CITY COUNCIL
MEETING AGENDA

CITY OF MONTEBELLO CITY COUNCIL/SUCCESSOR AGENCY
CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA[1] [1[2]]
WEDNESDAY, APRIL 8, 2020

5:30 P.M.

MONTEBELLO CITY COUNCIL

SALVADOR MELENDEZ
MAYOR

KIMBERLY A. COBOS-CAWTHORNE
MAYOR PRO TEM

ANGIE M. JIMENEZ
COUNCILMEMBER

DAVID N. TORRES
COUNCILMEMBER

JACK HADJINIAN
COUNCILMEMBER

CITY CLERK
IRMA BARAJAS

CITY TREASURER
RAFAEL GUTIERREZ

CITY STAFF

CITY MANAGER
René Bobadilla

CITY ATTORNEY
Arnold M. Alvarez-Glasman

DEPARTMENT HEADS

Assistant City Manager	**Arlene Salazar**
Fire Chief	**Fernando Pelaez**
Police Chief	**Brad Keller**
Director of Finance	**Michael Solorza**
Director of Human Resources	**Nicholas Razo**
Director of Planning/Community Development	**Joseph Palombi**
Director of Public Works	**James Enriquez**
Director of Recreation and Community Services	**David Sosnowski**
Director of Transportation	**Young-Gi Kim Harabedian**

OPENING CEREMONIES

1. CALL MEETING TO ORDER: Mayor Melendez

2. ROLL CALL: City Clerk I. Barajas

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[1] *In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Building Official at 323/887-1497. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II1203). If you require translation services, please contact the City Clerk's Office 24 hours before this meeting. Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 24 horas antes de esta reunión.*

3. STATEMENT OF PUBLIC ORAL COMMUNICATIONS FOR CLOSED SESSION ITEMS:

Members of the public interested in addressing the City Council on Closed Session items must fill out a form provided at the door, and turn it in to the City Clerk prior to the announcement of Closed Session items.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE,
ALL CELL PHONES AND PAGERS.
THANK YOU FOR YOUR COOPERATION.

ORAL COMMUNICATIONS ON CLOSED SESSION ITEMS

CLOSED SESSION – 5:30 P.M.

The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Government Code Section 54956.9(d)(2)
One matter

5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Katherine Weaver v. City of Montebello
U.S.D.C. Case No. 2:19-cv-01585-DMG-FFM

6. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Government Code Section 54956.9(d)(1)
Dragoo v. Montebello
WCAB case no. ADJ9623424

7. THREAT TO PUBLIC SERVICES OR FACILITIES
Government Code Section 54957
Consultation with City Manager, Police Chief, City Attorney and other related City officials.

8. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code Section 54956.8
Property: 901 Via San Clemente
Agency: Rene Bobadilla
Negotiating Parties: Kix Soccer
Under negotiation: Terms of payment or price

9. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Government Code section 54956.8
Property: 901 Via San Clemente, Montebello, CA
Agency's Negotiator: René Bobadilla, City Manager
Negotiating Party: Transports
Under Negotiation: Price and Terms

REGULAR SESSION - 6:30 P.M.

10. INVOCATION

11. PLEDGE OF ALLEGIANCE

12. STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

13. CORRECTIONS TO THE AGENDA – CITY MANAGER

14. STATEMENT OF PUBLIC ORAL COMMUNICATIONS: Members of the public interested in addressing the City Council on any agenda item or topic must fill out a form provided at the door, and turn it in to the City Clerk prior to the beginning Oral communications. A form does not need to be submitted for public hearing items.

Speakers wishing to address the City Council on an item that is not on the agenda will be called upon in the order that their speaker card was received. Those persons not accommodated during this thirty (30) minute period will have an opportunity to speak under "Oral Communications – Continued" after all scheduled matters have been considered.

Please be aware that the maximum time allotted for individuals to speak shall not exceed three (3) minutes per speaker. Please be aware that in accordance with State Law, the City Council may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

At this City Council meeting and consistent with the Governor's Executive Order No. N-29-20, the City Council meeting will continue to be live streamed for the public's convenience and can be watched at www.cityofmontebello.com and click on Live Stream. For those interested in making public comments, you may call on Wednesday April 8, 2020 between 9:00 a.m. – 3:00 p.m. at (323) 887-1437. Staff will complete public comment cards in the order received. The public will be called during the City Council meeting that begins at 6:30 p.m. the exact call back time is not predictable due to the nature of the City Council agenda. As a result, you must be available until the end of the meeting to receive a live call from staff during the meeting. The City has created an email address ccpubliccomment@cityofmontebello.com where the public can submit public comments from 4:30 p.m. – 5:30 p.m. on Wednesday, April 8, 2020. These questions will be read out loud and submitted for the record. The email address for City Council meetings can be located on the City's webpage under the City Clerk tab,
https://www.cityofmontebello.com/department/administration/city-clerk-s-office.html.

15. PUBLIC ORAL COMMUNICATIONS ON OPEN SESSION ITEMS (30 MINUTES)

16. APPROVAL OF AGENDA: Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion with the exception of any item which a member of the public or City Council has requested to speak upon. Such approval will also waive the reading of any ordinance.

CONSENT MATTERS

17. APPROVE THE PROPOSAL FROM SINAI CONSTRUCTION AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE NECESSARY DOCUMENTS ON BEHALF OF THE CITY FOR REPAIRS TO THE PROPERTY LOCATED AT 425 N. MONTEBELLO BLVD

RECOMMENDATION: It is recommended that the City Council:

1) Approve the Proposal and authorize project funding in an amount not to exceed $75,000 for Sinai Construction for repairs to the property located at 425 N. Montebello Blvd;

2) Authorize the City Manager to execute the necessary documents on behalf of the City;

3) Approve a budget amendment to the Fiscal Year 2019-20 budget, transferring funds from Restricted Fund Balance (Account No. 810-2920) to Building Maintenance and Repairs (Account No. 810-99-6040.60) in the amount of $75,000.

18. APPROVE A RESOLUTION ADOPTING THE LIST OF PROJECTS FOR FISCAL YEAR 2020-21 FUNDED BY SENATE BILL 1 – THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

RECOMMENDATION: It is recommended that the City Council:

Approve a Resolution adopting the list of projects for Fiscal Year 2020-21 funded by Senate Bill 1 – The Road Repair and Accountability Act of 2017.

19. SELECTION FOR AWARD OF CONTRACT FOR THIRD PARTY ADMINISTRATOR (TPA) OF THE CITY'S SELF-FUNDED GENERAL LIABILITY & WORKERS COMPENSATION PROGRAMS

RECOMMENDATION: It is recommended that the City Council:

1) Authorize the City Manager to execute an agreement with an approval by the City Council to a three-year contract with two (2) one-year renewal options pursuant to RFP 19-60 and RFP 19-61 with Hazelrigg Claims Management Services, Inc.; and

2) Authorize the City Manager to maintain the month-to-month contract with Sedgwick for up to two (2) months to allow an effective transition of the City's general liability and workers' compensation programs from Sedgwick to Hazelrigg Claims Management Services, Inc. Said contract extension shall extend the City's contract with Sedgwick to June 30, 2020. The extension shall be terminable at any time prior to June 30, 2020.

20. AWARD OF PROFESSIONAL SERVICES AGREEMENT FOR JAIL SERVICES AS DETAILED IN RFP # 19-55

RECOMMENDATION: It is recommended that the City Council:

1) Award a Professional Services Agreement for official operation of the Montebello Police Department's Type 1 Jail Facility as detailed in RFP #19-55; and

2) Authorize the City Manager to execute the Professional Services Agreement on behalf of the City.

21. CERTIFICATION OF RESULTS OF MARCH 3, 2020 SPECIAL MUNICIPAL ELECTION

RECOMMENDATION: It is recommended that the City Council:

Move to adopt the Resolution reciting the facts of the Special Municipal Election held on March 3, 2020, declaring the results and such other matters as required by law.

22. APPROVAL OF AGREEMENT FOR TRANSACTIONS TAX AUDIT AND INFORMATION SERVICES

RECOMMENDATION: It is recommended that the City Council:

Authorize the City Manager to approve an agreement with Hinderliter, deLlamas and Associates to perform Transactions Tax Audit and Information Services related to Measure H.

23. APPROVAL OF RESOLUTION TO EXECUTE AGREEMENTS WITH STATE TO ADMINISTER LOCAL TRANSACTION AND USE TAX (MEASURE H)

RECOMMENDATION: It is recommended that the City Council:

Approve a resolution executing agreements with the California Department of Tax and Fee Administration (CDTFA) for implementation of the local transaction and use tax (Measure H).

24. TEMPORARY CHANGE IN CITY COUNCIL MEETING TIME

RECOMMENDATION: It is recommended that the City Council:

It is recommended that the City Council approve a temporary change in City Council meeting time during the COVID-19 pandemic Stay at Home Order.

25. PAYMENT OF BILLS: RESOLUTION APPROVING THE CITY/SUCCESSOR AGENCY WARRANT REGISTER OF DEMANDS DATED APRIL 8, 2020

RECOMMENDED ACTION: It is recommended that the City Council:

Adopt the proposed resolution approving the Warrant Register dated April 8, 2020.

26. PUBLIC ORALS – IF NEEDED

27. INTERGOVERNMENTAL AGENCY MEETINGS UPDATE

COUNCIL ORALS

28. MAYOR PRO TEM COBOS-CAWTHORNE

None.

29. COUNCILMEMBER JIMENEZ

None.

30. COUNCILMEMBER TORRES

None.

31. COUNCILMEMBER HADJINIAN

None.

32. MAYOR MELENDEZ

None.

ADJOURNMENT

NOTES

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning and Community Development

SUBJECT: Approve the Proposal from Sinai Construction and Authorize the City Manager to execute the necessary documents on behalf of the City for repairs to the property located at 425 N. Montebello Blvd.

DATE: April 8, 2020

RECOMMENDATION

It is recommended that the City Council:

1) Approve the Proposal and authorize project funding in an amount not to exceed $75,000 for Sinai Construction for repairs to the property located at 425 N. Montebello Blvd;

2) Authorize the City Manager to execute the necessary documents on behalf of the City;

3) Approve a budget amendment to the Fiscal Year 2019-20 budget, transferring funds from Restricted Fund Balance (Account No. 810-2920) to Building Maintenance and Repairs (Account No. 810-99-6040.60) in the amount of $75,000.

BACKGROUND

The Housing Rehabilitation and Preservation Program ("HRPP") provides financial assistance through a low-interest loan using the HOME program funds from the U.S. Department of Housing and Urban Development ("HUD") to help qualifying low- to moderate-income households perform necessary home repairs and maintenance.

On July 24, 2013, Mr. Edward Garcia and Mrs. Edwina Garcia (collectively referred to as the "Applicant") applied for a loan through the HRPP in the amount of $80,000. Upon receipt of all necessary documents, the City of Montebello approved the HRPP application for 425 N. Montebello Boulevard (the "Subject Property"). The Subject

Property was developed in 1952 with a 1,120-square-foot, one-story, single-family home and an attached garage.

Following the application approval, the City opened a bid during late August through mid-September of 2013 to find a contractor for the project. The scope of the project (the "Project") involved complete home improvement from years of gradual depletion listed as follows:

- Leveling of the single family dwelling and foundation work
- Installation of new smoke detectors throughout the home
- Removal/replacement of all existing windows
- Removal/replacement of all closet doors and entry/passage way doors
- Complete removal/replacement of asphalt composition roofing and repair
- Repaint/refurbishment of the all exterior and interior walls
- Removal/replacement for a new electrical panel
- Complete electrical rewire throughout the home
- Removal/replacement for a new energy efficient water heater
- Bathroom remodel/repair

After a solicitation for proposals, M.R. Construction was chosen to be the contractor for the project and entered into agreements with the Applicant on June 23, 2014 and, subsequently, with the City on July 3, 2014 to perform the required work.

In November 2014, the City's Building Department inspected the work and signed off on all of the permits associated with the above-referenced repairs including the foundation work. In time, Mr. and Mrs. Garcia began to notice the following issues: 1) buckling in the floors; 2) doors that were no longer level; and 3) windows and cabinets that would open and close on their own. As a result, the Applicant sought consultation from a contractor to inspect the dwelling. This inspection revealed errors and inadequate material that was used in connection with the foundation work completed in 2014.

In January 2020, City Staff and the Building Official visited the Subject Property and confirmed that the foundation work appeared to contribute to the current condition of the Subject Property. Staff noticed that the dwelling structure was not level and multiple doors and windows were uneven.

On November 22, 2019, the City received an Observation Report from Sinai Construction with their proposals and photographs from their Site visit on November 20, 2019. To ensure that other contractors had a chance to bid their proposals, the City solicited proposals and received three proposals from the following contractors: 1) Julian Construction Inc.; 2) Sinai Construction; and 3) Weinstein Construction Corp. All contractors were invited to participate in an interview panel. On February 10, 2020,

interviews were conducted and Sinai Construction was selected to complete the necessary repairs related to the foundation work.

ANALYSIS

The City is seeking approval to utilize funding from the Housing Set-Aside fund (Fund 810) to complete the unresolved construction work that was originally contracted in 2014 at 425 N. Montebello Blvd. The complete scope of work and valuation including any potential contingencies is listed as follows:

SCOPE OF WORK	AMOUNT
Structural Engineering, Plans and Permits	$2,364
Leveling Work	$16,324
Foundation Crack Repair	$3,942
Concrete Piers, Posts and Girders	$13,907
Underpin Partial Perimeter Foundation	$14,514
Bolt Foundation	$3,949
Total:	**$55,000**
Contingency	$20,000

Sinai Construction estimates that the construction would take approximately two weeks to complete with an additional two weeks for leveling. Occupancy would be allowed during construction. The City would allocate $75,000 for a total project budget. The additional funding above the estimated $55,000 is for contingencies that may be needed once the project is underway.

ENVIRONMENTAL

This item is not subject to the California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, sections: 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); 15060(c)(3) (the activity is not a project as defined in Section 15378); and 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Because there is no possibility that this item may have a significant adverse effect on the environment, the item is exempt from CEQA.

FISCAL IMPACTS

The above-referenced work will be funded through the City's housing set aside program funds. The City Council is being asked to amend the Fiscal Year 2019-20 adopted budget, increasing appropriations in Account No. 810-99-6040.60 by $75,000. City Council action will authorize the Director of Finance to transfer funds from restricted fund balance (Account No. 810-2920) to Building Maintenance and Repairs (Account No. 810-99-6040.60) in the amount of $75,000. There are sufficient reserves (restricted fund balance) in Fund 810 for this budget amendment.

Attachments: 1) Proposal and Agreement - Sinai Construction

SINAI CONSTRUCTION

AIM HIGHER

4489 West Pico Blvd., Los Angeles, CA 90019 • TEL (323) 655-0960 • FAX (323) 852-1839

EMAIL: sinai@sinaiconstruction.net www.sinaiconstruction.net

GENERAL ENGINEERING • GENERAL BUILDING • STATE LICENSE #1035535, B • INSURED AND BONDED

Observation Report

Date of Observation: **11-20-19**

The Client:
Edwina Garcia
323-528-9258
Edwingarcia@sbcglobal.net

The Contractor:
Sinai Construction, Inc.
4489 W. Pico Blvd.
Los Angeles, California 90019
(323) 655-0960
License No. 1035535

For the Project located at 425 N. Montebello Blvd, Montebello, CA 90640

Intent: Visually observe the *foundation* and provide if necessary a proposal for repairs.

Based upon our partial visual observation of the foundation for the above-referenced property, we found the following:

FOUNDATION:

1. *Slab-on-Grade:*
    a. *Garage is constructed with a concrete slab foundation versus a raised foundation. Typically a raised foundation can be crawled under to see the condition of the foundation. A concrete slab foundation is directly on top of grade with footings embedded into the ground.*
    b. *The concrete slab foundation on grade was NOT visible due to floor coverings. It was not visually inspected and its condition could NOT be determined.*
    c. *Due to the design and/or configuration of the structure, we cannot determine the presence or condition of anchor bolts.*
2. *Perimeter foundation stem walls has (8) structural cracks 3/8" or wider.*
   The cause for foundation cracks could be due to shallow footing, un-compacted soil, seismic movement, poor drainage or plumbing leaks.
   Additionally, there are (2) foundation cracks 1/4" or less. These foundation cracks should be monitored for potential movement or water intrusion.
3. *There are (20) existing concrete piers out of plumb or missing, (20) posts out of plumb/ shimmed or missing and (100) LF of sagging or missing girders.*
4. *Interior floors are out of level due to cracked and settled foundation.*

(_____) (_____)
Sinai Owner

5. *Bolting:*
    a. *Building has some original foundation bolts. However, these bolts are oxidized and their distance and washers are not to today's code. In addition, there are no A-35 framing anchors.*
    b. *Anchoring of the foundation to the building framing can minimize the potential for movement or displacement during a seismic activity.*
    c. *This work is considered to be voluntary seismic retrofit.*
6. *There are white chalky areas noted on the concrete stem walls. The white chalky substance is referred to as efflorescence and is an indication of past or present moisture intrusion into the crawl space area. At the time of our inspection, the crawlspace at west side was wet.*
7. *Roof gutters and downspouts should be provided to collect all roof water. Downspouts should deposit the water into a buried drain or paved concrete slab. Downspouts should not direct water onto the soil next to the foundations. Pad and roof drainage should be collected and transferred to the street or approved drainage system in non-erosive drainage devices. Water should be directed away from foundations. Drainage should not be allowed to pond on the pad, under the building against any foundation or behind walls. After installation of proper drainage it should be maintained and drains should be unclogged. Area drains and roof gutters should be kept free of obstructions. Roof gutters and condensation lines from air conditioners should outlet to area of drains or paved areas which conduct the water to the street. Positive drainage along the backs of walls should be maintained. Long-term saturation of the soil or subsurface may adversely affect structure foundations, slabs, patios and sidewalks.*
8. *At the time of our foundation inspection we observed what appear to be desiccation cracks in the clay type soil within the crawl space. When clay soil is exposed to moisture it can swell and heave. When soil wells and heave it will contribute to the interior floors to become out of level. As the soil dries out the soil will shrink and desiccation cracks will develop. Poor drainage and/or plumbing leaks will contribute cracks in the soil.*
    Due to the potential for continued soil expansion and contraction, the owner may wish to consult a geotechnical engineering to evaluate the soil and make site specific recommendation above and beyond the below Work.

NOTE: The opinion expressed here is based solely on our visual observation of the above-referenced structure. No physical testing of materials was performed. This report is not intended to be a complete and thorough survey of the property and does not guarantee the structure against any future problems that may occur.

