeles County has further analyzed construction and operational costs and matched them against debt costs at various interest rates for 25 year bonds to determine maximum project costs that could be funded entirely with surplus generated Library tax funds (attachment). The County now believes that revenues can cover costs with the following assumptions:

- The amount to be borrowed would be reduced to \$12.1 million (including capitalized

interest) because the available reserve for construction will grow to \$11.1 million by the time needed in 2013/14. The growth to \$11.1 million is possible because of additional years of revenue surplus and the elimination of virtually all operational costs during construction; this translates into only book dropoff and pickup uses, as well as some story time services. Users will be encouraged to take advantage of other nearby fulltime library services at Lawndale, Redondo Beach etc.

- The length of the County-issued bond would be 25 years;
- The interest rates are not yet known. However, under the Los Angeles County projections, all estimated costs could be covered with an interest rate of up to 4.75%. Above that, some small outside contribution is necessary to sustain service for several years until surplus tax would again cover all debt and operational costs. If interest rates exceed acceptable levels, or construction or operational costs exceed those now projected, the City/County could opt to not proceed with construction.

TENTATIVE PROJECT TIMELINES FOR DESIGN, CONSTRUCTION, PERMITTING AND PUBLIC REVIEW

Tentative scheduling for City permitting, and public review have been modified to reflect the recent slowdown (assumes award of architectural contract by County August 9, 2011). The architect has slightly more aggressive dates for completion of construction documents as contained in Attachment 1 of their contract:

1. Schematic Design Stage (August – November 2011)
 - a. Community Leader Tour and Community Meeting
 - Present Project to Community
 - b. Library Commission Review
 - c. Cultural Arts Commission Review
 - d. Planning Commission Review
 - Use Permit, Coastal Development Permit, Environmental
 - e. City Council reviews, considers all comments, schematic design
 - f. LAC-L approves schematic Design and authorizes Design Development.
2. Design Development Stage (December 2011– April 2012)
 - a. Community Presentation
 - b. Library Commission Review
 - c. Cultural Arts Commission Review
 - d. City Council reviews, considers all comments, design development
 - e. Design Complete
 - f. LAC-L approves Design development and authorizes preparation of Construction Documents
3. Construction Documents (May – September 2012)
 - a. LAC-L approves construction documents and authorizes to proceed with bid phase
4. Permit and Construction Cost Phase (September – November 2012)
 - a. Upon completion of bid phase LAC-L approves bid award and start of construction

5. Construction Starts (December 2012)

CONCLUSION:

It is Staff's recommendation that City Council approve the Johnson/Favaro Professional Services Agreement and transfer the Professional Services Agreement To Los Angeles County.

In addition, it is recommended the Council review the financing to ensure that City funds are not considered for the construction or on-going operations of the Library, based on assumptions and information presented and available at this time.

Finally, it is recommended the Council review the tentative project timeline for construction, permitting and public involvement as presented.

Attachments: A. Jonson/Favaro Professional Services Agreement
B. Los Angeles County Financial Scenarios

CONTRACT FOR CONSULTANT SERVICES

THIS CONTRACT, made and entered into this 2nd day of August, 2011.

BY AND BETWEEN

CITY OF MANHATTAN BEACH, a
municipal corporation, hereinafter
referred to as CITY,

AND

JOHNSON FAVARO,
hereinafter referred to as Consultant,

CITY has determined that it is a matter of public convenience and necessity to engage the specialized services of a Consultant to provide scoping documents and design-build support services for the Manhattan Beach Library Replacement Project, SPECS. 7168.

Consultant is a recognized professional with extensive experience and training in this specialized field. In rendering these services, Consultant shall, at a minimum, exercise the ordinary care and skill expected of the average practitioner in Consultant's profession acting under similar circumstances. The work will involve the performance of professional, expert, and/or technical services of a temporary or part-time duration; and

Consultant acknowledges that it has been informed that the City may assign the CONTRACT and all of the City's rights and obligations in the CONTRACT to the County of Los Angeles, hereinafter called "COUNTY"; and


The parties hereto do mutually agree as follows:

1. Consultant's Services

The scope of work shall be as outlined in the **Attachment 1**, Scope of Services, and **Attachment 2**, Consultant's July 25, 2011, Fee Proposal. No work shall commence on this project until a written Notice to Proceed is issued by CITY.

2. Consideration

In consideration of the performance by Consultant in a manner satisfactory to CITY of the services described in Article 1 above, including receipt and acceptance of such work by the CITY's Director of Public Works (hereinafter called Director), CITY agrees to pay Consultant a maximum not to exceed fee of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000).

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CITY shall compensate Consultant as follows:

a. Monthly payments for the work accomplished shall be made upon verification and acceptance of such work by Director, as stated in the Attachment 1 up to a maximum of \$1,200,000. Monthly invoices shall be accompanied by an analysis of work completed for the invoice period. This analysis shall be prepared in a format satisfactory to Director.

b. Supplemental Consultant Services may be required at CITY'S discretion, upon prior written authorization by Director, and will be based on Consultant's fee schedule on file with Director.

c. In the event that budget reductions occur in any fiscal year covered by this CONTRACT that may cause CITY to consider terminating this CONTRACT, the parties agree to attempt to renegotiate the terms of this CONTRACT to reduce the cost thereof in lieu of termination under the termination provisions of the CONTRACT.

d. All funds for payment of services rendered after June 30 of the current fiscal year are subject to CITY'S legislative appropriation for this purpose. Payments for services following June 30 of each fiscal year are dependent upon the same action. Notwithstanding any other provision of this CONTRACT, CITY shall not be obligated for Consultant's performance hereunder or by any provision of this CONTRACT during any of CITY'S future fiscal years unless and until City Council appropriates funds for this CONTRACT in CITY'S budget for each future fiscal year, and in the event that funds are not appropriated for this CONTRACT, this CONTRACT shall terminate as of June 30 of the last fiscal year for which funds were appropriated. CITY shall notify Consultant in writing of such non-appropriation of funds at the earliest possible date.

e. Consultant will not be required to perform services which will exceed the CONTRACT amount, scope of work, and CONTRACT dates without amendment to this CONTRACT.

Consultant will not proceed with additional services without prior written authorization. Consultant will not be paid for any expenditures beyond the CONTRACT amount stipulated without amendment to this CONTRACT.

f. Consultant will notify CITY when CONTRACT amount has been incurred up to 75% of the CONTRACT total.



3. Equipment and Supplies

Consultant agrees to furnish all necessary equipment and supplies used in the performance of the aforementioned services.

4. CITY'S Responsibility

CITY will use its best efforts to make available drawings, specifications, and other records as available in the County of Los Angeles' Department of Public Works' file.

5. CITY'S Representative

Director, or his authorized representative, shall represent CITY in all matters pertaining to the services to be rendered pursuant to this CONTRACT.

6. Term and Termination

The terms of this CONTRACT shall commence on the date of approval by the City Council and unless otherwise modified, shall terminate on the date that the work is accepted by CITY. CITY may, at its sole option and discretion, cancel or terminate this CONTRACT, without any liability other than payment for work already performed, up to the date of termination by giving three days written notice of such termination to Consultant. Consultant shall be paid the reasonable value of his services rendered. In the event of any such termination by CITY, Consultant shall provide to CITY a termination report consisting of all drawings, specifications, reports, and data accumulated to the date of such termination in a form capable of assimilation for use by CITY.