(_____) (_____)
Sinai Owner

Proposal & Agreement

This agreement is made this day February 10, 2020 between the Owner and Contractor as listed below:

The Client:
Edwina Garcia
323-528-9258
Edwingarcia@sbcglobal.net

The Contractor:
Sinai Construction, Inc.
4489 W. Pico Blvd.
Los Angeles, California 90019
(323) 655-0960
License No. 1035535

For the Project located at 425 N. Montebello Blvd, Montebello, CA 90640

Sinai Construction, Inc. shall furnish and install all material and labor – complete in accordance with the below Scope of Work, Price Break Down, Special Conditions and Clarifications as follows for the sum below:

SCOPE OF WORK

FOUNDATION:

1. STRUCTURAL ENGINEERING, PLANS AND PERMITS $2,364.00
   Provide structural engineer for work below.
   Draft plans as required to obtain permit. Process permits.
   Note: Plan Check and Permit fees imposed by municipality are excluded.

2. LEVELING WORK $16,324.00
   Work will consists of:
   Demolishing stucco between foundation and rim joist, cut foundation bolts and provide temporary shoring.
   Leveling house as best as possible by lifting or lowering floors.
   Replace existing wood posts as needed.
   Filling gaps between mudsill and top of foundation with new pressure treated mudsill or non-shrink epoxy cement.
   Patch stucco where removed. Contractor will try to match existing as best as possible. However, there will be a difference between new and old.

   Contractor will attempt to minimize cracks to: stucco, plaster, windows, and tiles due to jacking up of property. However, damage such as: cracks, misaligned doors, potential plumbing problems are to be expected and repaired by owner.
   Notes:
   Painting is excluded and to be done by others.

3. FOUNDATION CRACK REPAIR $3,942.00
   Drill, clean (8) foundation cracks by removing all loose concrete, install plastic injection ports, cover surface of crack with Rapidset and pressure inject epoxy into (8) foundation cracks and install (1) "Simpson HST foundation plate over each one.

4. CONCRETE PIERS, POSTS AND GIRDERS $13,907.00
   Excavate (20) 12"x12"x18" deep holes in crawl space. Form and pour (20) new concrete piers to be 8" minimum above grade.
   Install (100) LF 4"x6" girders and (20) new 4"x4" posts with new AC4 Simpson Strong-Tie.
   Note: Re-routing of existing plumbing pipes and electrical wires and phone cabling is excluded.

(_____) (_____)
Sinai Owner

5. UNDERPIN PARTIAL PERIMETER FOUNDATION $14,514.00
   Underpin approximately (21) LF of cracked and settled concrete foundation at north side by: Excavating up to (24") below existing footing, epoxy reinforcing steel dowel into existing footing and placing concrete.
   Note:
   Price assumes existing foundation to be up to 12" deep.

6. BOLT FOUNDATION OWNER INITIAL FOR ACCEPTANCE ( ) $3,949.00
   Install 5/8" diameter foundation anchors or other L.A. City approved foundation bolting system (UFP-10) at all outside foundation walls of subject property (where accessible and applicable), bolting the sill plates to the foundation. Install 2x freeze blocking and 4 ½" framing anchors spaced per code connecting the rim joist with the top plate.
   Notes:
   Seismic retrofit is designed to help withstand forces of earthquakes, it is not designed to deal with soil issues.
   Garage retrofit is excluded.

PRICE *Fifty Five Thousand Dollars and no cents* **$55,000.00**

Payment schedule:

Upon signing – Deposit $1,000.00
Upon mobilization $4,000.00
First week progress work $9,000.00
Second week progress work $9,000.00
Third week progress work $15,500.00
Upon completion of work and city sign-off $16,500.00

Payments due to Contractor within five (5) days after receipt of invoice. Invoices over 30 days due are subject to a 1.5% interest charge per month (18% per year)

SPECIAL CONDITIONS

Exclusions:

1. Owner is responsible for paying all fees, or reimbursing Contractor for amounts advanced to cover such fees, imposed by municipalities, agencies, zoning, street use, Geotechnical Engineer, structural observations, Special/Deputy Inspections, Compaction Testing, Drainage, Smoke detector and seismic gas notarized form, Parking Permits, Disposal permits, Submittal & Plan Check & Permit Fees, gas lines/pipes, electrical, plumbing, removal and replacement of irrigation, removal and restoration of landscaping including tree roots and removal of unforeseen conditions.

2. Foundation work may affect the structure causing minor non-structural damage. Contractor will attempt to minimize such damage; however, Owner acknowledges that, even if Contractor endeavors to minimize such damage, some damage may occur such as cracks in stucco or drywall, misaligned doors, and some potential plumbing problems. Contractor will not be responsible for the cost of such repairs.

3. Our below scope of work does not address any potential damage to exterior cripple walls, floor joist ends, and rim joist since these cannot be observed without intrusive inspection. Additional, work maybe be discovered after removal of exterior stucco.

4. Contractor shall not be liable for erosion control, de-watering or weather protection. If any of this work is required, Contractor agrees to make such services available to Owner by way of a change order.

(_____) (_____)
Sinai Owner

Others:

5. Owner to provide water and power.

6. ACCESS TO WORK AREA: Owner agrees to keep the area where the work will be performed accessible to Contractor and free of obstructions during normal working hours (8:00 AM to 5:00 PM on weekdays, excluding national holidays). Owner agrees to move all vehicles from the area where work will be performed prior to start of work and that Owner may not have full access to such area until after the end of the work day. If the area is not accessible or is not free of obstructions, Contractor may not be able to perform the work, and Contractor will immediately notify the Owner. Owner agrees to reimburse Contractor the reasonable value of its lost employee time for any delays caused by Owner in keeping the work area accessible and free of obstructions, where such delay is due to no fault of Contractor.

7. PROTECTION OF WORK AREA: Contractor shall be responsible for covering all exposed trenches. Contractor also shall be responsible for securing the work area during the course of construction.

8. STAGING: Owner agrees to provide a dedicated area on site for use by Contractor in storing its equipment and materials.

9. The Contract Price includes the cost of clean-up and the hauling away construction debris.

10. This Proposal is valid for 30 days. If this agreement is not accepted by Owner within such 30 day period, Contractor reserves the right to change the price of the work to be performed.

11. Owner acknowledges that the Contract Price includes a $100.00 discount for displaying Contractor's yard sign upon signing contract and 60 days at the property after completion of work. $100.00 to be invoiced if contractor's yard sign is not allow to be display.

(_____) (_____)
Sinai Owner

GENERAL CONDITIONS

1. **RESPONSIBILITIES.** Owner will (i) give copies of any restrictions, easements, or rights of way to Contractor before work is commenced, (ii) grant free access to work area, (iii) provide areas at the job site for storage of materials and debris, (iv) keep driveways clear and available for movement and parking of trucks during scheduled work hours. Contractor shall be responsible, at the end of every workday, for storing all equipment and materials in the facilities provided by Owner. Contractor is not required to verify hazardous or subsurface conditions. Contractor is not responsible for any existing illegal conditions nor for subsurface or otherwise concealed pre-existing defective or dangerous or substandard condition of premises that causes damage or loss, including without limitation any concealed pipes, drains, conduits, or septic tank; any unusual or abnormal concrete footings, foundations, retaining walls or piers required; nor any unusual depth required for any of the same; nor any conditions caused by poor soil, lack of compaction, gravel, sand, or improper/inadequate compaction or hillside or other slope conditions. Contractor shall not be liable for incidental damage to driveways, walks, lawns, shrubs, or other vegetation whether by movement of trucks, workers, equipment, materials, or debris or otherwise. Contractor shall dispose of all material removed from structures in the course of alteration. (Contractor shall remove all construction debris upon termination of work and shall leave the premises in neat, broom-clean condition). **HAZARDOUS MATERIALS.** Owner represents to Contractor that there are no hazardous materials of any kind on the Property, including without limitation, asbestos, PCBs, lead or lead paint or other hazardous materials. Owner shall cause the material to be tested and removed at its sole cost and expense and Contractor shall not be required to perform further work until such materials have been removed and disposed of in accordance with all applicable laws.
2. **RIGHT TO STOP WORK.** Contractor shall have the right to cease construction if payments are not made to Contractor by Owner within five (5) calendar days after receipt of the invoice and based on a schedule agreed to by Owner and Contractor. If the work is stopped, for any reason, for a period of 15 days, then Contractor may, at Contractor's option, on 3 business days written notice, terminate its obligations under this Contract and demand and receive payment for all work executed and materials ordered or supplied and any other loss sustained, including Contractor's normal overhead plus a profit of 15 percent of the contract price. Upon such termination, Contractor shall be relieved from any further liability including the cost of any further work performed on the project. If work stops for any reason, Owner shall provide for protection of all material on the Property and shall be responsible for any damage, warpage, racking or loss of that material.
3. **ARBITRATION.** Any controversy arising out of the construction of the project referred to in this contract or regarding the interpretation of this contract or any subcontract or sub-subcontract is subject to binding arbitration. Owner, Contractor, and all subcontractors and sub-subcontractors are bound, each to the other, by this arbitration clause. Arbitration shall be had in accordance with the applicable Rules of the Contractors State License Board arbitration program which are in effect at the time the demand for arbitration is filed. Should any party refuse or neglect to appear or participate in arbitration proceedings, the arbitrator is empowered to decide the controversy in accordance with whatever evidence is presented. The arbitrator(s) is/are required to award the prevailing party or parties such sums, including attorney's fees, as he or she shall deem proper for the time, expense and trouble of arbitration.
4. **ENFORCEMENT.** If any of the provisions of this Agreement are determined to be invalid or unenforceable, they shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

NOTICE TO OWNER

Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor's subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 60 days after substantial completion of your project.

(_____) (_____)
Sinai Owner

This document, including all documents incorporated by reference, constitutes the parties' entire agreement and supersedes prior. No other agreements, oral or written, regarding the work to be performed under this Contract exist between the parties. Any subsequent amendment, modification, or agreement, which alters this contract, must be signed or initiated by Contractor and Owner, and is to be deemed a part of this contract.

CONTRACTORS ARE REQUIRED BY LAW TO BE LICENSED AND REGULATED BY THE CONTRACTORS' STATE LICENSE BOARD, WHICH HAS JURISDICTION TO INVESTIGATE COMPLAINTS AGAINST CONTRACTORS IF A COMPLAINT IS FILED WITHIN THREE YEARS OF THE DATE OF THE ALLEGED VIOLATION. ANY QUESTIONS CONCERNING A CONTRACTOR MAY BE REFERRED TO THE REGISTRAR, CONTRACTORS' STATE LICENSE BOARD, P.O. BOX 26000, SACRAMENTO, CALIFORNIA 95826.

You the Buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice or send a telegram to:

SINAI CONSTRUCTION, INC.
4489 W. Pico Blvd
Los Angeles, CA 90019

The Owner finds this contract acceptable including the terms and conditions as stated herein. This Agreement is entered into as of the day and year first written above.

CONTRACTOR:
Sinai Construction, Inc.

OWNER:

Sinai Construction, Inc. Date

OWNER Date

(_____) (_____)
Sinai Owner

ITEM # 18

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: James Enriquez, Director of Public Works

SUBJECT: **Approve a Resolution Adopting the List of Projects for Fiscal Year 2020-21 Funded by Senate Bill 1 – The Road Repair and Accountability Act of 2017**

DATE: April 8, 2020

RECOMMENDATION

It is recommended that the City Council:

- Approve a Resolution adopting the list of projects for Fiscal Year 2020-21 funded by Senate Bill 1 – The Road Repair and Accountability Act of 2017.

BACKGROUND

On April 28, 2017 Governor Jerry Brown signed Senate Bill 1 (SB-1) (Beall, Chapter 5, Statures of 2017) which is known as the Road Maintenance and Repair Accountability Act ("RMRA") of 2017. The purpose of the RMRA is to address road maintenance rehabilitation and critical safety needs for state highway, local streets and road systems using funds from increases in fuel excise taxes, diesel fuel sales taxes, and vehicle registration fee increases.

SB-1 has a Maintenance of Effort (MOE) requirement to ensure that these new roads funds do not supplant existing levels of city general revenue spending on streets and roads. In order for cities to receive RMRA funds, the City must maintain General Fund spending for street, road, and highway purposes at no less than the average expenditures from Fiscal Years 2009–10, 2010–11, and 2011–12. The required MOE for Montebello is $2,438,124, which the City has met.

The use of RMRA local streets and roads funds is similar but, not identical, to Highway Users Tax Account (HUTA/Gas Tax) use rules. Pursuant to Streets and Highways Code Section 2030, RMRA local streets and roads allocations must be used for projects "that include, but are not limited to," the following: road maintenance and rehabilitation, safety projects, railroad grade separations, traffic control devices, complete street components, "including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and storm-water capture projects in conjunction with any other allowable project." In addition to the adoption of the recommended Resolution, the projects listed must be included in the City's adopted budget and

updated every year. As part of the Fiscal Year 2020-2021 Capital Improvement Program (CIP) Budget, which the City Council will consider in its entirety later in the year, staff is recommending that the SB-1 Funds for FY 2020-21 be allocated to complete pavement resurfacing and related improvements on Vail Avenue between Washington Boulevard and Mines Avenue. This recommendation was approved by the Infrastructure Ad Hoc Committee on March 24, 2020. In order to provide continued project programming flexibility, the following ongoing CIP projects are also included as eligible project expenditures: 1) Montebello Boulevard Bike and Sidewalk Project; and 2) Beach Street Improvement Project.

The proposed projects list must be approved by the City Council via a Resolution and submitted to the State no later than May 1, 2020. Staff has prepared a Resolution, based on a sample provided by the State. Additionally, the City has utilized the Pavement Management System to develop the SB-1 projects list in order to ensure revenues are allocated in a manner that maximizes the City's transportation investment in the community.

Funding from SB-1 will benefit the City by maintaining and rehabilitating the condition and safety of various streets. It is estimated that Montebello will receive $1,213,423 in SB-1 (or RMRA) Funds in Fiscal Year 2020-21. This estimate is based on League of Cities Legislative Analyst Michael Coleman's updated projections from January 2020. Throughout the budget development process these and other road maintenance and repair revenue numbers will be updated.

ANALYSIS

The City was found to have moderately poor streets and road conditions under the California Statewide Local Streets and Roads Needs Assessment. However, the proposed revenue has the ability to provide street improvements and improve the overall quality of our road system. Currently, the City is working on the "Paving the Way" Program (a Street Improvement Bond) intended to address the many years of deferred infrastructure improvements and needs of the City, by using future allocations of Measure R, Measure M and Proposition C local funds to reduce the long list of deferred street improvement projects throughout the City.

FISCAL IMPACTS

For FY 2020-21, Montebello will receive an estimated $1,213,423 in RMRA Funds. The proposed project list will be funded through RMRA Funds Account Number: 201-99-6040.10. At this time, no budget amendment is required. These projects, and other CIP projects, will be presented for City Council review as part of next fiscal year's budget development process. The Fiscal Year 2020-21 budget will include necessary appropriations for these projects.

SUMMARY

The City Council will consider approving a Resolution adopting a list of projects for FY 2020-21 funded by Senate Bill 1 – The Road Repair and Accountability Act of 2017.

Attachments:

1) Resolution
2) 2020-21 Local Street and Roads Funding Program Eligibility Reminder
3) Gas Tax – RMRA-SB 1 Revenue Forecast FY 2020-21

ATTACHMENT 1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO ADOPTING A LIST OF PROJECTS FOR FY 2020-21 FUNDED BY SB-1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017

WHEREAS, Senate Bill 1 (SB-1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

WHEREAS, SB-1 includes accountability and transparency provisions that will ensure the residents of the City of Montebello are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

WHEREAS, the City of Montebello ("City") must adopt by resolution a list of all projects proposed to receive fiscal year funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB-1, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

WHEREAS, the City will receive an estimated one million two hundred thirteen thousand four hundred twenty-three dollars and zero cents ($1,213,423.00) in RMRA funding in Fiscal Year 2020-21 from SB-1; and

WHEREAS, this is the fourth year in which the City is receiving SB-1 funding and will enable the City to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options for the traveling public that would not have otherwise been possible without SB-1; and

WHEREAS, the City has undergone a robust public process to ensure public input is included in the community's transportation priorities/the project list; and

WHEREAS~~,~~ the City used a Pavement Management System to develop the SB-1 project list to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the community's priorities for transportation investment; and

WHEREAS, the funding from SB-1 will help the City to maintain and rehabilitate many streets and roads, and add active transportation infrastructure throughout the City this year and hundreds of similar projects into the future; and

WHEREAS, the 2016 California Statewide Local Streets and Roads Needs Assessment found that City streets and roads are in moderately poor condition and this revenue will help us increase the overall quality of the City's road system and over the next decade will bring our streets and roads into a good condition; and

WHEREAS, the City is afforded flexibility within the projects listed in a given year to make any necessary changes as priorities and needs may require, the City will make note of any changes to the proposed project list priorities in the annual Expenditure Report to the California Transportation Commission, and

WHEREAS, the SB-1 project list and overall investment in local streets and roads infrastructure with a focus on basic maintenance and safety, investing in complete streets infrastructure, and using cutting-edge technology, materials and practices, will have significant positive co-benefits statewide.

NOW, THEREFORE IT IS HEREBY RESOLVED, ORDERED AND FOUND by the City Council of the City of Montebello, State of California, as follows:

SECTION 1. The foregoing recitals are true and correct.

SECTION 2. The City of Montebello hereby adopts the following list of newly proposed projects to be funded in part or solely with Fiscal Year 2020-21 Road Maintenance and Rehabilitation Account revenues:

Project Title: Vail Avenue Street Improvement Project
Project Description: Pavement resurfacing; repairs to sidewalk, curb & gutter, ADA ramps installations; traffic signal loop repairs; tree planting; storm drain improvements; pavement striping, etc.
Project Location: Vail Avenue from Washington Blvd to Mines Avenue
Estimated Project Schedule: Start (09/2020) – Completion (06/2021)
Estimated Project Useful Life: 20 years

SECTION 3. The following previously proposed and adopted projects may also utilize Fiscal Year 2020-21 Road Maintenance and Rehabilitation Account revenues in their delivery. With the relisting of these projects in the adopted fiscal year resolution, the City of Montebello is reaffirming to the public and the State our intent to fund these projects with Road Maintenance and Rehabilitation Account revenues:

Project Title: Montebello Boulevard Bike and Sidewalk Project
Project Description: Pavement resurfacing; new and repairs to sidewalk, curb & gutter; new/upgrades to traffic signals and street lights; new landscaped medians and irrigation; tree planting; storm drain improvements; new dedicated bike lanes; pavement striping; etc.
Project Location: Montebello Blvd from Lincoln Avenue to Paramount Blvd.
Estimated Project Schedule: Start (10/2017) – Completion (06/2020)

Estimated Project Useful Life: 20 years

Project Title: Beach Street Improvement Project
Project Description: Pavement resurfacing; repairs to sidewalk, curb & gutter, ADA ramps; upgrades to traffic signals and street lights; tree planting; storm drain improvements; pavement striping; etc.
Project Location: Beach Street from Vail Avenue to 3rd Street.
Estimated Project Schedule: Start (07/2019) – Completion (06/2021)
Estimated Project Useful Life: 20 years

SECTION 4. That the City Clerk shall certify to the adoption of this Resolution by the City Council, and it shall thereupon be in full force and effect upon its execution.

APPROVED, PASSED AND ADOPTED by the City Council of the City of Montebello, State of California **this ___ day of _____, 2020.**

_____
Salvador Melendez, Mayor

ATTEST:

_____
Irma Barajas, City Clerk

APPROVED AS TO FORM:

_____
Arnold Alvarez-Glasman, City Attorney

ATTACHMENT 2

California Transportation Commission

Local Streets and Roads Funding Program

Fiscal Year 2020-21 Funding Eligibility

Reminder

The Local Streets and Roads Fiscal Year 2020-21 Funding Eligibility Proposed Project List-Resolution Submittals are due to the Commission on or before **May 1, 2020**. To be eligible for fiscal year program apportionments, cities and counties must submit an adopted list of projects to the Commission pursuant to Streets and Highways Code (SHC) Section 2034(a).

In accordance with the 2019 Local Streets and Roads Funding Program Guidelines, the California Statewide Multi-Modal Application and Reporting Tool (CalSMART) is the only accepted submission method recognized. The submittal feature will be open in "CalSMART" from **March 20, 2020 to May 1, 2020**.

The Commission will adopt the Initial List of Eligible Cities and Counties at the June 2020 Commission meeting. Visit the Local Streets and Roads Fund Program Web-site for the annual program schedule.

Eligibility submittals must be consistent with SHC Sections 2030-2034 and the 2019 Local Streets and Roads Funding Program Guidelines adopted by the Commission.

To establish eligibility the cities and counties **must**:

- Include a description, location, estimated schedule, and estimated useful life for each project proposed in the list that is adopted.
- The list of projects must be adopted by the applicable city council or county board of supervisors each year, at a regular meeting prior to submitting to the Commission.
- The list adoption shall be a standalone action item and should not take place as a part of another budgetary or project action taken.
- The adopted proposed project list-resolution must be submitted to the Commission by May 1st annually in CalSMART.

Fiscal Year 2020-21 Local Streets and Roads Road Maintenance and Rehabilitation Account SB 1 Estimates are available on the California Local Government Finance Almanac web-site. The estimates are provided by a third-party consultant that is contracted by the League of California Cities.

For more information please contact LSR@catc.ca.gov.

ATTACHMENT 3

Local Streets and Roads - Projected FY2020-21 Revenues

Based on State Dept of Finance statewide revenue projections January 2020

Estimated January 2020	Highway Users Tax Acct (HUTA)[1] Streets & Highways Code					TOTAL HUTA	Road Mntnc Rehab Acct[7]	TOTAL
	Sec2103 [5]	Sec2105 [3]	Sec2106 [3]	Sec2107 [3]	Sec2107.5 [4]			
LA VERNE	294,338	190,829	111,888	227,824	6,000	830,879	627,062	1,457,941
LAWNDALE	296,421	192,180	112,646	229,436	6,000	836,684	631,500	1,468,184
LOMITA	184,071	119,339	71,770	142,475	5,000	522,655	392,148	914,803
LONG BEACH	4,211,145	2,730,232	1,536,931	3,259,517	10,000	11,747,825	8,971,496	20,719,321
LOS ANGELES	35,816,613	23,221,160	13,035,877	27,722,835	20,000	99,816,486	76,304,335	176,120,820
LYNWOOD	632,479	410,058	234,913	489,552	7,500	1,774,503	1,347,444	3,121,947
MALIBU	112,102	72,680	45,586	86,769	3,000	320,137	238,824	558,961
MANHATTAN BEACH	318,460	206,469	120,665	246,495	6,000	898,089	678,453	1,576,542
MAYWOOD	247,972	160,769	95,019	191,936	6,000	701,696	528,284	1,229,980
MONROVIA	341,572	221,453	129,073	264,384	6,000	962,483	727,691	1,690,174
MONTEBELLO	569,571	369,272	212,026	440,860	7,500	1,599,228	1,213,423	2,812,651
MONTEREY PARK	548,125	355,369	204,223	424,261	7,500	1,539,478	1,167,736	2,707,214
NORWALK	946,320	613,532	349,098	732,472	10,000	2,651,423	2,016,057	4,667,480
PALMDALE	1,399,427	907,297	513,950	1,083,187	10,000	3,913,862	2,981,364	6,895,225
PALOS VERDES ESTATES	120,072	77,847	48,486	92,938	3,000	342,343	255,803	598,146
PARAMOUNT	491,999	318,980	183,803	380,818	7,500	1,383,100	1,048,163	2,431,263
PASADENA	1,297,103	840,957	476,722	1,003,986	10,000	3,628,769	2,763,372	6,392,141
PICO RIVERA	567,673	368,042	211,335	439,391	7,500	1,593,943	1,209,381	2,803,324
POMONA	1,368,008	886,928	502,519	1,058,868	10,000	3,826,323	2,914,429	6,740,752
RANCHO PALOS VERDES	377,308	244,622	142,075	292,045	6,000	1,062,050	803,824	1,865,874
REDONDO BEACH	607,035	393,562	225,656	469,859	7,500	1,703,612	1,293,239	2,996,851
ROLLING HILLS [2]								
ROLLING HILLS ESTATES	73,112	47,401	31,400	56,591	2,000	210,504	155,760	366,264
ROSEMEAD	488,453	316,681	182,513	378,073	7,500	1,373,220	1,040,608	2,413,828
SAN DIMAS	306,598	198,778	116,349	237,314	6,000	865,040	653,183	1,518,222
SAN FERNANDO	220,906	143,221	85,172	170,986	5,000	625,285	470,622	1,095,908
SAN GABRIEL	365,056	236,679	137,618	282,562	6,000	1,027,914	777,722	1,805,637
SAN MARINO	118,370	76,743	47,866	91,621	3,000	337,600	252,177	589,777
SANTA CLARITA	1,933,554	1,253,591	708,281	1,496,613	10,000	5,402,038	4,119,277	9,521,315
SANTA FE SPRINGS	161,890	104,959	63,700	125,306	4,000	459,855	344,893	804,747
SANTA MONICA	829,732	537,944	306,680	642,231	7,500	2,324,087	1,767,676	4,091,764
SIERRA MADRE	98,715	64,001	40,715	76,408	3,000	282,839	210,305	493,144
SIGNAL HILL	104,567	67,794	42,844	80,937	3,000	299,142	222,770	521,912
SOUTH EL MONTE	188,769	122,386	73,480	146,112	5,000	535,746	402,158	937,904
SOUTH GATE	857,960	556,245	316,949	664,079	7,500	2,402,733	1,827,812	4,230,545
SOUTH PASADENA	232,670	150,848	89,452	180,092	6,000	659,063	495,685	1,154,748
TEMPLE CITY	324,320	210,268	122,797	251,031	6,000	914,416	690,937	1,605,353
TORRANCE	1,312,547	850,970	482,341	1,015,940	10,000	3,671,797	2,796,273	6,468,070
VERNON	2,668	1,730	5,771	2,065	1,000	13,235	5,685	18,920
WALNUT	270,845	175,598	103,341	209,640	6,000	765,423	577,012	1,342,435
WEST COVINA	958,483	621,418	353,523	741,887	10,000	2,685,312	2,041,970	4,727,281
WEST HOLLYWOOD	325,003	210,711	123,045	251,559	6,000	916,318	692,392	1,608,709
WESTLAKE VILLAGE	74,274	48,154	31,823	57,489	2,000	213,740	158,234	371,974
WHITTIER	775,946	503,073	287,111	600,599	7,500	2,174,230	1,653,090	3,827,320

CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Eva Sahagun, Risk Manager

SUBJECT: **Selection for Award of Contract for Third Party Administrator (TPA) of the City's Self-Funded General Liability & Workers Compensation Programs**

DATE: April 8, 2020

RECOMMENDATION

It is recommended that the City Council:

1) Authorize the City Manager to execute an agreement with an approval by the City Council to a three-year contract with two (2) one-year renewal options pursuant to RFP 19-60 and RFP 19-61 with Hazelrigg Claims Management Services, Inc.

2) Authorize the City Manager to maintain the month-to-month contract with Sedgwick for up to two (2) months to allow an effective transition of the City's general liability and workers' compensation programs from Sedgwick to Hazelrigg Claims Management Services, Inc. Said contract extension shall extend the City's contract with Sedgwick to June 30, 2020. The extension shall be terminable at any time prior to June 30, 2020.

BACKGROUND

On January 22, 2020, the City Council approved a Request for Proposals (RFP) for general liability and workers' compensation third party administration (TPA) services. The City's current TPA agreements with Sedgwick are expired and have been on a month-to-month contractual basis to continue providing third party administration services for the City's self-insured general liability and workers' compensation programs.

Due to the status of the current contracts and the Human Resources Department's most recent addition of a Risk Manager dedicated to oversee these programs, it was an opportune time to re-evaluate the City's general liability and workers' compensation programs and conduct an RFP for these services.

The RFP was issued by City staff on January 23, 2020, and the submission period closed on February 24, 2020.

ANALYSIS

The City received a total of five (5) proposals for general liability and nine (9) proposals for workers' compensation. Of the total number of proposals submitted, four (4) were deemed responsive and qualified proposals as these firms submitted proposals to provide services for both general liability and workers compensation. Having one (1) firm to handle both programs is important for cohesiveness and consistency, to facilitate the occasions when you have cross-over claims, and cost containment. The four (4) firms are as follows:

AdminSure, Inc.
Hazelrigg Management Services, Inc.
Intercare Holding Insurance services, Inc.
Sedgwick, Inc.

Proposals were reviewed using the following criteria:

- Qualifications of the firm and key personnel
- Background and experience including municipalities with police, fire, and transit business operations
- Proposed approach and methodology
- Cost proposal
- Innovative and effective strategies for program improvement
- Preparation for interview

On March 19, 2020, City Staff to include the City Manager, Assistant City Manager, HR Director, Finance Director, and Risk Manager met and interviewed each of the firms. Based on their interview, Hazelrigg surpassed all required qualifications and was identified as the most qualified firm to provide TPA claims administration for the City's general liability and workers' compensation programs.

The following table summarizes the 3-year cost proposals for each firm under consideration. The totals include both the fixed costs for the program administration including start-up costs. There are additional volume based costs associated with each program.

Bid Results for General Liability Claims Administration (19-60)

	AdminSure	Hazelrigg	Sedgwick	Intercare
Year 1	$77,760.00	$84,000.00	$94,605.00	$197,800.00
Year 2	$80,092.00	$86,520.00	$97,443.00	$197,163.00
Year 3	$82,495.00	$89,116.00	$100,366.00	$202,227.89
Total 3-Years	**$240,347.00**	**$259,636.00**	**$292,414.00**	**$597,190.89**

Bid Results for Workers' Compensation Claims Administration (19-61)

	AdminSure	Hazelrigg	Sedgwick	Intercare
Year 1	$214,500.00	$225,000.00	$265,969.00	$477,521.00
Year 2	$220,935.00	$230,000.00	$272,618.00	$486,983.50
Year 3	$227,563.00	$235,000.00	$279,433.00	$501,817.79
Total 3-Years	**$662,998.00**	**$692,015.00**	**$818,020.00**	**$1,466,322.29**

Summary of Respondents for both General Liability and Workers' Compensation Claims Administration

	AdminSure	Hazelrigg	Sedgwick	Intercare
Year 1	$292,260.00	$309,000.00	$360,574.00	$675,321.00
Year 2	$301,027.00	$316,520.00	$370,061.00	$684,146.50
Year 3	$310,058.00	$324,116.00	$379,799.00	$704,045.68
Grand Total 3-Years	**$903,345.00**	**$951,651.00**	**$1,110,434.00**	**$2,063,513.18**

FISCAL IMPACT

The estimated annual cost over the next three 3-years for this service is Year 1 $309,000; Year 2 $316,520; and Year 3 $324,116 respectively and a one-time data conversion fee of $3,500. In addition there is an additional two (2) months cost to our current TPA, Sedgwick to allow a coordinated transfer of the programs $5,481.17 a month for the general liability program and $21,729 a month for the workers compensation program.

Funds for the proposed contract will need to be funded in the City's Self-Funded Insurance account.

SUMMARY

Staff is recommending that the City Council award a Contract Agreement to Hazelrigg Claims Management Services, Inc. for a term of three (3) consecutive years with an option for two (2) annual renewals of one (1) year each for general liability and workers compensation claims administration and authorize the City Manager to execute the Contract Agreement on behalf of the City.

Attachments:
1) Request for Proposals No. 19-60 and 19-61
2) Draft Contract Agreement
3) Hazelrigg Proposal

ATTACHMENT 1

City of Montebello

Request for Proposals (RFP) No. 19-60

Third Party General Liability Claims Administration

DUE: FEBRUARY 20, 2020

City of Montebello

1600 W. Beverly Blvd.

Montebello, CA 90640

Phone: (323) 887-1200

GENERAL LIABILITY CLAIMS ADMINISTRATION
REQUEST FOR PROPOSAL (RFP)

1. INTRODUCTION AND PROJECT

The City of Montebello ("City") is requesting proposals from qualified Third Party General Liability Claim Administrators ("Proposer(s)"). As a self-insured public entity, the City contracts with a third party general liability claims administrator that has personnel with specialized skills and knowledge of the laws and practices relating to professional property and causality insurance brokering services, loss control, claims servicing, and administration in a municipal government setting.

The City will select and enter into a contract with a successful Proposer ("Administrator"), based on demonstrated competence and a cost effective approach to review, conduct, and assist in the administration of the City's general liability claims.

2. BACKGROUND

Montebello (Italian for beautiful mountain) is a city in Los Angeles County, California, United States, located in the southwestern area of the San Gabriel Valley encompassing 8.4 miles and east of downtown Los Angeles.

Council/Manager Government: The City Council consists of five members elected from the City at-large, who serve four-year staggered terms. The City Council annually appoints a Mayor and a Mayor Pro Tem from its own membership to serve one-year terms. The City Council selects and appoints a City Manager who serves as the Chief Executive Officer.

Labor Force: Montebello has approximately 500 employees, and provides full service functions through the following City offices and departments:

- City Administration
- Finance
- Fire
- Human Resources
- Planning & Community Development
- Recreation & Community Services
- Police
- Public Works
- Transit Operations

3. DESIRED SERVICES

The City seeks to contract with one provider for claims administration services that can deliver outstanding customer service and provide a high quality, comprehensive program including the investigation, adjustment, processing, supervision and resolution of claims asserted by third parties against the City, its officers, agents and employees. The third party administrator shall have personnel with specialized skills and certifications required to effectively and efficiently handle general liability claims caseloads. The City is looking for a TPA partnership to provide liability claims administration services in support of improving claims handling and management, increasing program efficiencies, reducing litigation, improving internal controls, increasing fiscal transparency, reducing program liabilities and costs, and establishing sound fiduciary responsibilities and controls.

4. SCOPE OF SERVICES REQUIRED

The third-party administrator awarded these services through this RFP shall be required to provide the following tort claim management services:

- Claims Administration (from claim inception to disposition)
- Liability and claims investigations
- Negotiation of claim settlements
- Assumption of the handling of existing open claims
- Review of all relevant law firm invoices
- Reporting to the City's excess General Liability carrier

A. Program Administration: Program administration services shall, at a minimum, include the following:

1. Provide professional and technical staff to perform the services as agreed upon under separate contract with the City and this Request for Proposal.
2. Represent the City in all matters related to the set-up, investigation, adjustment, processing, negotiation and resolution of liability claims against the City.
3. Inform the City of changes or proposed changes in statutes, rules and regulations and case law affecting the general liability program.
4. Assist in the development of policies and procedures relating to the general liability claims program.
5. Provide information and guidance regarding the general liability program and specified claims.
6. Inform the City of problem areas or trends, both potential and perceived, and provide recommendations and/or solutions to address problem areas or trends.
7. Provide copies of file correspondence and documentation as requested.
8. Attend appointments, including but not limited to meetings, conferences,

court appearances, and scene investigations at the request of the City.

9. Provide 24-hour on-call service. This can be accomplished by providing the City with a 24-hour phone number, pager, beeper or telephone number for key personnel. The 24-hour on-call service may include, but not be limited to, responding to an incident scene, attending meetings, and conducting investigations.
10. Conduct risk management related seminars for department heads and/or the City staff at request of the City up to four times a year.
11. The TPA shall conduct quarterly program analyses and status meetings, or more frequently if requested, with the City to discuss case status, issues, and trends based on the TPA's analysis of the program. TPA shall also recommend loss controls and solutions to the City based on its quarterly program analyses.
12. The TPA shall provide the City with regular loss reports, as requested by the City, and provide special reports at no, or reasonable, additional expense, when requested.

B. Claims Administration: Claims administration services shall, at a minimum, include the following:

1. Create and enter new claim files into the computer within 48 hours of receipt of loss notice from the City.
2. Review all new claims for liability and provide an assessment of liability to the City no later than 15 days from receipt of loss notice from the City.
3. Tender claims to other potentially responsible parties.
4. Process all claims in accordance with the City's instructions and policies.
5. At the direction of the City, contact claimant, or their attorney, within five (5) days of receipt of claim and maintain appropriate contact until the claim is closed.
6. Review status of claims and adequacy of reserves on all active cases at least every 90 days.
7. Provide narrative reports to the City when recommending disposition of a claim, when a claim goes to trial, or any other significant events that have or will occur. Reports must be clear and concise and be provided in a format as approved by the City.
8. Negotiate settlements within authority limits.
9. Obtain a signed release upon settlement of claims.
10. Review vendors for appropriateness of work and cost-effectiveness.
11. Diary all files at appropriate intervals to allow for timely completion of required activity.
12. Files will clearly and concisely document action taken on the claim.
13. Identify potential sources of subrogation recovery.
14. Telephone calls from the City staff, claimants or claimant's attorneys shall be returned within 24 hours. If the Administrator's appropriate staff member called is not available to return the call within this time frame, another designated staff member shall return the call.