7. Ownership of CITY Materials

a. Consultant and CITY agree that all materials, including but not limited to, designs, specifications, techniques, plans, reports, deliverables, data, photographs, diagrams, maps, images, graphics, text, videos, advertising, software, source codes, website plans and designs, interactive media, drafts, working papers, outlines, sketches, summaries, edited and/or unedited versions of deliverables, and any other materials or information developed under this CONTRACT and any and all Intellectual Property rights to these materials, including any copyrights, trademarks, service marks, trade secrets, trade names, unpatented inventions, patent applications, patents, design rights, domain name rights, know-how, and any other proprietary rights and derivatives thereof, is and/or shall be the sole property of CITY (hereafter collectively, "CITY Materials"). Consultant hereby assigns and transfers to CITY all Consultant's right, title and interest in and to all such CITY Materials developed under this CONTRACT. In the event this CONTRACT is assigned to the COUNTY,

Consultant hereby agrees to assign and transfer to COUNTY all Consultant's right, title and interest in and to all such CITY Materials developed under this CONTRACT.

Notwithstanding such CITY ownership in the CITY Materials, Consultant may retain possession of working papers and materials prepared by Consultant under this CONTRACT. During and for a minimum of five years subsequent to the term of this CONTRACT, CITY shall have the right to inspect any and all such working papers and materials, make copies thereof and use the working papers and materials and the information contained therein.

b. Consultant shall execute all documents requested by CITY and shall perform all other acts requested by CITY to assign and transfer to, and vest in CITY, all Consultant's right, title and interest in and to the CITY Materials, including, but not limited to, any and all copyrights, trademarks, service marks, trade names, unpatented inventions, patent applications, patents, design rights, domain name rights, know-how, and any other proprietary rights and derivatives thereof resulting from this CONTRACT. CITY shall have the right to register all applicable copyrights, trademarks and patents in the name of the City of Manhattan Beach. Further, CITY shall have the right to assign, license, or otherwise transfer any and all CITY'S rights, title and interest, including, but not limited to copyrights, trademarks, and patents, in and to the CITY Materials.

c. Consultant represents and warrants that the CITY Materials prepared herein under this CONTRACT, is the original work of Consultant and does not infringe upon any Intellectual Property or proprietary rights of third parties. For those portions of the CITY Materials that are not the original work of Consultant, Consultant represents and warrants that it has secured all appropriate licenses, rights, and/or permission from appropriate third parties to include such materials in the CITY Materials.

Consultant shall defend, indemnify and hold CITY harmless against any claims by third parties based on infringement of copyright, patent, trade secret, trademark, or any other claimed Intellectual Property or proprietary right, arising from CITY'S use of CITY Materials created and/or prepared by Consultant. Consultant will also indemnify and defend at its sole expense, any action brought against CITY based on a claim that CITY Materials furnished hereunder by Consultant and used within the scope of this CONTRACT infringe any copyright, patent, trade secret, trademark, or any other claimed intellectual property or proprietary right of third parties, and Consultant will pay any costs, damages and attorney's fees incurred by CITY. CITY will notify Consultant promptly and in writing of any such action or claim and will permit Consultant to fully participate in the defense thereof.

d. Consultant shall affix the following notice to all CITY Materials: "© Copyright 2011 (or such other appropriate date of first publication), CITY OF MANHATTAN BEACH. All Rights Reserved." Consultant shall affix such notice on the title page of all images, photographs, documents and writings, and otherwise as CITY may direct. In the event this CONTRACT is assigned to the COUNTY, Consultant hereby agrees to affix the following notice to all COUNTY Materials: "© Copyright 2011 (or such other appropriate date of first publication), COUNTY OF LOS ANGELES, All Rights Reserved."

e. CITY shall also have the sole right to control the preparation, modification, and revisions to, all acknowledgment and/or attribution language for all CITY Materials resulting from this CONTRACT. CITY will however, honor requests by Consultant seeking removal of all acknowledgment and/or attribution language relating to the Consultant, should Consultant no longer wish to receive attribution for its work on the CITY Materials.

f. If directed to do so by CITY, Consultant will place the CITY name and CITY logo on CITY Materials developed under this CONTRACT. Consultant may not however, use the CITY name and CITY logo on any other materials prepared or developed by Consultant that falls outside the scope of this CONTRACT.

8. Indemnification

Consultant agrees to indemnify, defend, and save harmless CITY, its City Council, officers, agents, and employees from and against any and all liability, expense, including defense costs and legal fees, and claims for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from, or connected with, Consultant's negligent, willful, or unlawful actions, operations, or services hereunder including any Workers' Compensation suits, liability, or expense arising from, or connected with, services pursuant to this CONTRACT.

9. Liability and Insurance

Consultant has selected one of the two alternative Indemnification and Insurance Provisions (Attachment 3) and has indicated its selection by initialing the selected alternative as follows:

Alternative 1 _____

Alternative 2 X

This CONTRACT shall be subject to the Indemnification and Insurance Provisions set forth in the alternative identified by Consultant above. Such provision is hereby incorporated into this Article by reference.

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10. Anti-Discrimination

Consultant agrees to comply with the following provisions of Section 4.32.010 et seq. of the Los Angeles County Code:

Consultant certifies and agrees that all persons employed by Consultant, its affiliates, subsidiaries, or holding companies are, and will be, treated equally by Consultant without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with state and Federal anti-discrimination laws. Consultant further certifies and agrees that it will deal with its subconsultants, bidders, and vendors without regard to or because of race, religion, ancestry, national origin, or sex. Consultant agrees to allow access to its employment records during regular business hours to verify compliance with the foregoing provisions when so requested by CITY.

Consultant specifically recognizes and agrees that if CITY finds that any of the foregoing provisions have been violated, the same shall constitute a material breach of CONTRACT upon which CITY may determine to cancel, terminate, or suspend the CONTRACT. While CITY reserves the right to determine individually that the anti-discrimination provision of the CONTRACTS have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Consultant has violated state or Federal anti-discrimination laws shall constitute a finding by CITY that Consultant has violated the anti-discrimination provisions of the CONTRACT.

At its option, and in lieu of canceling, terminating, or suspending the CONTRACT, CITY may impose damages for any violation of the anti-discrimination provisions of this paragraph, in the amount of Two Hundred Dollars (\$200) for each violation found and determined. CITY and Consultant specifically agree that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and the nature of the violation, it is impracticable and extremely difficult to fix actual damages.

11. Independent Contractor Status

This CONTRACT is by and between CITY and Consultant and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between CITY and Consultant.

Consultant understands and agrees that all persons furnishing services to CITY pursuant to this CONTRACT are, for purposes of Workers' Compensation liability, employees solely of Consultant and not of CITY.

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Consultant shall bear the sole responsibility and liability for furnishing workers' compensation benefits to any person for injuries arising from, or connected with, services performed on behalf of Consultant pursuant to this CONTRACT.

12. CITY'S Quality Assurance Plan

CITY, or its agent, will evaluate Consultant's performance under this CONTRACT on not less than an annual basis. Such evaluation will include assessing Consultant's compliance with all CONTRACT terms and performance standards. Consultant deficiencies which CITY determines are severe or continuing, and that may place performance of the CONTRACT in jeopardy if not corrected, will be reported to the City Council. The report will include improvement/corrective action measures taken by CITY and Consultant. If improvement does not occur consistent with the corrective action measures, CITY may terminate this CONTRACT or impose other penalties as specified in this CONTRACT.

13. Assignment

a. This CONTRACT shall not be assigned by Consultant without the prior written consent of CITY. Any attempt to assign without such consent shall be void and confer no rights on any third parties.


b. The CITY may assign this CONTRACT and all CITY'S rights and obligations hereunder to the County of Los Angeles. Upon such assignment, unless context suggests otherwise, all references in this CONTRACT to "City" shall be to "County," to "City Council" shall be to "Board of Supervisors" and "Director" shall be to the Los Angeles County Public Works Director. If the CONTRACT is assigned to the COUNTY, Consultant hereby agrees to comply with all the terms and conditions in this CONTRACT.