C. Investigations: Investigative services shall, at a minimum, include the following:

1. Take statement of facts from all claimants when not represented by an attorney or with the attorney's permission. Statements will be preserved by recording or by taking hand written signed statements.
2. As warranted, conduct further investigation of a claim and advise the City when further investigation is deemed warranted. Further investigation may include, but not be limited to, on-site investigation, photographs, interviewing witnesses, verification of damage or loss, taking measurements, obtaining maps/diagrams from the City or other sources, obtaining medical releases, police reports, paramedics reports, marine department or other reports as may be necessary, obtaining building permits or other records as required.
3. If claimant is represented by an attorney, direct all communication to the claimant's attorney regarding the investigation, negotiation, and evaluation of any claims leading to a settlement as may be appropriate.
4. Report all Bodily Injury claims to the Index Bureau. Conduct Index Bureau searches for repeat claimants. Conduct additional Index Bureau searches at request of the City.
5. Obtain approval from the City before engaging the services of an outside vendor for an investigative assignment.
6. At the request of the City, investigate inverse condemnation claims.
7. Arrange, with prior the City approval, for expert services including but not limited to professional photography, independent medical examinations, professional engineering services, and laboratory services.

D. Litigation Management: Litigation management services shall, at a minimum, include the following:

1. As requested by the City, the Administrator shall contact the City Attorney assigned to handle the case and provide any and all information concerning the claim and investigation.
2. Maintain liaison with the City Attorney's Office and any outside defense counsel and provide such investigation as required during the entire litigation process, including but not limited to additional investigations for pre-trial and trial that may be requested by either the City Attorney's Office or defense counsel.
3. Assist the City Attorney and defense counsel in preparing and/or answering discovery as requested.
4. Assist the City personnel in Small Claims Court actions filed by and against the City, including but not limited to, obtaining witness information, evidence, assistance in preparing the case for trial and appearance at the trial if deemed necessary by the City.

E. Statistical Reports: Administrator shall, at a minimum, include the following:

1. Specified standard reports must be received within 10 days after the end of the month/quarter, as mutually agreed upon by the parties.
2. Submit monthly reports during the term of the agreement. The monthly reports shall indicate the status and detail of every open claim assigned to the Administrator, including but not limited to the reserves assigned for each claim, summary of each loss by type, department, year, litigation status, and coded as to cause.
3. The Administrator will enter into its computer any and all files handled in-house by the City. The City will provide the Administrator with all information necessary for such input.
4. Special reports to be provided as requested by the City.

F. Excess Insurance Reporting: Administrator shall, at a minimum, provide the following services regarding excess insurance reporting:

1. Report to any excess insurance carrier(s) in accordance with policy provisions. The City will provide the names and addresses of excess insurance carriers. Provide the City with written notification that the required notice has been made to the excess carrier within ten (10) days of the notice of claim.
2. Seek reimbursement from the excess insurance carrier for any losses in excess of the City's self-insured retention.

5. INQUIRIES

Montebello City Code prohibits any unauthorized contact by the bidder during the bid or proposal process with an official or city employee, other than the Finance Director, City Manager or Human Resources Director. Contact with any official or employee other than the foregoing shall cause the bidder to be immediately disqualified from consideration of award.

6. QUALIFICATIONS & CRITERIA

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

1. The proposer has advanced knowledge of the administrative requirements, laws and practices relating to General Liability Claims Administration within a municipal government setting.

2. The proposer has a demonstrated track record of success in handling all aspects of General Liability Claims Administration and at least five (5) years providing these services to public entities in the State of California.

3. Each proposer shall provide at least three (3) references, preferably from governmental entities, for relevant work performed in the past five (5) years. When possible, include references from cities of a similar character to Montebello (i.e., full-service cities). If the proposer does not have three (3) governmental entity references, references from private sector entities may be provided.

4. The proposer must demonstrate understanding of the assignment and knowledge of the skills necessary to serve in the role of General Liability Claims Administrator.

5. Demonstrated experience in assisting other municipalities with the development and/or administration of self-insured general liability claims strategies.

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

1. Overall responsiveness and fit to the requirements of the RFP.

2. Cost and quality of proposed services, including:
   a. Responsiveness to the scope of services; and
   b. Proposed service methodologies;
   c. Proposed fees and costs of services.

3. Proven experience and expertise with:
   a. California municipalities and/or counties;
   b. Conducting work of similar scope, complexity, and magnitude for other public agencies of similar size;
   d. Assessing, planning, developing, and implementing loss controls and solutions programs for municipalities similar in scope and size to the City of Montebello.

4. Staffing:
    a. Staff qualifications;
    b. Staff expertise and experience;
    c. File/case volume;
    d. Turnover.

5. Financial and Statistical reports that include:
    a. Summary and detail reports;
    b. Weekly, monthly, and annual financial reports, including:
        i. Payment registers;
        ii. Outstanding claims and incurred loss reports;
        iii. Multi-year, comprehensive reports.
    c. Statistical reports, including:
        i. Utilization reports;
        ii. Frequency reports;
        iii. Probability reports;
    d. Customized program reports on request.

6. Location of office:
    a. Proximity to the City of Montebello;
    b. Accessibility of firm's staff.

7. Web-based applications, with employer and employee access portals, for:
    a. Claims management;
    b. Registration, claim filing, and document uploads and downloads;
    c. User guides, references, and FAQ sheets.

8. Business References

9. Industry Credentials

10. Reputation

11. Financial Stability

12. Timeline: The City anticipates the following 2020 timeline:

    Council Meeting to Approve RFP……..January 22
    RFP Official Release Date……...January 23
    Questions and Clarification Period…….February 3 - 7

City Posts Responses to Q's & C's……February 13
RFP Closing……..February 20 @ 5pm
RFP Evaluation Period……February 24 - 27
Interviews (if necessary)……..March 2 - 3
Negotiate and Execute Final Contract……...March 4 - 12
Council Meeting to Award RFP……...March 25
Program Transition and Prep Period……April 10 - June 30
Contract Start Date……July 1

The CITY reserves the right to cancel, change and/or modify the above dates at any time.

7. FORMAT AND DELIVERY OF RESPONSE

Proposals will be received through 5:00 p.m. on February 20, 2020. Only one (1) electronic copy is required to be submitted via PlanetBids:

A. **Proposal Submittals:** All proposals must be electronically submitted through PlanetBids' Bidder Portal, accessed through the City of Montebello's official website at http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html. All Prospective Proposers must register to bid through the PlanetBids Vendor Portal found on the City of Montebello's website at the link provided above.

There is no fee to register and bid on this Request for Proposals.

Questions during the solicitation period shall be submitted through Planet Bids or by email, and may be addressed to:

City of Montebello
Human Resources
Eva Sahagun, Risk Manager
esahagun@cityofmontebello.com

The RFP shall include the following:

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

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

D. **General Scope of Work:** Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.

E. **Work Plan:** Present concepts for conducting the work plan and interrelationship of all products. Define the scope of each task including the depth and scope of analysis or research proposed including claims procedures, staffing, data management, and financial/banking options available.

F. **Fees and costs:** Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any firm. All prices should reflect "not to exceed" amounts per item. Provide pricing using the following table/format.

PROPOSAL COST SHEET							
	Year 1		Year 2		Year 3		
	Rate/Unit	Not to exceed Annual Cost	Rate/Unit	Not to exceed Annual Cost	Rate/Unit	Not to exceed Annual Cost	TOTAL 3-Yrs
Program Administration	$	$	$	$	$	$	$
Claim Set-up Fee	$	$	$	$	$	$	$
Monitor Only Assignments (claim set-up and monitor of court filings)	$	$	$	$	$	$	$
Limited Assignments (claim set-up and settlement releases)	$	$	$	$	$	$	$
Adjusting Services	$	$	$	$	$	$	$
Risk Control Services	$	$	$	$	$	$	$
Materials Damage Appraisals	$	$	$	$	$	$	$
Subrogation Services	$	$	$	$	$	$	$
Other Proposed Services	$	$	$	$	$	$	$
Alternative Pricing (if firm's proposal does not fall into the category(s) listed above)	$	$	$	$	$	$	$
TOTAL ANNUAL AMOUNT		$		$		$	$

G. **Ability of the Proposer to Perform:** Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.

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

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

8. ADDENDA, CHANGES, AND AMENDMENTS TO THIS SOLICITATION

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

9. CONDITIONS FOR RESPONSES TO RFP

The following conditions apply to this RFP process:

A. Nothing contained in this RFP shall create any contractual relationship between the respondent and the City.
B. This RFP does not obligate the City to establish a list of service providers qualified as prime contractors or award a contract to any respondent. The City reserves the right to amend or cancel this RFP without prior notice, at any time, at its sole discretion.
C. The City shall not be liable for any expenses incurred by any individual or organization in connection with this RFP.
D. No conversations or agreements with any officer, agent, or employee of the City shall affect or modify any terms of this RFP. Oral communications or any written/e-mail materials provided by any person other than designated contact staff of City shall not be considered binding.
E. The City reserves the right, in its sole discretion, to accept or reject any or all Proposals without prior notice and to waive any minor irregularities or defects in a Proposal. The City reserves the right to seek clarification on a Proposal with any source.
F. The dates, times, and sequence of events related to this RFP shall ultimately be determined by the City. The schedule shown above is subject to change, at the sole discretion of the

City, although the City will attempt to follow it and, if it must be altered, will attempt to provide reasonable notice of the changes.

G. Respondents shall not issue any news release pertaining to this RFP, or the City without prior written approval of the City.

H. All submitted proposals and information included therein or attached thereto shall become public record upon completion of the RFP process.

10. **RIGHT BY THE CITY TO WITHDRAW THIS REQUEST**

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

11. **STANDARD TERMS AND CONDITIONS**

Prior to the award of any work hereunder, City and proposer shall enter into the written contract attached hereto, for services, substantially in the form and containing the terms and conditions set forth in Exhibit B. Proposers responding to this RFP are strongly advised to review all the terms and conditions of the Contract. The anticipated contract period shall be for a three (3) year service contract with two (2) one-year renewal options.

[END OF REQUEST FOR PROPOSALS]

EXHIBIT A

AFFIDAVIT OF NON-COLLUSION

AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR

STATE OF CALIFORNIA)

) ss

COUNTY OF LOS ANGELES)

_____, being first duly sworn deposes and says that he/she is

_____ (Insert "Sole Owner", "Partner", "President, "Secretary", or other proper title)

of_____

(Insert name of bidder)

Who submits herewith to the City of Montebello a proposal;

That all statements of fact in such proposal are true;

That such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;

That such proposal is genuine and not collusive or sham;

That said bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Montebello, or of any other bidder or anyone else interested in the proposed contract; and further

That prior to the public opening and reading of proposals, said bidder:

a. Did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;

b. Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham

proposal, or that anyone should refrain from bidding or withdraw his proposal;

c. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or of that of anyone else;

d. Did not, directly or indirectly, submit his proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except the City of Montebello, or to any person or persons who have a partnership or other financial interest with said bidder in his business.

I certify under penalty of perjury under the laws of the State of California that the above information is correct

By:_____Title:_____Date:_____

EXHIBIT B

PROFESSIONAL SERVICES AGREEMENT

CITY OF MONTEBELLO

PROFESSIONAL SERVICES AGREEMENT NO.

BY AND BETWEEN

CITY OF MONTEBELLO

AND

[CONSULTANT NAME]

CONSULTANTS

THIS AGREEMENT ("Agreement") is made and entered into on _____, 20__, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and [NAME OF CONSULTANT] (hereinafter referred to as "CONSULTANT"). CITY and CONSULTANT are sometimes referred to herein individual as a "Party," and jointly as the "Parties."

RECITALS

WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to City to _____, as more fully described herein; and

WHEREAS, CONSULTANT represents the degree of specialized expertise contemplated within California Government Code, Section 37103, and is qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, no official or employee of CITY has a financial interest, within the provisions of Sections 1090 – 1092 of the California Government Code, in the subject matter of this Agreement; and

DELETE THE FOLLOWING "**WHEREAS**" PARAGRAPH IF PSA AWARDED WITHOUT RFP PROCESS

WHEREAS, CONSULTANT responded to CITY's Request for Proposals dated [DATE] (RFP No. [X]), as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Consultant Proposal").

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. <u>SERVICES / COMPENSATION.</u>

A. CONSULTANT shall provide to CITY those services that are set forth fully in the Scope of Services, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

B. CONSULTANT shall complete the Scope of Services within the time set forth in the Schedule of Performance, as such is set forth in **Exhibit "B"** hereto and incorporated fully herein by this reference.

B. CONSULTANT shall be compensated a sum not-to-exceed (the "Maximum Compensation") for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "C"** and incorporated fully herein by this reference ("Compensation"). CONSULTANT shall provide an itemized billing statement to CITY each month for Professional Services performed. CONSULTANT shall not incur fees or costs which exceed the Maximum Compensation without the prior written consent of CITY.

C. CITY will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.

D. Work performed shall be deemed approved and accepted by CITY as and when invoiced unless CITY objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CITY believes such work is incomplete or defective, and the invoice amount(s) in dispute. CITY shall pay undisputed amounts as provided for in the preceding paragraph.

E. Failure of CITY to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONSULTANT's discretion.

SECTION 2. <u>TERM.</u>

This Agreement shall commence upon the date the last of the Parties executes this Agreement hereinbelow ("Effective Date"), and shall terminate upon completion of the Scope of Services set forth herein, unless terminated sooner as provided in Section 7 herein.

[OPTIONAL LANGUAGE IF EXTENSIONS PERMITTED]: Thereafter, this Agreement may be extended for a maximum of [SPELL OUT NUMBER] (#) successive one (1) year periods. Such extensions, if any, will be evidenced by a written amendment to this Agreement].

The Parties agree that Sections 4(B), 9, 10, 11, 13, 16, 17, 18, and 19 shall survive for three (3) years following the expiration or termination of this Agreement.

SECTION 3. PERFORMANCE.

A. CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.

B. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONSULTANT hereunder, in meeting its obligations under this Agreement.

C. CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

D. CONSULTANT shall have the right to retain, subject to CITY's written approval, additional individuals, consultants or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subcontractors shall be the sole and exclusive responsibility of CONSULTANT.

E. CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years, unless otherwise provided for in **Exhibit "A."** Upon CITY providing twenty-four (24) hours advanced prior notice, CONSULTANT shall make all records, invoices, time cards, cost control sheets and other records maintained by CONSULTANT in connection with this Agreement available during CONSULTANT's regular working hours to CITY for review and audit by CITY.

F. All reports, documents or other written material developed by CONSULTANT in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. Such material shall not be the subject of a copyright application by CONSULTANT. Any alteration or reuse by CITY of any such materials on any project other than the Project shall be at CITY's sole risk, unless CITY compensates CONSULTANT for such reuse.

SECTION 4. WORK PRODUCT.

A. CONSULTANT hereby agrees that all work produced pursuant to this Agreement, and provided to CITY during and upon completion of this Agreement, shall be the property of CITY, and ownership of said work product shall be retained by CITY. CONSULTANT may take and retain copies of such written products as desired.

B. All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

C. Documents are provided in CONSULTANT's standard software formats. CITY recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CITY's software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, CITY agrees to defend indemnify and hold CONSULTANT, its sub-contractors, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall CONSULTANT be liable for any loss of use, profit or any other damage.

SECTION 5. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by CITY's City Administrator ("City Administrator").

SECTION 6. CITY SUPERVISION.

The City Administrator shall have the right of general supervision of all work performed by CONSULTANT and shall be CITY's agent with respect to obtaining CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Administrator.

SECTION 7. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

A. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by CONSULTANT, CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of CONSULTANT. CONSULTANT and his sureties shall be liable to CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONSULTANT shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

B. Termination for Convenience. CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, after giving written notice to CONSULTANT at least five (5) business days before the termination is to be effective. Upon the termination of this Agreement as provided herein, CITY shall provide to CONSULTANT the part of Compensation which would otherwise be payable to CONSULTANT for services CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONSULTANT shall be reimbursed for any “non-refundable” costs that CONSULTANT has incurred for its services under this Agreement, provided that: (1) such “non- refundable” costs were incurred by CONSULTANT prior to the date of termination; (2) that CONSULTANT provides CITY with adequate proof that CONSULTANT incurred the costs, and is unable to be seek a refund for such costs; and (3) such costs were within the scope of work or services to be performed under this Agreement. Such “non-refundable” costs may include, but are not limited to, travel reservations incurred by CONSULTANT for its performance of services under this Agreement. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 8. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of CITY shall be employed by CONSULTANT during the Term of this Agreement.

SECTION 9. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of CITY shall be personally liable to CONSULTANT in the event of any default or breach by CITY, or for any amount which may become due to CONSULTANT.

SECTION 10. INDEPENDENT CONTRACTOR.

A. CONSULTANT is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONSULTANT except as expressly set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of CITY. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONSULTANT for performance hereunder for CITY. CITY shall not be liable for compensation to CONSULTANT, CONSULTANT's employees or CONSULTANT's subcontractors for injury or sickness arising out of performing services hereunder.

B. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

C. CITY shall not deduct from the Compensation paid to CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONSULTANT. CITY shall have no responsibility to provide CONSULTANT, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 11. PERS ELIGIBILITY INDEMNITY.

A. In the event that CONSULTANT or any employee, agent, or subcontractor of CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONSULTANT shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONSULTANT or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 12. LEGAL RESPONSIBILITIES.

CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONSULTANT to comply with this section.

SECTION 13. INDEMNIFICATION.

CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONSULTANT'S negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of CITY.

SECTION 14. INSURANCE COVERAGE.

During the Term of this Agreement, CONSULTANT shall carry, maintain, and keep in full force and effect all of the following minimum scope of insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL)**: Broad-form, Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including premise-operations, products-completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury, and advertising injury, with limits no less than **Two Million Dollars and Zero Cents** ($2,000,000), combined single limits, per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

- **Business Automobile Liability Insurance:** For owned vehicles, hired, and non-owned vehicles, Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury and property damage.

- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury or disease. CONSULTANT agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers'

compensation insurance policy against CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers for losses arising from work performed by CONSULTANT for CITY and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By executing this Agreement, CONSULTANT further certifies as follows:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work contemplated herein.

- **Professional Errors and Omissions (E&O) Liability** insurance appropriate to the CONSULTANT's profession, with limit no less than **Two Million Dollars and Zero Cents** ($2,000,000.00) per occurrence or claim, **Two Million Dollars and Zero Cents** ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of work set forth herein, CONSULTANT shall obtain and maintain said E&O liability insurance during the Term of this Agreement and for five (5) years after completion of work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, CONSULTANT shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If CONSULTANT maintains higher limits than the minimums shown above, CITY requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CITY.

CONTACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California, with a current rating of at least A:VII in the latest edition of Best's Insurance Guide, and approved by CITY.

Each insurance policy required herein shall state that coverage shall not be canceled, except after providing CITY thirty (30) days' (or ten [10] calendar days' for non-payment) prior written notice. CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either: (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONSULTANT'S expense, the premium thereon.

At all times during the Term of this Agreement, CONSULTANT shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the

aforesaid policies are in effect in the required amounts and naming CITY, its officers, agents, employees and volunteers as an additional insured. CONSULTANT shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONSULTANT shall provide proof that policies of insurance required herein expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

Except for professional liability and workers' compensation policies, the policies herein are primary and non-contributing with any insurance that may be carried by CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver if subrogation endorsement from the insurer.

Coverage not affected. Any failure to comply with the reporting provisions of the policies contemplated herein, shall not affect coverage provided to CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers.

Coverage applies separately. CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONSULTANT shall not be construed as a

limitation of CONSULTANT's liability or as fall performance of CONSULTANT's duties to indemnify, hold harmless and defend under Section 9 of this Agreement.

CITY, its officers and employees shall not be responsible for any claims in law or in equity occasioned by failure of CONSULTANT to comply with this section.

CITY reserves the right to modify these requirements, including limits, based on the nature of risk, prior experience, insurer, coverage, or other special circumstances.

SECTION 15. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

CONSULTANT shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONSULTANT under the Agreement.

SECTION 16. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 17. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 18. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of

reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 19. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

A. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;

B. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of *any* matter whatsoever; and

C. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 20. MISCELLANEOUS.

A. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.

B. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

C. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

D. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

E. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

F. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

G. To the extent of a conflict between the terms of this Agreement and those set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 21. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

CITY ADMINISTRATOR	CONSULTANT
City of Montebello	_____
1600 West Beverly Boulevard	_____
Montebello, California 90640	_____

SECTION 22. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONSULTANT will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 23. CONFLICT OF INTEREST.

CONSULTANT and its officers, employees, associates and subconsultants, if any, shall comply with all California conflict of interest statutes applicable to Consultant's Services under this Agreement, including, but not limited to, the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. CONSULTANT further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONSULTANT under this Agreement, or which would conflict in any manner with the

performance of its services hereunder. CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by CITY as a result of the recommendations made by CONSULTANT. CONSULTANT's covenant under this section shall survive the termination of this Agreement.

SECTION 24. <u>ENTIRE AGREEMENT.</u>

This Agreement contains the entire understanding between CITY and CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

CITY OF MONTEBELLO	**CONSULTANT**
_____	_____
René Bobadilla City Manager	Name and Title
Dated: _____	Dated: _____

ATTEST:

_____
Irma Barajas
City Clerk

APPROVED AS TO FORM

_____
Arnold M. Alvarez-Glasman
City Attorney

Exhibit “A”

Scope of Services

Exhibit “B”

Schedule of Performance

Exhibit “C”

Schedule of Compensation

EXHIBIT D TO CONTRACT

EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS

A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.

B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.

C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.

D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

4828-0306-9988, v. 1

City of Montebello

Request for Proposals (RFP) No.19-61

WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES

DUE FEBRUARY 20, 2020

City of Montebello

1600 W. Beverly Blvd.

Montebello, CA 90640

Phone: (323) 887-1200

CITY OF MONTEBELLO REQUEST FOR PROPOSALS

WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES

1. INTRODUCTION AND PROJECT

The City of Montebello is seeking proposals from qualified firms to provide third party administration (TPA) services for the City's Self-Insured Workers' Compensation Program. The City seeks a firm that can provide a high quality, comprehensive program to include Program Administration, Claims Administration, Claim Management Reporting, Data Conversion, and Financial Management. The City's self-insured workers' compensation program provides a comprehensive array of services through its third party administer. The third party administrator shall have personnel with specialized skills and certifications required to effectively and efficiently handle workers' compensation claims caseloads. Specifically, they work with injured employees, medical providers and attorneys in investigating, negotiating and settling claims made by injured employees. The third party administrator acts as the primary claims handler and serves in an advisory role to the City by making recommendations on the appropriate disposition (settlement or denial) of claims.

The City will select one firm, based on demonstrated competence and a cost effective approach to review, conduct, and assist in the administration of the City's workers' compensation claims.

2. CITY BACKGROUND

Montebello (Italian for beautiful mountain) is a city in Los Angeles County, California, United States, located in the southwestern area of the San Gabriel Valley encompassing 8.4 miles and east of downtown Los Angeles.

Council/Manager Government: The City Council consists of five members elected from the City at-large, who serve four-year staggered terms. The City Council annually appoints a Mayor and a Mayor Pro Tem from its own membership to serve one-year terms. The City Council selects and appoints a City Manager who serves as the Chief Executive Officer.

Labor Force: Montebello has approximately 500 employees, and provides full service functions through the following City offices and departments:

City Administration	Recreation & Community Services
Finance	Police
Fire	Public Works
Human Resources	Transit Operations
Planning & Community Development	

3. DESIRED SERVICES

The City seeks to contract with one provider for claims administration services. The City desires prompt, accurate claims handling and reporting. Administrative legal support required in the daily administration of claims is expected to be included within the scope of services provided by the selected Claims Administrator. The Claims Administrator will be expected to provide initial training for all designated City staff on the claim's submission process and forms, as well as ongoing training as required. The Claims Administrator will be expected to provide the City with loss control data and other cost control methods and services. Transfer of claims from the City's current Claims Administrator will be required.

4. SCOPE OF SERVICES REQUIRED

The City is seeking the services of a highly qualified firm that is well versed in regulations governing a self-insured workers compensation program, to assist in claims administration and maintenance. The City is particularly interested in a firm that can offer creative and innovative approaches, with a proven track record, that allows the City to maintain a quality worker's compensation program and contain or reduce costs.

The Third Party Administrator shall provide the following services for the City's self-insured workers' compensation program:

1. Claims Administration
    - Claims Administration (from claim inception to disposition)
    - Medical Provider Network (MPN)
    - Managed Care Services, which shall include:
        - Medical Billing Reviews
        - Utilization Reviews
        - Field Nurse Case Management
        - Telephonic Nurse Case Management
        - Pharmacy Card Services

2. Claims Personnel

- Dedicated Senior Claims Adjuster and Claims Supervisor shall be assigned to the City's account and appropriate support staff. The City retains the right and opportunity to interview, approve, and/or reject all proposed individuals to be assigned to the City's account.

3. Claim Handling, Case Review

- TPA will investigate questionable claims with coordination, assistance and approval from the City.

- The TPA shall maintain, in accordance with California law, a claim file on each reported claim. Said claim file shall also be available to the City during normal business hours and include actual costs and estimated costs of all anticipated benefits and expenses related to the claim file.

- The TPA shall closely monitor all active claims and make timely reports to the City of case status, pending issues, suspected malfeasance, and any other pertinent program information.

- The TPA shall provide the City with regular loss reports, as requested by the City, and provide special reports for an additional expense, when requested.

- The TPA shall examine, on behalf of the City, all reports of industrial injury to or disease of employees reported to it by the City and properly process each claim from its inception to resolution. Such procedures shall include, but not be limited to, determining the compensability of claimed injuries and illnesses under the State Workers' Compensation Law, eligibility for payments of medical benefits and medical examinations, coordinating rehabilitation efforts, recommending payment of temporary and permanent disability compensation, and utilizing, as necessary or desirable, the advisory rating of the Permanent Disability Rating Bureau.

4. Communication

- The TPA shall maintain regular communications with the City and injured worker, from the inception to disposition of each claim.

- The TPA shall emphasize outstanding customer services and treat all parties to each workers' compensation claim in an equitable and fair

manner. This requirement shall include the on-going assistance of employees throughout the entire workers' compensation process and the facilitation of outstanding customer relations.

- TPA shall make initial contact with claimant and establish claim file within 24 hours of receipt of the Employers' First Report of Injury from the City.
- TPA shall maintain regular contact with injured workers and their physicians with the goal of returning employees to modified or regular work as soon as possible.
- TPA to contact the physician's office within one to three days of notice of all new claims and shall provide follow up and intervention with medical service providers on behalf of the City and the injured employee.
- TPA shall be the point of contact for injured workers for assistance with all aspects of the workers' compensation process including explanation of permanent disability ratings and other benefit notices.
- As required, the TPA will assist injured employees in resolving problems that arise from injury or illness claims.

5. Payments & Workers' Compensation Account

- The TPA shall only make payments of permanent disability compensation and death benefits in accordance with the Permanent Disability Ratings Bureau, orders of the Workers' Compensation Appeals Board (WCAB), or by approval of the City.
- The TPA shall, with the approval of the City and at the City's expense, engage the services of persons or firms outside its organization for work not generally performed by claims examiners in connection with the investigation and adjustment of claims.
- The TPA shall decide, on behalf of the City, what benefits, if any, should be paid or rendered under the applicable State Workers' Compensation laws for each reported claim.
- The TPA shall make timely payments and/or reimbursements of all duly payable program benefits, wages, medical expenses, and eligible costs covered under State Workers' Compensation law from the claim payment fund established and maintained by the City.
- The TPA shall report any discrepancies or accounting errors it finds in connection with the claim payment fund.

6. Settlement

- Settlement proposals directed to the City shall be forwarded by the TPA or defense counsel in writing, along with a reasoned settlement recommendation with supporting documentation required by the City.

- Settlement proposals shall be presented to the City with enough time to process the proposal and obtain settlement authority from either the City or City Council, as required.

7. Compliance & Reporting

- The TPA shall keep the City informed of all program compliance matters and ensure the City meets all program reporting requirements and deadlines. This requirement shall include:

- Providing the City with all forms necessary for the efficient and effective operation of the self-insurance program;

- Preparing and submitting at least 15 days prior to the deadline, all legally required program forms and reports to their authorized agencies on behalf of the City;

- Preparing and submitting to the City no later than 30 days prior to the due date, the Public Entities Self-Insures' Annual Report, as required by the State of California Department of Industrial Relations, Workers' Compensation Division.

- Providing the City with all tax forms necessary for the City's annual tax filings with the State Franchise Tax Board and Internal Revenue Service.

8. File and Program Review Meetings

- The TPA shall conduct quarterly program analyses and status meetings, or more frequently if requested, with the City to discuss case statuses, issues, and trends based on the TPA's analysis of the program. TPA shall also recommend loss controls and solutions to the City based on its quarterly program analyses.

- The TPA shall attend City Council meetings, as necessary and requested, to respond to City Council inquiries and to keep the City Council and public informed of various program matters.

- The TPA shall provide the City with recommendations for year-to-date and projected reserve fund encumbrances.
- The TPA shall provide the City, on an annual basis, a program improvement plan based on program utilization rates and cost-to-benefit analyses.

9. Authority

- The TPA shall acquire the approval of the City to assign and refer cases to outside providers, such as medical examiners, physicians, specialists, investigators, and vocational rehabilitation services.

10. Litigation and Investigation

- The TPA shall adhere to a City approved panel of legal counsel and acquire the approval of the City to assign all litigated matters and/or cases to legal defense counsel. The City's approval shall also be required for the selection and employment of attorneys and paralegals to appear before the Workers' Compensation Appeals Board (WCAB) on behalf of the City for claims made by an employee of the City. The legal panel shall be incorporated into the final contract as an attachment thereto.
- The TPA shall make all efforts to mitigate the escalation and litigation of workers' compensation claims.
- The TPA shall make professional recommendations to the City concerning the escalation of cases, potential litigation, suspected and/or substantiated malfeasance, course of administrative action, treatment of claims, and program direction.
- The TPA shall coordinate all litigated claims with the City and maintain on-going communications and correspondence with City staff, defense counsel, and claimant counsel in order to facilitate the resolution of issues and avoid unnecessary appearances and expenses of litigated claims.

11. Reporting to Excess Carrier

- The TPA shall report claims to the City's excess insurance carriers in accordance with the claims reporting criteria of said carriers and pursue the collection of covered losses on behalf of the City.

12. Employee Training

- The TPA shall provide training to City personnel involved in the administration of the City's workers' compensation program.

- The TPA personnel shall be made available to the City on an "as needed" basis to provide City-wide supervisory and employee training on topics of interest to be determined by the City pertaining to the City's workers' compensation program.

5. INQUIRIES:

Montebello City Code prohibits any unauthorized contact by the bidder during the bid or proposal process with an official or city employee, other than the Finance Director, City Manager or Human Resources Director. Contact with any official or employee other than the foregoing shall cause the bidder to be immediately disqualified from consideration of award.

6. QUALIFICATIONS & CRITERIA

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

1. The proposer has advanced knowledge of the administrative requirements, laws and practices relating to Workers' Compensation Claims Administration within a municipal government setting.

2. The proposer has a demonstrated track record of success in handling all aspects of Workers' Compensation Claims Administration and at least five (5) years providing these services to public entities in the State of California.

3. Each proposer shall provide at least three (3) references, preferably from governmental entities, for relevant work performed in the past five (5) years. When possible, include references from cities of a similar character to Montebello (i.e., full-service cities). If the proposer does not have three (3) governmental entity references, references from private sector entities may be provided.

4. The proposer must demonstrate understanding of the assignment and knowledge of the skills necessary to serve in the role of Workers' Compensation Claims Administrator.

5. Demonstrated experience in assisting other municipalities with the development and/or administration of self-insured worker's compensation strategies.

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

1. Overall responsiveness and fit to the requirements of the RFP.

2. Cost and quality of proposed services, including:
   a. Responsiveness to the scope of services; and
   b. Proposed service methodologies;
   c. Proposed fees and costs of services.

3. Proven experience and expertise with:
   a. California municipalities and/or counties;
   b. California workers' compensation laws and regulations for public sector employers;
   c. California workers' compensation laws and regulations for public safety employers;
   d. Assessing, planning, developing, and implementing workers' compensation programs for municipalities similar in scope and size to the City of Montebello.

4. Staffing:
   a. Staff qualifications;
   b. Staff expertise and experience;
   c. File/case volume;
   d. Turnover.

5. Financial and Statistical reports that include:
    a. Summary and detail reports;
    b. Weekly, monthly, and annual financial reports, including:
        i. Payment registers;
        ii. Outstanding claims and incurred loss reports;
        iii. Multi-year, comprehensive reports.
    c. Statistical reports, including:
        i. Utilization reports;
        ii. Frequency reports;
        iii. Probability reports;
    d. Customized program reports on request.

6. Location of office:
    a. Proximity to the City of Montebello;
    b. Accessibility of firm's staff.

7. Web-based applications, with employer and employee access portals, for:
    a. Claims management;
    b. Registration, claim filing, and document uploads and downloads;
    c. Workers' Compensation user guides, references, and FAQ sheets.

8. Business References

9. Industry Credentials

10. Reputation

11. Financial Stability

12. The CITY anticipates the following 2020 timetable:

Council Meeting to Approve RFP……..	January 22
RFP Official Release Date……	January 23
Questions and Clarification Period…….	February 3 - 7
City Posts Responses to Q's & C's……	February 13
RFP Closing……..	February 20 @ 5pm
RFP Evaluation Period…….	February 24 - 27
Interviews (if necessary)……..	March 2 - 3
Negotiate and Execute Final Contract……	March 4 - 12
Council Meeting to Award RFP……...	March 25
Program Transition and Prep Period……..	April 10 - June 30
Contract Start Date……	July 1

The CITY reserves the right to cancel, change and/or modify the above dates at any time.

7. FORMAT AND DELIVERY OF RESPONSE

Proposals will be received through 5:00 p.m. on February 20, 2020. Only one (1) electronic copy is required to be submitted via Planet Bids:

A. **Proposal Submittals:** All proposals must be electronically submitted through PlanetBids' Bidder Portal, accessed through the City of Montebello's official website at http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html. All Prospective Proposers must register to bid through the PlanetBids Vendor Portal found on the City of Montebello's website at the link provided above.

There is no fee to register and bid on this Request for Proposals.

Questions during the solicitation period shall be submitted through Planet Bids or by email, and may be addressed to:

City of Montebello
Human Resources
Eva Sahagun, Risk Manager
esahagun@cityofmontebello.com

The RFP shall include the following:

B. **Cover Letter:** All proposals shall include a cover letter which states that the proposal shall remain valid for a period of not less than ninety (90) days from the date of submittal. If the proposal contemplates the use of sub-contractors, the sub-contractors shall be identified in the cover letter. If the proposal is

submitted by a business entity, the cover letter shall be signed by an officer authorized to contractually bind the business entity. With respect to the business entity, the cover letter shall also include: the identification of the business entity, including the name, address and telephone number of the business entity; and the name, title, address and telephone number of a contact person during the proposal evaluation period.

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

D. **General Scope of Work:** Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.

E. **Work Plan:** Present concepts for conducting the work plan and interrelationship of all products. Define the scope of each task including the depth and scope of analysis or research proposed including claims procedures, staffing, data management, and financial/banking options available.

F. **Fees and costs:** Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any firm. All prices should reflect "not to exceed" amounts per item. Provide pricing using the following table/format.

PROPOSAL COST SHEET							
	Year 1		Year 2		Year 3		
	Rate/Unit	Not to exceed Annual Cost	Rate/Unit	Not to exceed Annual Cost	Rate/Unit	Not to exceed Annual Cost	TOTAL 3-Yrs
Program Administration	$	$	$	$	$	$	$
Medical Provider Network	$	$	$	$	$	$	$
Medical Billing Reviews	$	$	$	$	$	$	$
Utilization Reviews	$	$	$	$	$	$	$
Nurse Case Management	$	$	$	$	$	$	$
Pharmaceutical Services	$	$	$	$	$	$	$
Subrogation Services	$	$	$	$	$	$	$
Other Proposed Services	$	$	$	$	$	$	$
TOTAL ANNUAL AMOUNT		$		$		$	$

G. **Ability of the Proposer to Perform:** Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.

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

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

8. ADDENDA, CHANGES, AND AMENDMENTS TO THIS SOLICITATION

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

9. CONDITIONS FOR RESPONSES TO RFP

The following conditions apply to this RFP process:

A. Nothing contained in this RFP shall create any contractual relationship between the respondent and the City.

B. This RFP does not obligate the City to establish a list of service providers qualified as prime contractors or award a contract to any respondent. The City reserves the right to amend or cancel this RFP without prior notice, at any time, at its sole discretion.

C. The City shall not be liable for any expenses incurred by any individual or organization in connection with this RFP.

D. No conversations or agreements with any officer, agent, or employee of the City shall affect or modify any terms of this RFP. Oral communications or any written/e-mail materials provided by any person other than designated contact staff of City shall not be considered binding.

E. The City reserves the right, in its sole discretion, to accept or reject any or all Proposals without prior notice and to waive any minor irregularities or defects in a Proposal. The City reserves the right to seek clarification on a Proposal with any source.

F. The dates, times, and sequence of events related to this RFP shall ultimately be determined by the City. The schedule shown above is subject to change, at the sole discretion of the City, although the City will attempt to follow it and, if it must be altered, will attempt to provide reasonable notice of the changes.

G. Respondents shall not issue any news release pertaining to this RFP, or the City without prior written approval of the City.

H. All submitted proposals and information included therein or attached thereto shall become public record upon completion of the RFP process.