14. Forum Selection

Consultant hereby agrees to submit to the jurisdiction of the courts of the State of California. The exclusive venue of any action brought by Consultant, on Consultant's behalf or on the behalf of any subconsultant, which arises from this CONTRACT or is concerning or connected with services performed pursuant to this CONTRACT, shall be deemed to be in the courts of the State of California located in the County of Los Angeles, California.

15. Conflict of Interest

No CITY employee in a position to influence the award of this CONTRACT

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or any competing CONTRACT, and no spouse or economic dependent of such employee, shall be employed in any capacity by Consultant herein, or have any other direct or indirect financial interest in this CONTRACT.

16. Prohibition From Involvement in Bidding Process

Consultant understands and agrees that neither it nor its subsidiaries shall be involved in any way in the bidding process on any Request for Proposal developed or prepared by or with the assistance of Consultant's services rendered pursuant to this CONTRACT, either as a prime Contractor or subcontractor, or as a Consultant to any other prime Contractor or subcontractor. Any such involvement by Consultant shall result in the rejection by the CITY of the bid by the prime Contractor in question.

17. Lobbying

Should this CONTRACT be assigned pursuant to paragraph 13(b), Consultant and each COUNTY lobbyist or COUNTY lobbying firm as defined in COUNTY Code Section 2.160.010, retained by Consultant, shall fully comply with COUNTY Lobbyist Ordinance, COUNTY Code Chapter 2.160. Failure on the part of Consultant or any COUNTY lobbyist or COUNTY lobbying firm retained by Consultant to fully comply with COUNTY Lobbyist Ordinance shall constitute a material breach of this CONTRACT, upon which COUNTY may immediately terminate or suspend this CONTRACT.

18. Gratuities

It is improper for any CITY officer, employee, or agent to solicit consideration, in any form, from Consultant with the implication, suggestion, or statement that Consultant's provision of the consideration may secure more favorable treatment for Consultant in the award of the CONTRACT or that Consultant's failure to provide such consideration may negatively affect CITY'S consideration of Consultant's submittal. Consultant shall not offer or give, either directly or through an intermediary, consideration, in any form, to a CITY officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the CONTRACT.

Consultant shall immediately report any attempt by a CITY officer, employee, or agent to solicit such improper consideration. The report shall be made either to CITY manager charged with the supervision of the employee or, if this CONTRACT is assigned to the COUNTY pursuant to paragraph 13(b), to COUNTY Auditor-Controller's Employee Fraud Hotline, at (213) 974-0914 or (800) 544-6861. Failure to report such a solicitation may result in Consultant's submittal being eliminated from consideration.



Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

19. Employment of Laid-Off CITY Employees

Should Consultant, or any subconsultant performing more than \$250,000 of the CONTRACT value, require additional or replacement personnel to perform services under this CONTRACT other than the performance of a skilled trade, Consultant shall give first consideration for such employment openings to qualified CITY employees who are targeted for layoff or qualified former CITY employees who are on a re-employment list.

20. Consultant's Warranty of Adherence to CITY'S Child Support Compliance Program

Consultant acknowledges that CITY has established a goal of ensuring that all individuals who benefit financially from CITY through CONTRACT are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon CITY and its taxpayers.

In the event of assignment of this CONTRACT to the COUNTY, as required by COUNTY'S Child Support Compliance Program (COUNTY Code Chapter 2.200) and without limiting Consultant's duty under this CONTRACT to comply with all applicable provisions of law, Consultant warrants that it is now in compliance and shall during the term of this CONTRACT maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or DISTRICT Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

Failure of Consultant to maintain compliance with these requirements shall constitute a default by Consultant under this CONTRACT. Without limiting the rights and remedies available to CITY under any other provision of this CONTRACT, failure to cure such default within 90 days of notice by the Los Angeles COUNTY Child Support Services Department shall be grounds upon which this CONTRACT may be terminated.

21. Consultant's Acknowledgment of CITY'S Commitment to Child Support Enforcement

Consultant acknowledges that CITY places a high priority on the enforcement of child support laws and the apprehension of child support evaders. 14



Consultant understands that it is CITY'S policy to encourage all CITY consultants to voluntarily post COUNTY'S L.A.'s Most Wanted: Delinquent Parents poster in a prominent position at Consultant's place of business. The COUNTY of Los Angeles Child Support Services Department will supply Consultant with the poster to be used.

22. Termination For Improper Consideration

CITY may, by written notice to Consultant, immediately terminate the right of Consultant to proceed under this CONTRACT if it is found that consideration, in any form, was offered or given by Consultant, either directly or through an intermediary, to any CITY officer, employee, or agent with the intent of securing the CONTRACT or securing favorable treatment with respect to the award, amendment, or extension of the CONTRACT or the making of any determinations with respect to Consultant's performance pursuant to the CONTRACT. In the event of such termination, CITY shall be entitled to pursue the same remedies against Consultant as it could pursue in the event of default by Consultant.

In the event this CONTRACT is assigned to the COUNTY, Consultant shall immediately report any attempt by a COUNTY officer or employee to solicit such improper consideration. The report shall be made either to COUNTY manager charged with the supervision of the employee or to COUNTY Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

23. Consideration of GAIN/GROW Program Participants for Employment

Should Consultant require additional or replacement personnel after the effective date of this CONTRACT, Consultant shall give consideration for any such employment openings to participants in COUNTY'S Department of Public Social Services' Greater Avenues for Independence (GAIN) or General Relief Opportunity for Work (GROW) Program who meet Consultant's minimum qualifications for the open position. CITY will refer GAIN/GROW participants by job category to the Consultant.

24. Notice to Employees Regarding the Federal Earned Income Credit

Consultant shall notify its employees, and shall require each subconsultant to notify its employees, that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirement set forth in Internal Revenue Service Notice 1015.

25. Reduction of Solid Waste

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In the event this CONTRACT is assigned to the COUNTY, consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the COUNTY landfills, the Consultant agrees to use recycled-content paper to the maximum extent possible on the project.

26. CITY Rights

The CITY may employ, either during or after performance of this CONTRACT, any right of recovery the CITY may have against the Consultant by any means it deems appropriate including, but not limited to, set-off, action at law or in equity, withholding, recoupment, or counterclaim. The rights and remedies of the CITY under this CONTRACT are in addition to any right or remedy provided by California law.

27. Fair Labor Standards Act

Consultant shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless CITY, its agents, officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law including, but not limited to, the Federal Fair Labor Standards Act for services performed by Consultant's employees for which CITY may be found jointly or solely liable.

28. Prevailing Wage Requirements

Consultant shall comply with all applicable prevailing wage requirements. The subject project is a public work as defined in Section 1720 of the California Labor Code.

29. Employment Eligibility Verification

Consultant warrants that it fully complies with all Federal statutes and regulations regarding employment of aliens and others, and that all its employees performing services hereunder meet the citizenship or alien status requirements contained in Federal statutes and regulations. Consultant shall obtain, from all covered employees performing services hereunder, all verifications and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Consultant shall retain such documentation for all covered employees for the period prescribed by law. Consultant shall indemnify, defend, and hold harmless CITY, its officers and employees from employer sanctions and any other liability which may be assessed against Consultant or CITY in connection with any alleged violation of Federal statutes or regulations 16



pertaining to the eligibility for employment of persons performing services under this CONTRACT.