10. RIGHT BY THE CITY TO WITHDRAW THIS REQUEST

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

11. STANDARD TERMS AND CONDITIONS

Prior to the award of any work hereunder, City and proposer shall enter into the written contract attached hereto, for services, substantially in the form and containing the terms and conditions set forth in Exhibit B. Proposers responding to this RFP are strongly advised to review all the terms and conditions of the Contract. The anticipated contract period shall be for a three (3) year service contract with two (2) one-year renewal options.

[*END OF REQUEST FOR PROPOSALS*]

EXHIBIT A
AFFIDAVIT OF NON-COLLUSION

AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR

STATE OF CALIFORNIA)

)

ss COUNTY OF LOS ANGELES)

-

_____

, being first duly sworn deposes and says that he/she is

_____

(Insert "Sole Owner", "Partner", "President, "Secretary", or other proper title)

of_____

(Insert name of bidder)

who submits herewith to the City of Montebello a proposal;

That all statements of fact in such proposal are true;

That such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;

That such proposal is genuine and not collusive or sham;

That said bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Montebello, or of any other bidder or anyone else interested in the proposed contract; and further

That prior to the public opening and reading of proposals, said bidder:

a. Did not directly or indirectly, induce or solicit anyone else to submit

a false or sham proposal;

b. Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham proposal, or that anyone should refrain from bidding or withdraw his proposal;

c. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or of that of anyone else;

d. Did not, directly or indirectly, submit his proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except the City of Montebello, or to any person or persons who have a partnership or other financial interest with said bidder in his business.

I certify under penalty of perjury under the laws of the State of California that the above information is correct

By:_____Title:_____

Date:_____

EXHIBIT B

PROFESSIONAL SERVICES AGREEMENT

CITY OF MONTEBELLO

PROFESSIONAL SERVICES AGREEMENT NO.

BY AND BETWEEN

CITY OF MONTEBELLO

AND

[CONSULTANT NAME]

CONSULTANTS

THIS AGREEMENT ("Agreement") is made and entered into on _____, 20__, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and [NAME OF CONSULTANT] (hereinafter referred to as "CONSULTANT"). CITY and CONSULTANT are sometimes referred to herein individual as a "Party," and jointly as the "Parties."

RECITALS

WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to City to _____, as more fully described herein; and

WHEREAS, CONSULTANT represents the degree of specialized expertise contemplated within California Government Code, Section 37103, and is qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, no official or employee of CITY has a financial interest, within the provisions of Sections 1090 – 1092 of the California Government Code, in the subject matter of this Agreement; and

DELETE THE FOLLOWING "**WHEREAS**" PARAGRAPH IF PSA AWARDED WITHOUT RFP PROCESS

WHEREAS, CONSULTANT responded to CITY's Request for Proposals dated [DATE] (RFP No. [X]), as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Consultant Proposal").

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. <u>SERVICES / COMPENSATION.</u>

A. CONSULTANT shall provide to CITY those services that are set forth fully in the Scope of Services, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

B. CONSULTANT shall complete the Scope of Services within the time set forth in the Schedule of Performance, as such is set forth in **Exhibit "B"** hereto and incorporated fully herein by this reference.

B. CONSULTANT shall be compensated a sum not-to-exceed (the "Maximum Compensation") for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "C"** and incorporated fully herein by this reference ("Compensation"). CONSULTANT shall provide an itemized billing statement to CITY each month for Professional Services performed. CONSULTANT shall not incur fees or costs which exceed the Maximum Compensation without the prior written consent of CITY.

C. CITY will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.

D. Work performed shall be deemed approved and accepted by CITY as and when invoiced unless CITY objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CITY believes such work is incomplete or defective, and the invoice amount(s) in dispute. CITY shall pay undisputed amounts as provided for in the preceding paragraph.

E. Failure of CITY to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONSULTANT's discretion.

SECTION 2. <u>TERM.</u>

This Agreement shall commence upon the date the last of the Parties executes this Agreement hereinbelow ("Effective Date"), and shall terminate upon completion of the Scope of Services set forth herein, unless terminated sooner as provided in Section 7 herein.

[OPTIONAL LANGUAGE IF EXTENSIONS PERMITTED]: Thereafter, this Agreement may be extended for a maximum of [SPELL OUT NUMBER] (#) successive one (1) year periods. Such extensions, if any, will be evidenced by a written amendment to this Agreement].

The Parties agree that Sections 4(B), 9, 10, 11, 13, 16, 17, 18, and 19 shall survive for three (3) years following the expiration or termination of this Agreement.

SECTION 3. PERFORMANCE.

A. CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.

B. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONSULTANT hereunder, in meeting its obligations under this Agreement.

C. CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

D. CONSULTANT shall have the right to retain, subject to CITY's written approval, additional individuals, consultants or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subcontractors shall be the sole and exclusive responsibility of CONSULTANT.

E. CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years, unless otherwise provided for in **Exhibit "A."** Upon CITY providing twenty-four (24) hours advanced prior notice, CONSULTANT shall make all records, invoices, time cards, cost control sheets and other records maintained by CONSULTANT in connection with this Agreement available during CONSULTANT's regular working hours to CITY for review and audit by CITY.

F. All reports, documents or other written material developed by CONSULTANT in the performance of this Agreement shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. Such material shall not be the subject of a copyright application by CONSULTANT. Any alteration or reuse by CITY of any such materials on any project other than the Project shall be at CITY's sole risk, unless CITY compensates CONSULTANT for such reuse.

SECTION 4. WORK PRODUCT.

A. CONSULTANT hereby agrees that all work produced pursuant to this Agreement, and provided to CITY during and upon completion of this Agreement, shall be the property of CITY, and ownership of said work product shall be retained by CITY. CONSULTANT may take and retain copies of such written products as desired.

B. All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

C. Documents are provided in CONSULTANT's standard software formats. CITY recognizes that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with CITY's software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, CITY agrees to defend indemnify and hold CONSULTANT, its sub-contractors, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall CONSULTANT be liable for any loss of use, profit or any other damage.

SECTION 5. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by CITY's City Administrator ("City Administrator").

SECTION 6. CITY SUPERVISION.

The City Administrator shall have the right of general supervision of all work performed by CONSULTANT and shall be CITY's agent with respect to obtaining CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Administrator.

SECTION 7. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

A. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by CONSULTANT, CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of CONSULTANT. CONSULTANT and his sureties shall be liable to CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONSULTANT shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

B. Termination for Convenience. CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, after giving written notice to CONSULTANT at least five (5) business days before the termination is to be effective. Upon the termination of this Agreement as provided herein, CITY shall provide to CONSULTANT the part of Compensation which would otherwise be payable to CONSULTANT for services CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONSULTANT shall be reimbursed for any “non-refundable” costs that CONSULTANT has incurred for its services under this Agreement, provided that: (1) such “non- refundable” costs were incurred by CONSULTANT prior to the date of termination; (2) that CONSULTANT provides CITY with adequate proof that CONSULTANT incurred the costs, and is unable to be seek a refund for such costs; and (3) such costs were within the scope of work or services to be performed under this Agreement. Such “non-refundable” costs may include, but are not limited to, travel reservations incurred by CONSULTANT for its performance of services under this Agreement. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 8. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of CITY shall be employed by CONSULTANT during the Term of this Agreement.

SECTION 9. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of CITY shall be personally liable to CONSULTANT in the event of any default or breach by CITY, or for any amount which may become due to CONSULTANT.

SECTION 10. INDEPENDENT CONTRACTOR.

A. CONSULTANT is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONSULTANT except as expressly set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of CITY. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONSULTANT for performance hereunder for CITY. CITY shall not be liable for compensation to CONSULTANT, CONSULTANT's employees or CONSULTANT's subcontractors for injury or sickness arising out of performing services hereunder.

B. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

C. CITY shall not deduct from the Compensation paid to CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONSULTANT. CITY shall have no responsibility to provide CONSULTANT, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 11. PERS ELIGIBILITY INDEMNITY.

A. In the event that CONSULTANT or any employee, agent, or subcontractor of CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONSULTANT shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONSULTANT or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 12. LEGAL RESPONSIBILITIES.

CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONSULTANT to comply with this section.

SECTION 13. INDEMNIFICATION.

CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONSULTANT'S negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of CITY.

SECTION 14. INSURANCE COVERAGE.

During the Term of this Agreement, CONSULTANT shall carry, maintain, and keep in full force and effect all of the following minimum scope of insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL)**: Broad-form, Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including premise-operations, products-completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury, and advertising injury, with limits no less than **Two Million Dollars and Zero Cents** ($2,000,000), combined single limits, per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

- **Business Automobile Liability Insurance:** For owned vehicles, hired, and non-owned vehicles, Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury and property damage.

- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury or disease. CONSULTANT agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers for losses arising from work performed by CONSULTANT for CITY and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By executing this Agreement, CONSULTANT further certifies as follows:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work contemplated herein.

- **Professional Errors and Omissions (E&O) Liability** insurance appropriate to the CONSULTANT's profession, with limit no less than **Two Million Dollars and Zero Cents** ($2,000,000.00) per occurrence or claim, **Two Million Dollars and Zero Cents** ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of work set forth herein, CONSULTANT shall obtain and maintain said E&O liability insurance during the Term of this Agreement and for five (5) years after completion of work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, CONSULTANT shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If CONSULTANT maintains higher limits than the minimums shown above, CITY requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CITY.

CONTACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California, with a current rating of at least A:VII in the latest edition of Best's Insurance Guide, and approved by CITY.

Each insurance policy required herein shall state that coverage shall not be canceled, except after providing CITY thirty (30) days' (or ten [10] calendar days' for non-payment) prior written notice. CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either: (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONSULTANT'S expense, the premium thereon.

At all times during the Term of this Agreement, CONSULTANT shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming CITY, its officers, agents, employees and volunteers as an additional insured. CONSULTANT shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONSULTANT shall provide proof that policies of insurance required herein expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

Except for professional liability and workers' compensation policies, the policies herein are primary and non-contributing with any insurance that may be carried by CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver if subrogation endorsement from the insurer.

Coverage not affected. Any failure to comply with the reporting provisions of the policies contemplated herein, shall not affect coverage provided to CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers.

Coverage applies separately. CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT's liability or as fall performance of CONSULTANT's duties to indemnify, hold harmless and defend under Section 9 of this Agreement.

CITY, its officers and employees shall not be responsible for any claims in law or in equity occasioned by failure of CONSULTANT to comply with this section.

CITY reserves the right to modify these requirements, including limits, based on the nature of risk, prior experience, insurer, coverage, or other special circumstances.

SECTION 15. <u>SUBCONTRACT, ASSIGNMENT OR DELEGATION.</u>

CONSULTANT shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONSULTANT under the Agreement.

SECTION 16. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 17. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 18. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 19. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

A. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;

B. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of *any* matter whatsoever; and

C. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 20. MISCELLANEOUS.

A. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.

B. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

C. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

D. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

E. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

F. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

G. To the extent of a conflict between the terms of this Agreement and those set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 21. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

CITY ADMINISTRATOR	CONSULTANT
City of Montebello	_____
1600 West Beverly Boulevard	_____
Montebello, California 90640	_____

SECTION 22. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONSULTANT will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 23. CONFLICT OF INTEREST.

CONSULTANT and its officers, employees, associates and subconsultants, if any, shall comply with all California conflict of interest statutes applicable to Consultant's Services under this Agreement, including, but not limited to, the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. CONSULTANT further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONSULTANT under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by CITY as a result of the recommendations made by CONSULTANT. CONSULTANT's covenant under this section shall survive the termination of this

Agreement.

SECTION 24. <u>ENTIRE AGREEMENT.</u>

This Agreement contains the entire understanding between CITY and CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

CITY OF MONTEBELLO	**CONSULTANT**
_____	_____
René Bobadilla City Manager	Name and Title
Dated: _____	Dated: _____

ATTEST:

_____
Irma Barajas
City Clerk

APPROVED AS TO FORM

_____
Arnold M. Alvarez-Glasman
City Attorney

Exhibit “A”

Scope of Services

Exhibit “B”

Schedule of Performance

Exhibit “C”

Schedule of Compensation

EXHIBIT D TO CONTRACT

EQUAL EMPLOYMENT OPPORTUNITY PRACTICES PROVISIONS

A. Contractor certifies and represents that, during the performance of this Agreement, the contractor and each subcontractor shall adhere to equal opportunity employment practices to assure that applicants and employees are treated equally and are not discriminated against because of their race, religious creed, color, national origin, ancestry, handicap, sex, or age. Contractor further certifies that it will not maintain any segregated facilities.

B. Contractor agrees that it shall, in all solicitations or advertisements for applicants for employment placed by or on behalf of Contractor, state that it is an "Equal Opportunity Employer" or that all qualified applicants will receive consideration for employment without regard to their race, religious creed, color, national origin, ancestry, handicap, sex or age.

C. Contractor agrees that it shall, if requested to do so by the City, certify that it has not, in the performance of this Agreement, discriminated against applicants or employees because of their membership in a protected class.

D. Contractor agrees to provide the City with access to, and, if requested to do so by City, through its awarding authority, provide copies of all of its records pertaining or relating to its employment practices, except to the extent such records or portions of such records are confidential or privileged under state or federal law.

E. Nothing contained in this Agreement shall be construed in any manner as to require or permit any act which is prohibited by law.

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ATTACHMENT 2

CITY OF MONTEBELLO
PROFESSIONAL SERVICES AGREEMENT NO. _____
BY AND BETWEEN CITY OF MONTEBELLO
AND
HAZELRIGG CLAIMS MANAGEMENT SERVICES, INC. CONSULTANTS

THIS AGREEMENT ("Agreement") is made and entered into on April 9, 2020, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and Hazelrigg Claims Management Services, Inc. (hereinafter referred to as "CONSULTANT"). CITY and CONSULTANT may be referred to herein individual as a "Party," and jointly as the "Parties."

RECITALS

WHEREAS, CITY proposes to utilize the services of CONSULTANT as an independent contractor to provide Third Party Administration Services, as more fully described herein; and

WHEREAS, CONSULTANT represents that CONSTULTANT possesses the degree of specialized expertise contemplated within California Government Code Section 37103, and is qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, no official or employee of CITY has a financial interest, within the provisions of Sections 1090 – 1092 of the California Government Code, in the subject matter of this Agreement; and

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. SERVICES / COMPENSATION.

A. CONSULTANT shall provide to CITY those services that are set forth fully in the Scope of Services, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

B. CONSULTANT shall complete the Scope of Services within the time set forth in the Schedule of Performance, as such is set forth in **Exhibit "B"** hereto and incorporated fully herein by this reference.

C. CONSULTANT shall be compensated a sum not-to-exceed (the "Maximum Compensation") for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "C"** and incorporated fully herein by this reference ("Compensation"). CONSULTANT shall provide an itemized billing statement to CITY each month for Professional Services performed. CONSULTANT shall not incur fees or costs which exceed the Maximum Compensation without the prior written consent of CITY.

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D. CITY will be invoiced at the end of the first billing period following commencement of work and at the end of each billing period thereafter. Payment in full of an invoice must be received by CONSULTANT within thirty (30) days of the date of such invoice.

E. Work performed shall be deemed approved and accepted by CITY as and when invoiced unless CITY objects within fifteen (15) days of invoice date by written notice specifically stating the details in which CITY believes such work is incomplete or defective, and the invoice amount(s) in dispute. CITY shall pay undisputed amounts as provided for in the preceding paragraph.

F. Failure of CITY to submit full payment of an invoice within thirty (30) days of the date thereof subjects this agreement and the work herein contemplated to suspension or termination at CONSULTANT's discretion.

SECTION 2. <u>TERM.</u>

This Agreement shall commence upon the date the last of the Parties executes this Agreement hereinbelow ("Effective Date"), and shall terminate upon completion of the Scope of Services set forth herein, unless terminated sooner as provided in Section 7 herein.

Thereafter, this Agreement may be extended for a maximum of Two (2) successive one (1) year periods. Such extensions, if any, will be evidenced by a written amendment to this Agreement.

The Parties agree that Sections 4(B), 9, 10, 11, 13, 16, 17, 18, and 19 shall survive for three (3) years following the expiration or termination of this Agreement.

SECTION 3. <u>PERFORMANCE.</u>

A. CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform the Professional Services, described herein.

B. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONSULTANT hereunder, in meeting its obligations under this Agreement.

C. CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

D. CONSULTANT shall have the option to retain, subject to CITY's written approval, additional individuals, consultants or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subcontractors shall be the sole and exclusive responsibility of CONSULTANT.

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E. CONSULTANT shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three (3) years, unless otherwise provided for in **Exhibit "A."** Upon CITY providing twenty-four (24) hours advanced prior notice, CONSULTANT shall make all records, invoices, time cards, cost control sheets and other records maintained by CONSULTANT in connection with this Agreement available during CONSULTANT's regular working hours to CITY for review and audit by CITY.

SECTION 4. <u>WORK PRODUCT.</u>

A. All work material produced pursuant to this Agreement, including but not limited to reports, documents or other written material shall be and remain solely owned by CITY without restriction or limitation upon its use or dissemination by CITY. CONSULTANT may retain copies of such work material as desired. All or any portions of any work material shall not be the subject of a copyright application. Upon termination of this Agreement CONSULTANT shall provide to CITY all work material.

B. All data, documents, discussion, or other information developed or received by CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONSULTANT without prior written consent by CITY. All such written products shall be returned to CITY upon the termination or expiration of this Agreement. CONSULTANT agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

C. Documents may be provided in each Party's standard software formats. The Parties recognize that electronic or magnetic data and its transmission can be easily damaged, may not be compatible with the other Party's software formats and systems, may develop inaccuracies during conversion or use, and may contain viruses or other destructive programs, and that software and hardware operating systems may become obsolete. As a condition of delivery of electronic or magnetic data, each party agrees to defend indemnify and hold the other Party, its sub-contractors, agents and employees harmless from and against all claims, loss, damages, expense and liability arising from or connected with its use, reuse, misuse, modification or misinterpretation. In no event shall either Party be liable for any loss of use, profit or any other damage.

SECTION 5. <u>EXTRA SERVICES.</u>

No extra services over and above the Compensation shall be rendered by CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by CITY's City Manager ("City Manager").

SECTION 6. <u>CITY SUPERVISION.</u>

The City Manager shall have the right of general supervision of all work performed by CONSULTANT and shall be CITY's agent with respect to obtaining CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

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SECTION 7. TERMINATION.

Either party may terminate this Agreement for cause. The CITY may, in its sole discretion, terminate this Agreement for cause or for convenience.

A. Termination for Cause. In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

If the default is not cured within ten (10) days, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party stating its intent to terminate such Agreement. If the default is not resolved within thirty (30) days and the parties do not mutually extend the time in writing, this Agreement shall automatically cease and terminate.