30. Consultant Responsibility and Debarment

a. A responsible Consultant is a Consultant who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the CONTRACT. The CITY desires to conduct business only with responsible Consultants.

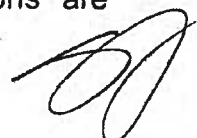
b. The Consultant is hereby notified that, in the event of assignment of this CONTRACT to the COUNTY, in accordance with Chapter 2.202 of the COUNTY Code, if the COUNTY acquires information concerning the performance of the Consultant on this or other CONTRACTS which indicates that the Consultant is not responsible, the COUNTY may, in addition to other remedies provided in the CONTRACT, debar the Consultant from bidding or proposing on, or being awarded, and/or performing work on COUNTY CONTRACTS for a specified period of time, which generally will not exceed five years but may exceed five years or be permanent if warranted by the circumstances, and terminate any or all existing CONTRACTS the Consultant may have with the COUNTY.

c. The COUNTY may debar a Consultant if the Board of Supervisors finds, in its discretion, that the Consultant has done any of the following: (1) violated a term of a CONTRACT with the COUNTY or a nonprofit corporation created by the COUNTY; (2) committed an act or omission which negatively reflects on the Consultant's quality, fitness or capacity to perform a CONTRACT with the COUNTY, any other public entity, or a nonprofit corporation created by the COUNTY, or engaged in a pattern or practice which negatively reflects on same; (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the COUNTY or any other public entity.

d. If there is evidence that the Consultant may be subject to debarment, the COUNTY department will notify the Consultant in writing of the evidence which is the basis for the proposed debarment and will advise the Consultant of the scheduled date for a debarment hearing before the Contractor Hearing Board.

e. The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Consultant and/or the Consultant's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether the Consultant should be debarred, and, if so, the appropriate length of time of the debarment. The Consultant and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board of Supervisors.

f. After consideration of any objections, or if no objections are

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submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

g. If the Consultant has been debarred for a period longer than five years, that Consultant may, after the debarment has been in effect for at least five years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. The COUNTY may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that the Consultant has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of the COUNTY.

h. The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) the Consultant has been debarred for a period longer than five years; (2) the debarment has been in effect for at least five years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.


The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

i. These terms shall also apply to subconsultants of COUNTY Consultants.

31. Compliance with Jury Service Program

Upon assignment of this CONTRACT to the COUNTY, this CONTRACT becomes subject to provisions of the COUNTY'S ordinance entitled Contractor Employee Jury Service (Jury Service Program) as codified in Sections 2.203.010 through 2.203.090 of the COUNTY Code.

a. Unless Contractor has demonstrated to the COUNTY'S satisfaction

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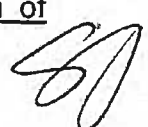
either that Contractor is not a Contractor as defined under the Jury Service Program (Section 2.203.020 of the COUNTY Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the COUNTY Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

b. For purposes of this Section, Contractor means a person, partnership, corporation or other entity which has a CONTRACT with the COUNTY or a subcontract with a COUNTY contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more COUNTY CONTRACTS or subcontracts. Employee means any California resident who is a full-time employee of Contractor. Full-time means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the COUNTY, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the COUNTY under the CONTRACT, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract CONTRACT and a copy of the Jury Service Program shall be attached to the CONTRACT.

c. If Contractor is not required to comply with the Jury Service Program when the CONTRACT commences, Contractor shall have a continuing obligation to review the applicability of its exception status from the Jury Service Program, and Contractor shall immediately notify COUNTY if Contractor at any time either comes within the Jury Service Program's definition of Contractor or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The COUNTY may also require, at any time during the CONTRACT and at its sole discretion, that Contractor demonstrate to the COUNTY'S satisfaction that Contractor either continues to remain outside the Jury Service Program's definition of Contractor and/or that Contractor continues to qualify for an exception to the Program.

d. Contractor's violation of this Section of the CONTRACT may constitute a material breach of the CONTRACT. In the event of such material breach, COUNTY may, in its sole discretion, terminate the Contractor and/or bar Contractor from the award of future COUNTY CONTRACTS for a period of time consistent with the seriousness of the breach.

32. No Payment for Services Provided Following Expiration/Termination of

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CONTRACT

Contractor shall have no claim against CITY for payment for any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this CONTRACT. Should Contractor receive any such payment it shall immediately notify CITY and shall immediately repay all such funds to CITY. Payment by CITY for services rendered after expiration/termination of this CONTRACT shall not constitute a waiver of CITY'S right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this CONTRACT.

33. Notice to Employees Regarding the Safely Surrendered Baby Law


In the event of assignment of this CONTRACT to the COUNTY, the Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles COUNTY, and how to safely surrender a baby. The fact sheet is also available on the Internet at www.babysafela.org for printing purposes.

The Contractor acknowledges that the COUNTY places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the COUNTY'S policy to encourage all COUNTY Contractors to voluntarily post the COUNTY'S Safely Surrendered Baby Law poster in a prominent position at the Contractor's place of business. The COUNTY'S Department of Children and Family Services will supply the Contractor with the poster to be used.

34. Assignment by Consultant If CONTRACT is Assigned to COUNTY

a. Consultant shall not assign its rights or delegate its duties under the CONTRACT, or both, whether in whole or in part, without the prior written consent of COUNTY, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this paragraph, COUNTY consent shall require a written amendment to the CONTRACT, which is formally approved and executed by the parties. Any payments by COUNTY to any approved delegate or assignee on any claim under the CONTRACT shall be deductible, at COUNTY'S sole discretion, against the claims which Consultant may have against COUNTY.

b. Shareholders, partners, members, or other equity holders of Consultant may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Consultant to any person(s), corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the CONTRACT, such disposition is an assignment requiring the prior written consent of COUNTY in accordance with applicable provisions of this CONTRACT.

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c. Any assumption, assignment, delegation, or takeover of any of the Consultant's duties, responsibilities, obligations, or performance of same by any entity other than the Consultant, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without COUNTY'S express prior written approval, shall be a material breach of the CONTRACT which may result in the termination of the CONTRACT. In the event of such termination, COUNTY shall be entitled to pursue the same remedies against Consultant as it could pursue in the event of default by Consultant.

35. Contractor's Warranty of Compliance with County's Defaulted Property Tax Reduction Program

In the event this CONTRACT is assigned to the COUNTY, Contractor acknowledges that COUNTY has established a goal of ensuring that all individuals and businesses that benefit financially from COUNTY through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon COUNTY and its taxpayers.

Unless contractor qualifies for an exemption or exclusion, contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this contract will maintain compliance, with COUNTY Code Chapter. 2.206.

36. Termination for Breach of Warranty to Maintain Compliance with COUNTY'S Defaulted Property Tax Reduction Program

In the event of assignment of this CONTRACT to the COUNTY, failure of Contractor to maintain compliance with the requirements set forth in Article 36 "Contractor's Warranty of Compliance with COUNTY'S Defaulted Property Tax Reduction Program" shall constitute default under this contract. Without limiting the rights and remedies available to COUNTY under any other provision of this contract, failure of contractor to cure such default within 10 days of notice shall be grounds upon which COUNTY may terminate this contract and/or COUNTY pursues debarment of contractor, pursuant to COUNTY Code Chapter 2.206.

37. Notices

Any notice required or desired to be given pursuant to this CONTRACT shall be given in writing and addressed as follows:

CITY

Department of Public Works
3621 Bell Avenue
Manhattan Beach, CA 90266

CONSULTANT

Johnson Favaro
5898 Blackwelder Street
Culver City, CA 90232
(310) 559-5720

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In the event this CONTRACT is assigned to the COUNTY, any notice required or desired to be given to the COUNTY pursuant to this CONTRACT shall be given in writing and addressed as follows:

Department of Public Works
Architectural Engineering Division
Contracts and Operations, 8th Floor
900 South Fremont Avenue
Alhambra, CA 91803

The address for notice may be changed by giving notice pursuant to this paragraph.

38. Entire CONTRACT

This CONTRACT constitutes the entire CONTRACT between CITY and Consultant and may be modified only by further written CONTRACT AMENDMENT between the parties hereto.

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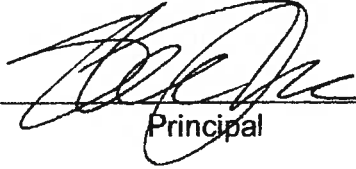


IN WITNESS WHEREOF, CITY has, by order of its City Council and Consultant has executed this CONTRACT, the day, month, and year herein first above written.

CITY OF MANHATTAN BEACH

JOHNSON FAVARO

By _____
David N. Carmany,
City Manager

By  _____
Principal

ATTEST:

City Clerk

APPROVED AS TO FORM:

By  _____
Special Counsel

(23

ALTERNATIVE 2

INDEMNIFICATION AND INSURANCE PROVISIONS

A. **INSURANCE**: Consultant shall, at its own expense, maintain with insurance companies acceptable to the COUNTY general liability, professional liability, comprehensive automobile liability, and workers' compensation insurance as set forth below:

1. **General Liability Insurance**: The Consultant shall maintain general liability insurance written on a commercial or comprehensive general liability form(s) that include(s) coverage for premises-operations, products/completed operations, contractual liability, broad-form property damage, and personal injury liability. The general liability policy shall have a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence.

2. **Professional Liability Insurance**: Consultant shall maintain professional liability insurance, including contractual liability coverage, with policy limits of at least One Million Dollars (\$1,000,000) per claim or occurrence and Two Million Dollars (\$2,000,000) in the aggregate.

3. **Comprehensive Automobile Insurance**: The Consultant shall maintain automobile insurance for all owned, non-owned, and hired vehicles with a combined single limit of One Million Dollars (\$1,000,000) per occurrence or accident.

4. **Workers' Compensation Insurance**: The Consultant shall maintain workers' compensation insurance in an amount and form which will meet all applicable requirements of the Labor Code of the State of California, including Employers' Liability Coverage with limits of One Million Dollars (\$1,000,000) per occurrence.

5. **General Conditions Relating to Insurance**:

a. **Additional Insureds**: The COUNTY, DISTRICT, its agents, appointed and elected officers, COUNTY Special DISTRICTS, and employees ("COUNTY and its related persons and entities") shall be named as additional insureds on each policy, except workers' compensation and professional liability insurance, the Consultant is required to provide under this AGREEMENT. Such insurance shall be primary to, and not contributing with, any other insurance maintained by or for the COUNTY and its related persons and entities.

b. **Waiver of Subrogation**: Each policy obtained by the Consultant to fulfill its obligations under this provision shall contain a provision waiving the right of the insurer to subrogate against the COUNTY and its related persons and entities for any liability covered by the policy.

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c. **Claims Made Policies**: If any of the policies obtained by the Consultant to fulfill its obligations under this provision are written on a claims-made basis, the policy shall be endorsed to provide an extended reporting period of not less than two years following the termination of this AGREEMENT or the Consultant's work on the project referred to in this AGREEMENT, whichever is later.

d. **Occurrence Policies**: If any of the policies obtained by the Consultant to fulfill its obligations under this provision are written on an occurrence basis, the policies and any endorsements required by this provision (including, but not limited to, the additional insured endorsements) shall be maintained in full force and effect for a period of not less than two years following the termination of this AGREEMENT or the Consultant's work on the project referred to in this AGREEMENT, whichever is later.

e. **Certificate of Insurance**: Prior to commencing work on the project referred to in this AGREEMENT, the Consultant shall provide to the COUNTY certificate(s) of insurance identifying the insurers, policies, coverages, and limits of liability for the insurance the Consultant is required to provide under this provision. Accompanying the certificate(s) shall be a copy of the required additional insured endorsement(s) to the policies obtained by the Consultant as set forth above.

f. **Notice of Cancellation or Nonrenewal**: Each policy shall require the insurer to give the COUNTY at least 30 days notice of termination of the policy by cancellation, rescission, nonrenewal, or otherwise. Notice shall also be given to COUNTY of any material change in the terms of the coverage required to be maintained by the Consultant under this provision.

g. **Delivery of Notices**: All certificates and notices required by this provision shall be in writing and shall be delivered to the Department Contract Administrator. The notices and certificates shall refer to this contract.

h. **Maintenance of Insurance**: The Consultant shall promptly pay the premiums on all insurance policies required under this provision. The Consultant further agrees that the policies shall remain in full force and effect as required by this AGREEMENT. Consultant shall immediately obtain replacement coverage for any policy which is terminated, canceled, non-renewed, or which has paid policy limits, or upon the insolvency of the insurer issuing the policy.

i. **Breach**: Failure on the part of Consultant to procure or maintain insurance as required by this provision shall constitute a material breach of this contract. In the event of such a breach, the COUNTY may, among other things, terminate this AGREEMENT, suspend work being performed on the project by or on behalf of the Consultant, or at its sole discretion, the COUNTY may obtain

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replacement coverage. In the event that replacement coverage is obtained, the Consultant shall, upon demand, repay the COUNTY for the full amount of premiums paid by the COUNTY for the replacement coverage. In its sole discretion, the COUNTY may offset the cost of premiums against any monies due to the Consultant from the COUNTY.

B. INDEMNIFICATION: To the fullest extent permitted by law, Consultant shall indemnify, defend, and hold harmless the COUNTY, DISTRICT, its agents, appointed and elected officers, COUNTY Special DISTRICTS, and employees ("COUNTY and its related persons and entities") from any and all claims, liabilities, expenses (including defense costs and legal fees), lawsuits, actions, proceedings, and damages of any nature whatsoever, including without limitation, brought for or on account of bodily injury, death, personal injury, or property damage (including property of Consultant), which arise out of, pertain to, or related to the negligence, recklessness or willful misconduct of the Consultant, its officers, agents, employees, representatives, contractors, subcontractors, consultants, or subconsultants of any tier. The obligation to indemnify the COUNTY is in addition to the obligation to procure insurance as set forth in this provision.

COUNTY agrees that prior to demanding a defense from the Consultant, that it or Consultant shall tender such claim to the insurers issuing the policies of insurance referred to in this provision. If the claims are not covered by any policy referred to in this provision, or the insurers fail or refuse to defend or indemnify the COUNTY or any of its related persons and entities, then the Consultant's duty to defend, indemnify and hold harmless the COUNTY under the foregoing indemnity provision shall apply in full.

Neither the Consultant, nor its agents and subconsultants of any tier, shall be obligated to indemnify the COUNTY and its related persons and entities for liabilities caused by the active or passive or otherwise negligence of the COUNTY and its related persons and entities. However, this provision does not limit any obligation to insure and defend the COUNTY and its related persons and entities arising under the policies of insurance maintained by the Consultant under this provision.

C. SUBCONSULTANTS' INSURANCE AND INDEMNIFICATION: Consultant shall require subcontractors, subconsultants, and independent contractors to maintain the same insurance coverage which it is required to maintain under this provision, including but not limited to, the obligation to name the COUNTY and its related persons and entities as additional insureds under each such policy.