In the event of termination for cause occasioned by default of CONSULTANT, CITY may take over the work and prosecute the same to completion by contract or otherwise and at the expense of CONSULTANT. CONSULTANT and its sureties shall be liable to CITY for any cost occasioned in the event of any such termination for cause. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this Agreement, including the Termination for Convenience provisions set forth below.

In the event of a termination for cause, CONSULTANT shall only be entitled to the Compensation for those Professional Services satisfactorily performed on or before the effective date of termination.

B. Termination for Convenience. CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, after giving written notice to CONSULTANT at least five (5) business days before the termination is to be effective. If this Agreement is terminated for convenience, CITY shall provide to CONSULTANT the part of Compensation which would otherwise be payable to CONSULTANT for services CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. If this Agreement is terminated for convenience, CONSULTANT shall be reimbursed for any “non-refundable” costs that CONSULTANT has reasonably incurred for its services under this Agreement, provided that: (1) such “non- refundable” costs were incurred by CONSULTANT prior to the date of termination; (2) CONSULTANT provides CITY with adequate proof that CONSULTANT reasonably incurred the costs, and is unable to be obtain a refund for such costs; and (3) such costs were within the scope of Professional Services to be performed under this Agreement. Such “non-refundable” costs may include, but are not limited to, travel reservations incurred by CONSULTANT for performance of Professional Services under this Agreement. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

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SECTION 8. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of CITY shall be employed by CONSULTANT during the Term of this Agreement.

SECTION 9. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of CITY shall be personally liable to CONSULTANT in the event of any default or breach by CITY, or for any amount which may become due to CONSULTANT.

SECTION 10. INDEPENDENT CONTRACTOR.

A. CONSULTANT is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONSULTANT except as expressly set forth in this Agreement. CONSULTANT shall not at any time or in any manner represent that it is in any manner an elected official, officer, or employee of CITY. No employee benefits shall be available to CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONSULTANT. CITY shall not be liable for compensation to CONSULTANT, CONSULTANT's employees or CONSULTANT's subcontractors for injury or sickness arising out of performing services hereunder.

B. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

C. CITY shall not deduct from the Compensation paid to CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONSULTANT. CITY shall have no responsibility to provide CONSULTANT, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 11. PERS ELIGIBILITY INDEMNITY.

A. In the event that CONSULTANT or any employee, agent, or subcontractor of CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONSULTANT shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONSULTANT or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

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B. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONSULTANT and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 12. LEGAL RESPONSIBILITIES.

CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONSULTANT to comply with this section.

SECTION 13. INDEMNIFICATION.

CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature arising out of this Agreement, except only liability arising out of the sole negligence of CITY.

SECTION 14. INSURANCE COVERAGE.

During the Term of this Agreement, CONSULTANT shall carry, maintain, and keep in full force and effect all of the following minimum scope of insurance, as set forth below, against all claims that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL)**: Broad-form, Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including premise-operations, products-completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury, and advertising injury, with limits no less than **Two Million Dollars and Zero Cents** ($2,000,000), combined single limits, per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

- **Business Automobile Liability Insurance:** For owned vehicles, hired, and non-owned vehicles, Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury and property damage.

- **Worker's Compensation** insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **One Million Dollars and Zero Cents** ($1,000,000.00) per accident for bodily injury or disease. CONSULTANT agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers for losses arising from work performed by CONSULTANT for CITY and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By executing this Agreement, CONSULTANT further certifies as follows:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work contemplated herein.

- **Professional Errors and Omissions (E&O) Liability** insurance appropriate to the CONSULTANT's profession, with limit no less than **Two Million Dollars and Zero Cents** ($2,000,000.00) per occurrence or claim, **Two Million Dollars and Zero Cents** ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of work set forth herein, CONSULTANT shall obtain and maintain said E&O liability insurance during the Term of this Agreement and for five (5) years after completion of work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, CONSULTANT shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If CONSULTANT maintains higher limits than the minimums shown above, CITY requires and shall be entitled to coverage for the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to CITY.

CONTACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California, with a current rating of at least A:VII in the latest edition of Best's Insurance Guide, and approved by CITY.

Each insurance policy required herein shall state that coverage shall not be canceled, except after providing CITY thirty (30) days' (or ten [10] calendar days' for non-payment) prior written notice. CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect, CITY may: (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONSULTANT'S expense, the premium thereon.

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At all times during the Term of this Agreement, CONSULTANT shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming CITY, its officers, agents, employees and volunteers as an additional insured. CONSULTANT shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s). The CITY's acceptance of any such certificate(s) of insurance, declaration page(s), or policy renewal(s) shall not constitute a waiver and shall not excuse CONSULTANT's obligation to carry, maintain, and keep in full force and effect all of the minimum insurance required by this Agreement.

CONSULTANT shall provide proof that policies of insurance required herein expiring during the Term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days' prior written notice to CITY. CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

Except for professional liability and workers' compensation policies, the policies herein are primary and non-contributory with any insurance that may be carried by CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONSULTANT, and CONSULTANT's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. CONSULTANT hereby waives all rights of subrogation against CITY. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not CITY has received a waiver if subrogation endorsement from the insurer.

Coverage not affected. Any failure to comply with the reporting provisions of the policies contemplated herein, shall not affect coverage provided to CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers.

Coverage applies separately. CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

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Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONSULTANT shall not be construed as a limitation of CONSULTANT's liability or as full performance of CONSULTANT's duties to indemnify, hold harmless and defend under Sections 9 & 13 of this Agreement.

CITY, its officers and employees shall not be responsible for any claims in law or in equity occasioned by failure of CONSULTANT to comply with this section. Should any of CONSULTANT's insurers refuse or decline to provide full and complete coverage, indemnity, or defense of the minimum insurance requirements of this Agreement, CONSULTANT shall defend, indemnify, protect and hold harmless the CITY.

CITY reserves the right to modify these requirements, including limits, based on the nature of risk, prior experience, insurer, coverage, or other special circumstances.

SECTION 15. <u>SUBCONTRACT, ASSIGNMENT OR DELEGATION.</u>

CONSULTANT shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved. The CITY's approval or denial of such subcontracting, delegation or assignment shall not be construed as controlling CONSULTANT as an employee.

Any subcontract, delegation or assignment shall be made in the name of CONSULTANT and shall not bind or purport to bind CITY and shall not release CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to adequately provide the Professional Services, or properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONSULTANT under the Agreement.

SECTION 16. <u>NO WAIVER.</u>

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 17. <u>DISPUTE RESOLUTION; GOVERNING LAW.</u>

The laws of the State of California shall govern this Agreement. Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations

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between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 18. ATTORNEY'S FEES AND COSTS.

In any litigation, arbitration, or other proceeding by which one Party seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party shall be entitled to an award of reasonable attorney's fees, expert fees, costs, expenses, and necessary disbursements, in addition to any other relief deemed appropriate.

SECTION 19. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

A. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;

B. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of *any* matter whatsoever; and

C. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 20. MISCELLANEOUS.

A. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.

B. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

C. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other

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provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

D. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

E. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

F. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

G. To the extent of a conflict between the terms of this Agreement and those set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

SECTION 21. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

René Bobadilla, City Manager
City of Montebello
1600 West Beverly Boulevard
Montebello, California 90640

Arlene Alvarez-Hazelrigg, President
Hazelrigg Claims Management Services
15342 Fairfield Ranch Road, Suite 250
Chino Hills, CA 91709

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SECTION 22. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONSULTANT shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONSULTANT will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 23. CONFLICT OF INTEREST.

CONSULTANT and its officers, employees, associates and subconsultants, if any, shall comply with all California conflict of interest statutes applicable to Consultant's Services under this Agreement, including, but not limited to, the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. CONSULTANT further covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONSULTANT under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by CITY as a result of the recommendations made by CONSULTANT. CONSULTANT's covenant under this section shall survive the termination of this Agreement.

SECTION 24. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between CITY and CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

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CITY OF MONTEBELLO

_____
René Bobadilla
City Manager

Dated: _____

HAZELRIGG CLAIMS MANAGEMENT SERVICES

_____
Arlene Alvarez-Hazelrigg
President

Dated: _____

ATTEST:

_____
Irma Barajas
City Clerk

APPROVED AS TO FORM

_____
Arnold M. Alvarez-Glasman
City Attorney

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Exhibit "A"
Scope of Services

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Exhibit "B"
Schedule of Performance

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Exhibit "C"
Schedule of Compensation

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ATTACHMENT 3

Hazelrigg Claims Management Services

Submits

A Proposal For

Third Party General Liability Claims Administration

To The

City of Montebello

Respectfully Submitted
February 24, 2020

Arlene Alvarez-Hazelrigg, President
Hazelrigg Claims Management Services
15345 Fairfield Ranch Road, Suite 250
Chino Hills, CA 91709
Arlene@HazelriggClaims.com
(909) 606-6373

City of Montebello

Third Party General Liability Administration

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EXHIBITS

Exhibit A: Affidavit of Non-Collusion

Exhibit B: HCMS' Organizational Chart

Exhibit C: Sample Reports

February 24, 2020

Ms. Eva Sahagun, Risk Manager
Human Resources
City of Montebello
1600 W. Beverly Blvd.
Montebello, CA 90640

Subject: RESPONSE TO REQUEST FOR PROPOSAL FOR THIRD PARTY GENERAL LIABILITY CLAIMS ADMINISTRATION (RFP No. 19-60)

Dear Ms. Sahagun:

Hazelrigg Claims Management Services (HCMS) is pleased to submit the attached proposal for Third Party Administration (TPA) for General Liability. This proposal outlines our plan for the provision of a high performance, effective, and streamlined claims management process.

Hazelrigg Claims Management Services (HCMS), and its predecessor, Hazelrigg Risk Management Services (HRMS), have provided the highest-quality professional and personalized claims management service since 1988. HCMS' predecessors have served over 200 accounts comprised of cities, counties, joint power authorities, school districts, non-profit entities, transit agencies and private sector accounts. Today, HCMS remains the trusted advisor and partner to its self-insured clients providing superlative liability and property claims administration services. HCMS has achieved successful delivery of liability claims administration services since we have tailored our services to meet the specific and unique needs of our public entity clients.

HCMS is a Minority Business Enterprise and is devoted to the management of self-insured public entity liability claims. HCMS is concentrated on tailoring each client's program to reflect its philosophy, priorities, and needs while small enough to provide a personalized "Boutique Style" service. As your partner, we will jointly identify the departmental and organizational goals, challenges and concerns to adequately serve your needs. Our Boutique Style approach allows for easier lines of communication to help you identify solutions quicker, while applying our cost containment techniques to forego unnecessary expenditures. HCMS is also specialized in converting all the discovery information collected, into training and professional development for its clients to reduce and mitigate losses. We are further aware that given these challenging times, it is now more important than ever to preserve all available resources for our clients.

Our mission is:

To provide the highest-level claims administration services tailored to our client's specific needs and lead our clients through the ever-changing legislative environment by committing significant resources to maintaining trained and professional staff.

HCMS employs 75 dedicated professionals, and all of HCMS' liability examiners have over 20 years claims adjusting experience.

HCMS uses ClaimsXPress, a state-of-the-art administration system, which will allow the City to benefit from on-line direct access to the general liability data and to generate reports as needed to monitor achievement of program goals.

HCMS is incorporated in the State of California and solely owned by Arlene Alvarez-Hazelrigg. HCMS is in good standing in the State of California and has had all necessary licenses, permits, approvals and authorizations necessary to perform all of the obligations with this Request for Proposal (RFP). The proposal shall remain valid for a period of one-hundred and twenty (120) days from the date of this correspondence.

Thank you for the invitation to submit a proposal to the City of Montebello. I am authorized to bind the proposal as presented for the City of Montebello, Third Party General Liability Claims Administration. HCMS has reviewed and agrees to all proposal requirements. For reference, my contact information is found below:

Arlene Alvarez-Hazelrigg, President
Hazelrigg Claims Management Services
15345 Fairfield Ranch Road, Suite 250, Chino Hills, CA 91709
Office: (909) 606-6373 Cell: (949) 338-2343
Fax: (909) 606-0087 Email: Arlene@HazelriggClaims.com

The following is our proposal giving a more detailed description of our firm's philosophy as well as a description of our approach to personalized claims management services.

Respectfully submitted,

Arlene Alvarez-Hazelrigg

Arlene Alvarez-Hazelrigg
President

AH:bao

Enclosures

PROPOSAL FOR THIRD PARTY GENERAL LIABILITY CLAIMS ADMINISTRATION

City of Montebello

Introduction

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

Having worked for Cities for 30 plus years, HCMS understands that the City of Montebello (City) has a very diverse population, unique exposures, and would require a professional and dedicated claims administrator to provide a comprehensive general liability program. We understand that in addition to the regular city operations of Administration, Finance, Human Resources, Planning, Recreation and Public Works, the City of Montebello has Transit Operations, Police, and Fire Departments. This program would involve promptly investigating and mitigating the claims filed against the City and taking that loss data and developing a training and professional development program to address loss trends.

HCMS recognizes that each public agency is unique and does not provide a cookie-cutter approach, but instead customizes everything from the program administration and training, to the risk management reports for each client. As your partner, we jointly identify the organizational goals, challenges, and concerns to adequately serve your needs. We are different because we customize each of our client's programs, and we provide strong, seasoned claims examiners, all with a minimum of 20 years' experience managing general liability programs. Our approach allows for easier lines of communication to help you identify solutions quicker while applying our cost containment techniques to forego unnecessary expenditures. This has resulted in a reduction of expenses and losses paid by HCMS' clients.

HCMS will provide outstanding program and claims administration from claim inception to the ultimate full and final settlement. We will provide the investigation into claims and liability, negotiated for settlement, and work with the Risk Manager and City Attorney to bring cost-effective settlements to claims against the City. We will assume all existing open claims, and review and familiarize ourselves with these claims. Additionally, we review all costs of claims, from reimbursements to any and all applicable law firm invoices. All Excess Carrier Reporting Guidelines are reviewed. First notice to excess carriers is completed as soon as practical once the claim falls within the excess reporting guidelines.

General Scope of Work

Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.

A. Program Administration

HCMS has the philosophy of handling claims fairly, resulting in reduced claims costs and litigation. The cornerstone of achieving that result is effective communication between the TPA, affected departments, Risk Management, and the claimants and/or their attorneys. HCMS staff will set-up, investigate, adjust, process, negotiate to resolution, and represent the City. Once a diligent and prompt investigation has been completed HCMS communicates the results of that investigation to the claimants considering any Government Code defenses and case law that may affect the claim. This process assures the claimants that their concerns were investigated and provides them with an understanding of how that investigation was analyzed along with the result.

HCMS provides updates on recent law changes and current case law, along with in-service training for departments, staff, and management. Professional development is a key component of reducing claims and litigation costs because it gives staff an opportunity to ask questions about specific instances. Additionally, HCMS has access to policies and procedures for general liability and will assist the City in developing and refining a set of policies and procedures based on the City's needs.

HCMS uses its claims management system along with its continuing education and development of staff to advise clients on the ever-changing trends concerning claims and litigation. For example, we worked with a city to address a situation where more frequent tree limbs breaking on their Chinese Elm Trees were causing additional claims. This work prompted them to revise their trim and pruning schedules and to catalog electronically all its trees. We have also worked with clients to address the changes in the law to FEHA complaints, #metoo evidence and statute of limitations issues concerning various claim types, including childhood sex abuse. HCMS provides documents, correspondence, and any other information to the City as needed.

Attending appointments, meetings, conferences, court appearances and scene investigations is an integral part of the collaborative claim process because it provides an opportunity to discuss the direction of each claim. HCMS is available to attend all meetings and perform all file reviews. HCMS staff is always on call. The assigned adjuster is available 24/7 via cell phone to respond to any incident scene, investigation, or other emergency in the City.

HCMS is available to conduct training on risk management related activities for the City staff, at the request of the City up to four times a year. Additionally, HCMS will conduct quarterly meetings and file reviews with City staff to discuss issues, trends, case status, and assessments of open claims. We will provide the City with loss control recommendations based on meetings and analysis of the open claims and hot topics.

B. Claims Administration

HCMS can comply with all the Claims Administration requirements of this section. HCMS will create a new electronic claim file within 48 hours of a loss notice from the City. HCMS will return phone calls within 24 hours to city staff. We will provide an assessment of liability to the City within 15 days of receipt of a claim. All claim files are clearly documented with all correspondence, and extemporaneous notes. At least every 90 days, HCMS will review the status of claims, and the adequacy of reserves on all active cases, and provide narrative reports when any significant events occur including recommendations of settlements and claims going to trial. HCMS has translators available to assist claimants or witnesses who may not speak English.

HCMS sends acknowledgement letters on all newly opened files and assigns an initial case reserve. The Government Code claims requirements are complex and HCMS' claims adjusters are knowledgeable and experienced in all aspects of this area. Once we receive a claim, we review it immediately for timeliness, insufficiencies and the content of the allegations. We recognize the importance of sending out timely notices to preserve those possible defenses for the City.

All claim files have a diary at suitable intervals with timely completion of activities required to bring a claim to a cost-effective full conclusion with negotiated settlements submitted to the City Risk Manager for approval. Within this system, all necessary persons are alerted to important claim dates. Our on-line claims system stores files in chronological order with various tabs for notes, attachments, summary, reserves, payments, etc.

HCMS reviews every liability claim presented for possible subrogation and recovery, which is included in the proposed costs for claims administration. HCMS will work with both the City Attorney's Office and the City Risk Management Department to prepare legal documents, and recapture moneys spent on claims, to the fullest extent of the law. Claims are tendered to other potential parties who may bear responsibility and all claims will be processed based on the City's policies and instructions.

HCMS currently provides updates and reporting to excess liability carriers and has a thorough understanding of various coverage layers and will comply with all excess coverage requirements. We can also serve as the City's Reporting Agent in compliance with CMS Section 111 Mandatory Reporting Program.

C. Investigations

HCMS can and will comply with each expectation and requirement in this section. Within ten days of receipt of a non-represented claim, we will take statements that are recorded or handwritten and signed. We believe that collaboration and discussion once a complaint is filed and served on the City is the key to successfully defending the City and its employees. All bodily injury cases will be reported to the Index Bureau, with periodic inquiries as requested. HCMS will gain approval from City prior to involving the services of an outside vendor for any investigative assignments.

HCMS will investigate claims further when the review indicates that it is warranted. Additional investigation includes on-sight investigation, photographs, interviewing witnesses and taking signed or recorded statements, verification of damage or loss, taking measurements, obtaining maps/diagrams from the City or other sources, obtaining medical releases, police reports, internal operations investigations, paramedic reports, other department reports, building permits, or other records as required**.**

HCMS will investigate inverse condemnation claims at the request of the City. Additionally, prior to utilizing outside vendors for investigations, HCMS will obtain City approval. Some of these expert services include professional photography, independent medical examinations, professional engineering services, and laboratory services.