Consultant further shall require its contractors, subcontractors, consultants, and subconsultants, to indemnify and defend the COUNTY and its related persons and entities from any and all claims, liabilities, expenses, lawsuits, actions, or proceedings arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of each contractor, subcontractor, consultant, subconsultant, or any tier.

Failure on the part of Consultant to require its subcontractors, subconsultants, and independent contractors to provide insurance and indemnification shall constitute a



material breach of this contract. In the event of such breach, the COUNTY may, among other things, terminate this AGREEMENT, suspend work being performed on the project by or on behalf of the Consultant, or in its sole discretion, the COUNTY may obtain replacement insurance coverage. In the event that replacement coverage is obtained, the Consultant shall, upon demand, repay the COUNTY for the full amount of premiums paid by the COUNTY for the replacement coverage. In its sole discretion, the COUNTY may offset the cost of premiums against any monies due to the Consultant from the COUNTY.

Consultant agrees to the above Indemnification and Insurance Provisions.



Initials

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**Manhattan Beach Library
Debt Service and Operating Surplus Summary**

Net Interest Cost: 4.25%

Project Cost	22,571,000	10,269,332	County Library Operating Surplus			Debt Service Payment Funding			Available Operating Surplus	Unfunded Debt Service	Fiscal Yr.
			Annual Revenue (3)	Annual Operating Cost (4)	Annual Operating Surplus	Annual Debt Svc Payment	Capitalized Interest (5)	Operating Surplus Contribution (6)			
2011-12	0	0	2,706,000	(1,521,000)	1,185,000	0	0	0	0	0	2011-12
2012-13	600,842	273,371	2,733,060	(1,536,210)	1,196,850	273,371	(273,371)	0	0	0	2012-13
2013-14	1,201,684	546,741	2,760,391	(339,572)	2,420,819	546,741	(546,741)	0	0	0	2013-14
2014-15	1,201,684	546,741	2,815,588	(1,949,803)	865,785	546,741	(546,741)	0	865,785	0	2014-15
2015-16	1,201,684	546,741	2,871,910	(1,988,800)	883,111	546,741	0	(546,741)	336,370	0	2015-16
2016-17	1,836,134	835,402	2,929,349	(2,028,575)	900,773	835,402	0	(835,402)	65,371	0	2016-17
2017-18	1,836,132	835,402	2,987,938	(2,069,147)	918,799	835,402	0	(835,402)	83,387	0	2017-18
2018-19	1,836,132	835,402	3,047,894	(2,110,530)	937,364	835,402	0	(835,402)	101,763	0	2018-19
2019-20	1,836,136	835,403	3,109,648	(2,152,741)	955,908	835,402	0	(835,402)	120,506	0	2019-20
2020-21	1,836,132	835,402	3,170,821	(2,195,795)	975,028	835,403	0	(835,403)	139,622	0	2020-21
2021-22	1,836,132	835,402	3,234,238	(2,239,711)	994,528	835,402	0	(835,402)	159,125	0	2021-22
2022-23	1,836,133	835,402	3,299,922	(2,284,505)	1,014,417	835,402	0	(835,402)	179,015	0	2022-23
2023-24	1,836,133	835,402	3,364,901	(2,330,196)	1,034,705	835,402	0	(835,402)	199,303	0	2023-24
2024-25	1,836,136	835,403	3,432,199	(2,376,800)	1,055,399	835,403	0	(835,403)	219,986	0	2024-25
2025-26	1,836,133	835,402	3,500,843	(2,424,336)	1,076,507	835,402	0	(835,402)	241,105	0	2025-26
2026-27	1,836,133	835,402	3,570,880	(2,472,822)	1,098,057	835,402	0	(835,402)	262,635	0	2026-27
2027-28	1,836,136	835,403	3,642,277	(2,522,279)	1,119,998	835,403	0	(835,403)	284,595	0	2027-28
2028-29	1,836,134	835,402	3,715,122	(2,572,724)	1,142,398	835,402	0	(835,402)	306,996	0	2028-29
2029-30	1,836,132	835,402	3,789,425	(2,624,179)	1,165,246	835,402	0	(835,402)	329,844	0	2029-30
2030-31	1,836,132	835,402	3,865,213	(2,676,662)	1,188,551	835,402	0	(835,402)	353,149	0	2030-31
2031-32	1,836,136	835,403	3,942,518	(2,730,196)	1,212,322	835,403	0	(835,403)	376,919	0	2031-32
2032-33	1,836,132	835,402	4,021,368	(2,784,799)	1,236,568	835,402	0	(835,402)	401,167	0	2032-33
2033-34	1,836,132	835,402	4,101,795	(2,840,495)	1,261,300	835,402	0	(835,402)	425,898	0	2033-34
2034-35	1,836,133	835,402	4,183,831	(2,897,305)	1,286,526	835,402	0	(835,402)	451,124	0	2034-35
2035-36	1,836,132	835,402	4,267,508	(2,955,251)	1,312,256	835,402	0	(835,402)	476,855	0	2035-36
2036-37	1,836,134	835,402	4,352,858	(3,014,356)	1,338,501	835,402	0	(835,402)	503,099	0	2036-37
2037-38	1,836,135	835,403	4,439,915	(3,074,644)	1,365,271	835,403	0	(835,403)	529,869	0	2037-38
2038-39	1,836,131	835,401	4,528,713	(3,136,136)	1,392,577	835,401	0	(835,401)	557,176	0	2038-39
2039-40	1,836,133	835,402	4,619,288	(3,198,859)	1,420,428	835,402	0	(835,402)	585,026	0	2039-40
2040-41	1,836,131	835,401	4,711,673	(3,262,836)	1,448,837	835,401	0	(835,401)	613,436	0	2040-41
	50,109,223	22,798,645	107,714,873	(72,311,266)	35,403,606	22,798,645	(1,366,853)	(21,431,793)	9,169,145	0	

- Notes:
- (1) Gross Project Cost reflects total project cost estimate
 - (2) Net Project Cost reflect total project cost estimate less projected Designation balance through 2013-14 plus savings from 1.5 year closure or service reduction
 - (3) Revenue assumes 1.0% annual growth from 2011-12 to 2013-14 and 2.0% annual growth in 2014-15 and thereafter
 - (4) Operating Cost assumes 1.0% annual growth from 2011-12 through 2013-14, a reduction of \$1.2 million in costs during closure or service reduction during construction in 2013-14; a one-time increase of \$360,000 in library opening costs in 2014-15; and 2.0% annual growth in 2014-15 and thereafter
 - (5) Reflects interest on bonds that is funded from proceeds of the bond issue
 - (6) Reflects application of \$12,301,668 in projected Designation balances through 2013-14 to downsize the Gross Project Cost and funding of annual debt service payments from the Library's annual operating surplus beginning in 2015-16.

**Manhattan Beach Library
Debt Service and Operating Surplus Summary**

Fiscal Yr.	Net Interest Cost: 4.50%		County Library Operating Surplus		Debt Service Payment Funding			Available Operating Surplus	Unfunded Debt Service	Fiscal Yr.
	Project Cost	10,288,332	Annual Revenue (3)	Annual Operating Cost (4)	Annual Debt Svc Payment	Capitalized Interest (5)	Operating Surplus Contribution (6)			
2011-12	0	0	2,706,000	(1,521,000)	0	0	0	0	0	2011-12
2012-13	643,540	292,797	2,733,060	(1,536,210)	292,797	(292,797)	0	0	0	2012-13
2013-14	1,287,080	585,594	2,760,391	(339,572)	585,594	(585,594)	0	0	0	2013-14
2014-15	1,287,080	585,594	2,815,598	(1,949,803)	585,594	(585,594)	0	865,795	0	2014-15
2015-16	1,287,080	585,594	2,871,910	(1,988,800)	585,594	0	(585,594)	297,516	0	2015-16
2016-17	1,905,632	867,023	2,929,349	(2,028,576)	867,023	0	(867,023)	33,751	0	2016-17
2017-18	1,905,631	867,022	2,987,936	(2,069,147)	867,022	0	(867,022)	51,768	0	2017-18
2018-19	1,905,629	867,021	3,047,694	(2,110,630)	867,021	0	(867,021)	70,143	0	2018-19
2019-20	1,905,629	867,021	3,108,648	(2,152,741)	867,021	0	(867,021)	88,886	0	2019-20
2020-21	1,905,627	867,020	3,170,821	(2,195,795)	867,020	0	(867,020)	108,005	0	2020-21
2021-22	1,905,630	867,022	3,234,238	(2,239,711)	867,022	0	(867,022)	127,505	0	2021-22
2022-23	1,905,627	867,020	3,298,922	(2,284,505)	867,020	0	(867,020)	147,398	0	2022-23
2023-24	1,905,630	867,022	3,364,901	(2,330,186)	867,022	0	(867,022)	167,683	0	2023-24
2024-25	1,905,631	867,022	3,432,199	(2,376,800)	867,022	0	(867,022)	188,377	0	2024-25
2025-26	1,905,630	867,022	3,500,843	(2,424,336)	867,022	0	(867,022)	209,486	0	2025-26
2026-27	1,905,631	867,022	3,570,860	(2,472,822)	867,022	0	(867,022)	231,015	0	2026-27
2027-28	1,905,628	867,021	3,642,277	(2,522,279)	867,021	0	(867,021)	252,876	0	2027-28
2028-29	1,905,629	867,021	3,715,122	(2,572,724)	867,021	0	(867,021)	275,377	0	2028-29
2029-30	1,905,629	867,021	3,789,425	(2,624,179)	867,021	0	(867,021)	298,225	0	2029-30
2030-31	1,905,627	867,021	3,865,213	(2,676,682)	867,021	0	(867,021)	321,530	0	2030-31
2031-32	1,905,632	867,020	3,942,518	(2,730,196)	867,020	0	(867,020)	345,302	0	2031-32
2032-33	1,905,632	867,023	4,021,368	(2,784,799)	867,023	0	(867,023)	368,546	0	2032-33
2033-34	1,905,627	867,020	4,101,795	(2,840,495)	867,020	0	(867,020)	394,279	0	2033-34
2034-35	1,905,627	867,020	4,183,831	(2,897,305)	867,020	0	(867,020)	419,505	0	2034-35
2035-36	1,905,629	867,021	4,267,508	(2,955,251)	867,021	0	(867,021)	445,235	0	2035-36
2036-37	1,905,632	867,023	4,352,858	(3,014,356)	867,023	0	(867,023)	471,479	0	2036-37
2037-38	1,905,630	867,022	4,439,915	(3,074,644)	867,022	0	(867,022)	498,250	0	2037-38
2038-39	1,905,628	867,021	4,528,713	(3,136,136)	867,021	0	(867,021)	525,555	0	2038-39
2039-40	1,905,628	867,021	4,619,288	(3,198,859)	867,021	0	(867,021)	553,407	0	2039-40
2040-41	1,905,628	867,021	4,711,673	(3,262,836)	867,021	0	(867,021)	581,816	0	2040-41
	52,145,515	23,725,115	107,714,873	(72,311,266)	23,725,115	(1,463,986)	(22,261,129)	8,339,808	0	

Notes: (1) Gross Project Cost reflects total project cost estimate
(2) Net Project Cost reflect total project cost estimate less projected Designation balance through 2013-14 plus savings from 1.5 year closure or service reduction
(3) Revenue assumes 1.0% annual growth from 2011-12 to 2013-14 and 2.0% annual growth in 2014-15 and thereafter
(4) Operating Cost assumes 1.0% annual growth from 2011-12 through 2013-14; a reduction of \$1.2 million in costs during closure or service reduction during construction in 2013-14; a one-time increase of \$360,000 in library opening costs in 2014-15; and 2.0% annual growth in 2014-15 and thereafter
(5) Reflects interest on bonds that is funded from proceeds of the bond issue
(6) Reflects application of \$12,301,668 in projected Designation balances through 2013-14 to downsize the Gross Project Cost and funding of annual debt service payments from the Library's annual operating surplus beginning in 2015-16.

**Manhattan Beach Library
Debt Service and Operating Surplus Summary**

Net Interest Cost: 4.75%

Project Cost	22,571,000	10,269,332	County Library Operating Surplus			Debt Service Payment Funding			Available Operating Surplus	Unfunded Debt Service	Fiscal Yr.
			Annual Revenue (3)	Annual Operating Cost (4)	Annual Operating Surplus	Annual Debt Svc Payment	Capitalized Interest (5)	Operating Surplus Contribution (6)			
2011-12	0	0	2,709,000	(1,521,000)	1,185,000	0	0	0	0	0	2011-12
2012-13	687,257	312,688	2,735,060	(1,536,210)	1,196,850	312,688	(312,688)	0	0	0	2012-13
2013-14	1,374,513	625,375	2,760,391	(339,572)	2,420,819	625,375	(625,375)	0	0	0	2013-14
2014-15	1,374,513	625,375	2,815,998	(1,949,803)	865,795	625,375	(625,375)	0	865,795	0	2014-15
2015-16	1,374,513	625,375	2,871,910	(1,988,800)	883,110	625,375	0	(825,375)	257,736	0	2015-16
2016-17	1,977,475	899,710	2,929,349	(2,028,575)	900,773	899,710	0	(899,710)	1,063	0	2016-17
2017-18	1,977,474	899,709	2,987,936	(2,069,147)	918,789	899,709	0	(899,709)	19,079	0	2017-18
2018-19	1,977,475	899,710	3,047,694	(2,110,530)	937,164	899,710	0	(899,710)	37,455	0	2018-19
2019-20	1,977,474	899,709	3,108,948	(2,152,741)	955,908	899,709	0	(899,709)	56,198	0	2019-20
2020-21	1,977,474	899,709	3,170,821	(2,195,795)	975,026	899,709	0	(899,709)	75,317	0	2020-21
2021-22	1,977,474	899,709	3,234,236	(2,239,711)	994,525	899,709	0	(899,709)	94,817	0	2021-22
2022-23	1,977,475	899,710	3,298,922	(2,284,505)	1,014,417	899,710	0	(899,710)	114,707	0	2022-23
2023-24	1,977,477	899,711	3,364,901	(2,330,196)	1,034,705	899,711	0	(899,711)	134,995	0	2023-24
2024-25	1,977,474	899,709	3,432,189	(2,376,800)	1,055,389	899,709	0	(899,709)	155,690	0	2024-25
2025-26	1,977,473	899,709	3,500,843	(2,424,336)	1,076,507	899,709	0	(899,709)	176,796	0	2025-26
2026-27	1,977,473	899,709	3,570,860	(2,472,822)	1,098,037	899,709	0	(899,709)	198,329	0	2026-27
2027-28	1,977,476	899,710	3,642,277	(2,522,279)	1,119,998	899,710	0	(899,710)	220,288	0	2027-28
2028-29	1,977,473	899,709	3,715,122	(2,572,724)	1,142,398	899,709	0	(899,709)	242,699	0	2028-29
2029-30	1,977,474	899,709	3,789,425	(2,624,179)	1,165,246	899,709	0	(899,709)	265,537	0	2029-30
2030-31	1,977,474	899,709	3,865,213	(2,676,662)	1,188,551	899,709	0	(899,709)	288,842	0	2030-31
2031-32	1,977,473	899,709	3,942,518	(2,730,196)	1,212,322	899,709	0	(899,709)	312,613	0	2031-32
2032-33	1,977,473	899,709	4,021,368	(2,784,799)	1,236,568	899,709	0	(899,709)	336,860	0	2032-33
2033-34	1,977,472	899,708	4,101,795	(2,840,495)	1,261,300	899,710	0	(899,710)	361,590	0	2033-34
2034-35	1,977,476	899,708	4,183,831	(2,897,305)	1,286,526	899,708	0	(899,708)	386,818	0	2034-35
2035-36	1,977,475	899,710	4,267,508	(2,955,251)	1,312,256	899,710	0	(899,710)	412,547	0	2035-36
2036-37	1,977,473	899,709	4,352,858	(3,014,356)	1,338,501	899,709	0	(899,709)	438,793	0	2036-37
2037-38	1,977,476	899,710	4,439,915	(3,074,644)	1,365,271	899,711	0	(899,711)	465,561	0	2037-38
2038-39	1,977,477	899,711	4,528,713	(3,136,136)	1,392,577	899,711	0	(899,711)	492,866	0	2038-39
2039-40	1,977,473	899,709	4,619,288	(3,198,859)	1,420,428	899,709	0	(899,709)	520,720	0	2039-40
2040-41	1,977,476	899,710	4,711,673	(3,262,836)	1,448,837	899,710	0	(899,710)	549,127	0	2040-41
	54,247,655	24,681,545	107,714,873	(72,311,266)	35,403,606	24,681,545	(1,563,437)	(23,118,108)	7,482,830	0	

- (1) Gross Project Cost reflects total project cost estimate
- (2) Net Project Cost reflect total project cost estimate less projected Designation balance through 2013-14 plus savings from 1.5 year closure or service reduction
- (3) Revenue assumes 1.0% annual growth from 2011-12 to 2013-14 and 2.0% annual growth in 2014-15 and thereafter
- (4) Operating Cost assumes 1.0% annual growth from 2011-12 through 2013-14; a reduction of \$1.2 million in costs during closure or service reduction during construction in 2013-14; a one-time increase of \$360,000 in library opening costs in 2014-15; and 2.0% annual growth in 2014-15 and thereafter
- (5) Reflects interest on bonds that is funded from proceeds of the bond issue
- (6) Reflects application of \$12,301,668 in projected Designation balances through 2013-14 to downsize the Gross Project Cost and funding of annual debt service payments from the Library's annual operating surplus beginning in 2015-16.

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**Manhattan Beach Library
Debt Service and Operating Surplus Summary**

Project Cost	Net Interest Cost: 5.00%	County Library Operating Surplus			Debt Service Payment Funding			Available Operating Surplus	Unfunded Debt Service	Fiscal Yr.
		Annual Revenue (3)	Annual Operating Cost (4)	Annual Operating Surplus	Annual Debt Svc Payment	Capitalized Interest (5)	Operating Surplus Contribution (6)			
	10,269,332									
	22,571,000									
			Net Project Cost (2)							
2011-12	0	2,706,000	0	1,185,000	(1,521,000)	333,059	0	0	0	2011-12
2012-13	732,032	2,733,060	333,059	1,196,850	(1,536,210)	666,119	333,059	0	0	2012-13
2013-14	1,464,065	2,760,391	666,119	2,420,819	(339,572)	666,119	(333,059)	0	0	2013-14
2014-15	1,464,065	2,815,598	666,119	865,795	(1,949,803)	666,119	(666,119)	0	0	2014-15
2015-16	1,464,065	2,871,910	666,119	883,111	(1,988,800)	666,119	0	(666,119)	0	2015-16
2016-17	2,051,748	2,929,349	933,501	900,773	(2,028,575)	933,501	0	(900,773)	32,728	2016-17
2017-18	2,051,748	2,987,936	933,501	918,789	(2,069,147)	933,501	0	(918,789)	14,713	2017-18
2018-19	2,051,745	3,047,694	933,501	937,164	(2,110,530)	933,501	0	(933,501)	3,663	2018-19
2019-20	2,051,749	3,108,948	933,503	955,908	(2,152,741)	933,503	0	(933,503)	22,405	2019-20
2020-21	2,051,745	3,170,821	933,501	975,026	(2,195,795)	933,501	0	(933,501)	41,525	2020-21
2021-22	2,051,749	3,234,238	933,503	994,526	(2,239,711)	933,503	0	(933,503)	61,024	2021-22
2022-23	2,051,748	3,298,922	933,502	1,014,417	(2,284,505)	933,502	0	(933,502)	80,915	2022-23
2023-24	2,051,745	3,364,901	933,501	1,034,705	(2,330,196)	933,501	0	(933,501)	101,204	2023-24
2024-25	2,051,748	3,432,199	933,502	1,055,399	(2,376,800)	933,502	0	(933,502)	121,897	2024-25
2025-26	2,051,747	3,500,843	933,502	1,076,507	(2,424,336)	933,502	0	(933,502)	143,005	2025-26
2026-27	2,051,745	3,570,860	933,501	1,098,037	(2,472,822)	933,501	0	(933,501)	164,536	2026-27
2027-28	2,051,748	3,642,277	933,502	1,119,998	(2,522,279)	933,502	0	(933,502)	186,496	2027-28
2028-29	2,051,746	3,715,122	933,501	1,142,398	(2,572,724)	933,501	0	(933,501)	208,897	2028-29
2029-30	2,051,747	3,789,425	933,502	1,165,246	(2,624,179)	933,502	0	(933,502)	231,744	2029-30
2030-31	2,051,749	3,865,213	933,503	1,188,551	(2,676,662)	933,503	0	(933,503)	255,048	2030-31
2031-32	2,051,749	3,942,518	933,503	1,212,322	(2,730,196)	933,503	0	(933,503)	278,819	2031-32
2032-33	2,051,747	4,021,368	933,502	1,238,568	(2,784,799)	933,502	0	(933,502)	303,067	2032-33
2033-34	2,051,748	4,101,795	933,502	1,261,300	(2,840,495)	933,502	0	(933,502)	327,797	2033-34
2034-35	2,051,746	4,183,831	933,501	1,286,526	(2,897,305)	933,501	0	(933,501)	353,024	2034-35
2035-36	2,051,750	4,267,508	933,503	1,312,256	(2,955,251)	933,503	0	(933,503)	378,753	2035-36
2036-37	2,051,749	4,352,858	933,503	1,338,501	(3,014,356)	933,503	0	(933,503)	404,999	2036-37
2037-38	2,051,748	4,439,915	933,502	1,365,271	(3,074,644)	933,502	0	(933,502)	431,789	2037-38
2038-39	2,051,748	4,528,713	933,502	1,392,577	(3,136,136)	933,502	0	(933,502)	459,075	2038-39
2039-40	2,051,747	4,619,288	933,502	1,420,428	(3,198,859)	933,502	0	(933,502)	486,927	2039-40
2040-41	2,051,748	4,711,673	933,502	1,448,837	(3,262,836)	933,502	0	(933,502)	515,335	2040-41
	56,417,910	107,714,673	25,668,966	35,403,606	(72,311,266)	25,668,966	(1,665,297)	(23,956,227)	6,844,710	47,441

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- (4) Operating Cost assumes 1.0% annual growth from 2011-12 through 2013-14; a reduction of \$1.2 million in costs during closure or service reduction during construction in 2013-14; a one-time increase of \$360,000 in library opening costs in 2014-15; and 2.0% annual growth in 2014-15 and thereafter
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