D. Litigation Management

HCMS can and will comply with each expectation and requirement in this section. Our litigation management philosophy is a collaborative and team approach with Risk Management, City Attorney's Office, Defense Counsel, City Departments, and the Claims Administrator. Litigation is costly and disruptive to the City's business of serving its citizens. In order to minimize the costs and disruption, it is important to develop clear objectives with each case based upon the facts established in our investigation and the lawsuit. We believe communication is the key to successful litigation management whether it is with the City, defense counsel or plaintiff's attorneys.

HCMS will provide the City Attorney's Office with a transmittal letter outlining the status of the case, results of investigations, primary issues, and requested action, within fourteen (14) days of receipt of lawsuit with a copy to the Risk Manager. As needed, HCMS will attend all settlement conferences, mediations, or arbitrations. We will assist the City or defense counsel in discovery matters as needed. Additionally, we can assist the City in Small Claims Court as needed. Prior to any agreements or settlements, City approval will be attained, as well as having all settlements and dismissals fully executed.

E. Statistical Reports

The standard reports that are worked out between the City and HCMS will be delivered to the City within 10 days after the end of the month/quarter. HCMS uses ClaimsXPress and the IT Director can customize monthly reports to include the reserves assigned to each claim, summary of type of loss, department, year, litigation status, a cause code, and any other information for the City as needed.

HCMS will enter into the ClaimsXPress claims management system any and all files handled in-house by the City. The City will provide the necessary information for the initial setup of the claims.

Within reason, special reports will be provided at no costs to the City, with additional expense of $125 per hour for specialized programming with prior approval of the City.

F. Excess Insurance Reporting

All Excess Carrier Reporting Guidelines are reviewed. HCMS provides notice and a first report to the excess consistent with any excess reporting guidelines, which may include:

a. An occurrence or claim in an amount at least equal to 50% of the City's SIR;
b. The claim or occurrence has a potential for damages or exposure at least equal to 50% of the City's SIR;
c. The claim or occurrence involves paralysis, brain damage, dismemberment, or death;
d. An occurrence that results in two or more claims that, in the aggregate, are reserved at, or have a potential for damages of at least 50% of the City's SIR.

First notice to excess carriers is completed as soon as practical, within 10 days, once the claim falls within the excess reporting guidelines. HCMS regularly works with excess carriers and will seek reimbursement from the excess insurance carrier for any losses in excess of the City's self-insured retention.

Work Plan

Present concepts for conducting the work plan and interrelationship of all products. Define the scope of each task including the depth and scope of analysis or research proposed including:

1. Claims Procedures

All claims file materials are maintained electronically in ClaimsXPress and available for Risk Management to view. We can encrypt emails with sensitive information and mark communication as attorney-client protected communication since it is work-product produced at the request of the City Attorney's Office.

The file is maintained chronologically, and all claim information is readily accessible in an electronic format on the ClaimsXPress system. HCMS' philosophy is that the file should be comprehensive, detailed, and complete with all necessary information to effectively know the value of the claim. All emails, reports, documents, medical reports, medical bills and excess reporting documents are maintained in ClaimsXPress, and available for access/view.

Depending upon the initial investigative report provided within 30 days of receipt of the claim from the City, the file is calendared for follow-up every 30, 60 or 90 days depending upon additional investigation needed. Generally, when files are in litigation, they are calendared every 90 days to ensure that reserves are accurate and if there is any assistance needed by the City Attorney's Office.

HCMS reserves claim files considering the evaluation of the City's liability exposure, any comparative fault, economic damages, general damages, attorney fees (if civil rights or employment matter) and applicability of any defenses.

A prompt and thorough investigation is critical to effective claims administration because it allows the City to determine how to proceed with the future handling of the claim and how to best protect the City's assets. HCMS believes that claims investigation should be thorough because it is important in determining how a case is managed and defended.

HCMS' approach to investigative services centers on early and effective communication with City Staff, excess carriers, claimants, and attorneys to get an early and cost-effective resolution to any incidents or claims. This approach reduces the City's losses and minimizes the disruption to the City's staff time. The information gathered provides the data in identifying problem areas that need correction, as well as areas where training may be needed.

However, the process does not end once a claim is resolved. It is important to take that information and the statistical data and reports and identify where training, loss prevention, policy changes, risk transfer, and/or continuing education can help the City in the future.

All Excess Carrier Reporting Guidelines are reviewed. First notice to excess carriers is completed as soon as practical once the claim falls within the excess reporting guidelines.

HCMS welcomes the opportunity to assist the City Attorney's Office in developing evidence in support of the defense of the City in conjunction with the City's excess partners, provided that no coverage conflict exists. HCMS' corporate philosophy is one of collaboration. Our claims examiners work with partners in a collective and continuing manner. We will have regular communications and discussions on claims that are litigated. We also work with the excess carriers on those claims that are reported to the excess carrier.

If a claimant becomes represented by counsel, the claims examiner will act to seek cooperation with plaintiff counsel so that files can be settled as quickly and cost-effectively as possible. Once a plaintiff attorney files a lawsuit, then within 14 days of receipt of the lawsuit the claims examiner will provide the City Attorney's Office with a copy to the Risk Manager, a transmittal letter outlining the status of the case, results of investigations, primary issues, requested action, a complete copy of the file, and any other pertinent documentation. The claims examiner will be actively involved in the continued legal management of the file.

<u>HCMS' Litigated Claims Procedures</u>

a. Monitoring the litigation on diary and communicating with counsel about the progress of litigation in accordance with the litigation strategy, mutually agreed upon by counsel and the claims examiner. This communication should include analysis of issues, strategy, what needs to be done and by whom. These agreements are documented within the claim file.

b. Upon receipt of every report or recommendation from counsel, the claims examiner promptly respond within 10 working days of receipt with appropriate direction and/or authorization to counsel.

c. All telephone calls initiated to or received by staff or outside counsel shall be documented in the claim file, along with the name of the caller (attorney or legal secretary) and the approximate time expended on the call.

d. Assisting legal counsel to be fully prepared to reach a possible disposition at a hearing, trial, mandatory settlement conference. The claims examiner will also fully advise the legal representative as to any and all significant developments which may have transpired subsequent to any prior communication, and well before the date of the hearing which may affect the outcome of the case.

e. Obtaining approval from City prior to agreement or obtaining a fully executed release on all settlements and dismissals.

2. Staffing

Mr. Aghili is the person responsible for ensuring all deliverables and expectations were being met for the City of Montebello. Mr. Aghili has more than 20 years of experience in handling claims and litigation for cities with a proven track record of reducing costs. He will be the main person in the transfer phase of the program. Mr. Aghili will assist in the handling of all large exposure cases. Mr. Aghili also has a law degree from Southwestern University School of Law, 2003.

Ms. Schreck has handled general liability claims for more than 25 years successfully for several clients. She is an expert in resolving property damage claims, liability claims, and working successfully with claimant attorneys to settle claims in a cost-effective manner.

Ms. Martinez is the Liability Claims Assistant and assists with resolving property damage claims, scheduling of file reviews, inputting of data, set up of claims, notifications of all those involved in the claim process, and setting any other meetings pertaining to the City's account.

HCMS has a team approach to servicing the client and ensures that there will always be coverage for the City. When the claims examiner is not available, the Claims Manager will be available and has access to all notes, working documents, and is available to answer questions and work files with deadlines. Additionally, the claims assistant is available to answer questions, make calls, and has access to the claim files. The City will be advised prior to the adjuster not being available.

3. Data Management

The data transfer will need to be managed on the change of third-party administrators. HCMS will provide a SFTP server for the data transfer. Approximately three (3) weeks before the cut-off date/transition is to take place, test data will be sent to ensure that once the cut-off date arrives, the data can be transferred and mapped timely and accurately.

All parties and stakeholders for each claim will be notified of the transfer in writing. Within 48 hours of receipt of files HCMS will notify all claimants, attorneys, and other providers of change of administrators. HCMS will also meet with all City staff and department heads to ensure effective communication and to address any issues concerning the transfer and future handling of any claims.

HCMS will immediately inventory and triage all files to ensure that there are no immediate deadlines for responses and that all the physical files received matchup to the electronic data received.

HCMS will provide all City staff with RMIS training on ClaimsXPress so that staff will always have access to current and up-to-date claim information. This will also train staff on how to access data from the software and run simple RMIS reports. Design personalized Loss Reports in accordance to City Staff requirements. (See Exhibit C: Sample Reports)

4. Financial/Banking Options Available

HCMS and the City will establish a Liability Claims Trust Account. HCMS can establish a Liability Trust Account with positive pay and trust account guidelines for the City per the City's direction. We will verify all the claims data to ensure that there are no duplicate payments. We will ensure that the reimbursement reports for the trust account meets the City's needs.

Fees and Costs

Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any firm. All prices should reflect "not to exceed" amounts per item. Provide pricing using the following table/format.

PROPOSAL COST SHEET								
	Year 1		Year 2		Year 3			
Descriptions	Rate/Unit	Not to exceed Annual Cost	Rate/Unit	Not to exceed Annual Cost	Rate/Unit	Not to exceed Annual Cost	TOTAL 3-Years
Program Administration							
Claim Set-up Fee							
Monitor Only Assignments (Claim set-up and monitor of court filings)							
Adjusting Services							
Materials Damage Appraisals							
Subrogation Services							
Other Proposed Services							
Alternative Pricing (If firm's proposal does not fall into the category(s) listed above)	Flat Monthly Rate	$ 7,000	Flat Monthly Rate	$ 7,210	Flat Monthly Rate	$ 7,426	
TOTAL ANNUAL AMOUNT		$ 84,000		$ 86,520		$ 89,116	$ 259,636

Ability of the Proposer to Perform

Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and experience in similar work efforts/products of key personnel who will be working on the assignment.

- Mr. Keyan "Yani" Aghili

Mr. Aghili is the Director of Property and Liability Claims and would be the person responsible for ensuring all deliverables and expectations are being met for the City. Mr. Aghili has more than 20 years of experience in handling claims and litigation for cities with a proven track record of reducing costs. He will be the main person in the transfer phase of the program. Mr. Aghili will assist in the handling of all City's large exposure cases. Mr. Aghili also has a law degree from Southwestern University School of Law, 2003.

- Ms. Dolores Schreck, Senior Liability Claims Adjuster

Ms. Schreck has handled general liability claims for more than 25 years successfully for several clients. She is an expert in resolving property damage claims, liability claims, and working successfully with claimant attorneys to settle claims in a cost-effective manner.

- Ms. Carressa Martinez, Liability Claims Assistant

Ms. Martinez is the Liability Claims Assistant and assists with resolving property damage claims, scheduling of file reviews, inputting of data, set-up of claims, notifications of all those involved in the claim process, and setting any other meetings pertaining to the City's account.

- Ms. Arlene Alvarez-Hazelrigg, President

Ms. Hazelrigg has more than 30 years of successfully owning and developing Third Party Administration firms with its primary focus of working with self-insured public entities. Ms. Hazelrigg ensures that all deliverables and services requested as a part of this solicitation are being provided at a high level with outstanding results. Please see Organizational Chart (Exhibit B).

- Dr. John Pappalardo

Dr. Pappalardo is the HCMS Chief Executive Officer, and directly oversees the day-to-day operations of the General Liability Division. He will be the management contact for the client. He has nearly 30 years of experience overseeing claims, is well-versed in organizational leadership, and strives for the highest quality client and customer service. Any management concerns or issues that the client has will be promptly handled.

- Mr. Marcus Yovas

Mr. Yovas is the Information Technology Director and is widely recognized in the industry as the leading IT Director in this field because of his knowledge of the ClaimsXPress RMIS system, but also because he does some of the programming to ensure customized reports are specific to client needs. Mr. Yovas provides data based on the client needs to assist in the risk management arena.

Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team.

Project Title	Narrative	Role	Outcome
A. City of Pico Rivera	Our firm has been tasked to assist the City with developing a comprehensive risk management plan to reduce general liability claims	HCMS has the lead role in this project	HCMS is currently reviewing the data provided by the City for purposes of implementation of mitigation strategies that will reduce their exposure to general liability claims. Saved City $1.7M in the first two years.
B. City of Calexico/City of Calexico Police and Fire Departments	Our firm was tasked to mitigate and help reduce the exposure to liability for police practices and employment claims	HCMS has the lead role in this project	HCMS has implemented a proactive program in collaboration with the City and Police Department for early intervention for critical incident reporting.
C. Metropolitan Water District (MWD) of Southern California	Our firm was tasked to mitigate and help reduce the exposure to liability for police practices and employment claims	HCMS has the lead role in this project	HCMS has implemented a proactive program in collaboration with MWD to reduce losses through early intervention for critical incident reporting.
D. Pasadena Unified School District Reformation of Property and Liability Insurance program	Our firm was tasked to reduce general liability premiums by reducing the experience modification factor and mitigating all general liability losses through investigation and training	HCMS has the lead role in this project	HCMS was able to reduce the liability annual premiums from $720K in 2010 to $164K in 2016 with the same self-insured retention level. This task is ongoing.
E. West San Gabriel Property and Liability Joint Powers Authority	Claims Administration for 9 school districts to reduce and mitigate child sex abuse and molestation, employment and Title IX claims	HCMS has the lead role in this project	HCMS was able to reduce the sexual molestation claims and Title IX claims and implement training and professional development.

Respondents are encouraged to supply relevant examples of their professional product.

Example 1

A police officer kicked a prone suspect in the head, while the suspect was lying on the ground after a short pursuit. The "kick" was captured on video and made it to the media. We contacted internal affairs and devised a plan. Internal affairs would video the suspect while he was being held downtown in Men's Central Jail. The officers asked the suspect about each and every body part on three different days. Each time the suspect said that he did not have any complaints of pain. The officers also provided us with the sign in sheets from the jail showing the number of attorneys visiting the suspect. The suspect became represented, and his lawyer filed a claim and a lawsuit. The demand was $2.5 million alleging permanent eye damage. We sat down with the attorney and negotiated; he eventually reduced his demand to $250,000. After showing him the video of his client stating on multiple occasions that he had no pain, the case settled for $40,000. We were proactive, had video evidence and statements, before an attorney was involved which allowed for a reasonable settlement.

Example 2

The decedent was found drowned in the City pool and with an unknown cause of death. We advised the police to investigate this as a homicide, since the cause was unknown. The detective spoke with the family and learned that the decedent had a seizure and almost drowned in a backyard pool six days prior to his death. The decedent had a seizure disorder that was never disclosed to the City. Since the lawsuit alleged a defect in the design of the pool, we had the architect defend the City and pay for the eventual settlement.

Each proposer shall provide at least three (3) references, preferably from governmental entities, for relevant work performed in the past five (5) years. When possible, include references from cities of a similar character to Montebello (i.e., full-service cities). If the proposer does not have three (3) governmental entity references, references from private sector entities may be provided.

A. City of Pico Rivera
   - City of Pico Rivera, 6615 Passons Blvd., City of Pico Rivera, California 90660
   - Ms. Katherine Fuentes, Assistant City Manager, (626) 801-4245; Fax: (626) 801-4765; Email: kfuentes@pico-rivera.org.
   - September 1, 2016 through the present.
   - Key Personnel: Keyan "Yani" Aghili – Property and Liability Claims Administration, Arlene Hazelrigg – Quality Assurance, and Marcus Yovas – Information Technology and Support, Carressa Martinez – Liability Claims Assistant.

B. City of Calexico and City of Calexico Police and Fire Departments
   - City of Calexico and City of Calexico Police and Fire Departments, 608 Heber Avenue, Calexico, California 92231
   - Ms. Gabriela Garcia, Project Coordinator, (760) 768-2160; Fax (760) 768-0992; Email falomirl@calexico.ca.gov.
   - Project start date: January 1, 2016 through the present.

- Key Personnel: Keyan "Yani" Aghili – Property and Liability Claims Administration, Arlene Hazelrigg – Quality Assurance, and Marcus Yovas – Information Technology and Support, Carissa Martinez – Liability Claims Assistant.

C. Metropolitan Water District of Southern California
    - Project start date: March 1, 2016.
    - The Risk Manager/Project Manager is Mr. Drew Boronkay, (213) 217-6748 or dboronkay@mwdh2o.com

D. Pasadena Unified School District
    - Pasadena Unified School District, 351 South Hudson Avenue, Pasadena, California, 91109.
    - Dr. Brian McDonald, Superintendent, (626) 396-3600, Cell (626) 720-2405, Email: McDonald.Brian@pusd.us.
    - Project start date: July 1, 2010 through the present.
    - Key Personnel: Keyan "Yani" Aghili – Property and Liability Claims Administration, Arlene Hazelrigg – Quality Assurance, and Marcus Yovas – Information Technology and Support, Carressa Martinez – Liability Claims Assistant.

E. West San Gabriel Joint Powers Authority
    - West San Gabriel Joint Powers Authority c/o Arcadia Unified School District, 150 South Third Street, Arcadia, California, 91006.
    - Mr. Stephen Dickinson, President of the Board of Directors of the West San Gabriel Joint Powers Authority, (818) 241-3111 x1241.
    - Project start date: December 1, 2014 through the present.

Key Personnel: Keyan "Yani" Aghili – Property and Liability Claims Administration, Arlene Hazelrigg – Quality Assurance, John Pappalardo – Operations Management, Marcus Yovas – Information Technology and Support, Carressa Martinez – Liability Claims Assistant.

Hazelrigg Claims Management Services

EXHIBIT A

Affidavit of Non-Collusion

EXHIBIT A

AFFIDAVIT OF NON-COLLUSION

AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR

STATE OF CALIFORNIA)

) ss

COUNTY OF LOS ANGELES)

Arlene Alvarez-Hazelrigg, being first duly sworn deposes and says that he/she is President (Insert "Sole Owner", "Partner", "President, "Secretary", or other proper title)

of Hazelrigg Claims Management Services (Insert name of bidder)

Who submits herewith to the City of Montebello a proposal;

That all statements of fact in such proposal are true;

That such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;

That such proposal is genuine and not collusive or sham;

That said bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Montebello, or of any other bidder or anyone else interested in the proposed contract; and further

That prior to the public opening and reading of proposals, said bidder:

a. Did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal;

b. Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham

proposal, or that anyone should refrain from bidding or withdraw his proposal;

c. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or of that of anyone else;

d. Did not, directly or indirectly, submit his proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except the City of Montebello, or to any person or persons who have a partnership or other financial interest with said bidder in his business.

I certify under penalty of perjury under the laws of the State of California that the above information is correct

By: Arlene Alvarez-Hazelrigg Title: President Date: 02/20/2020

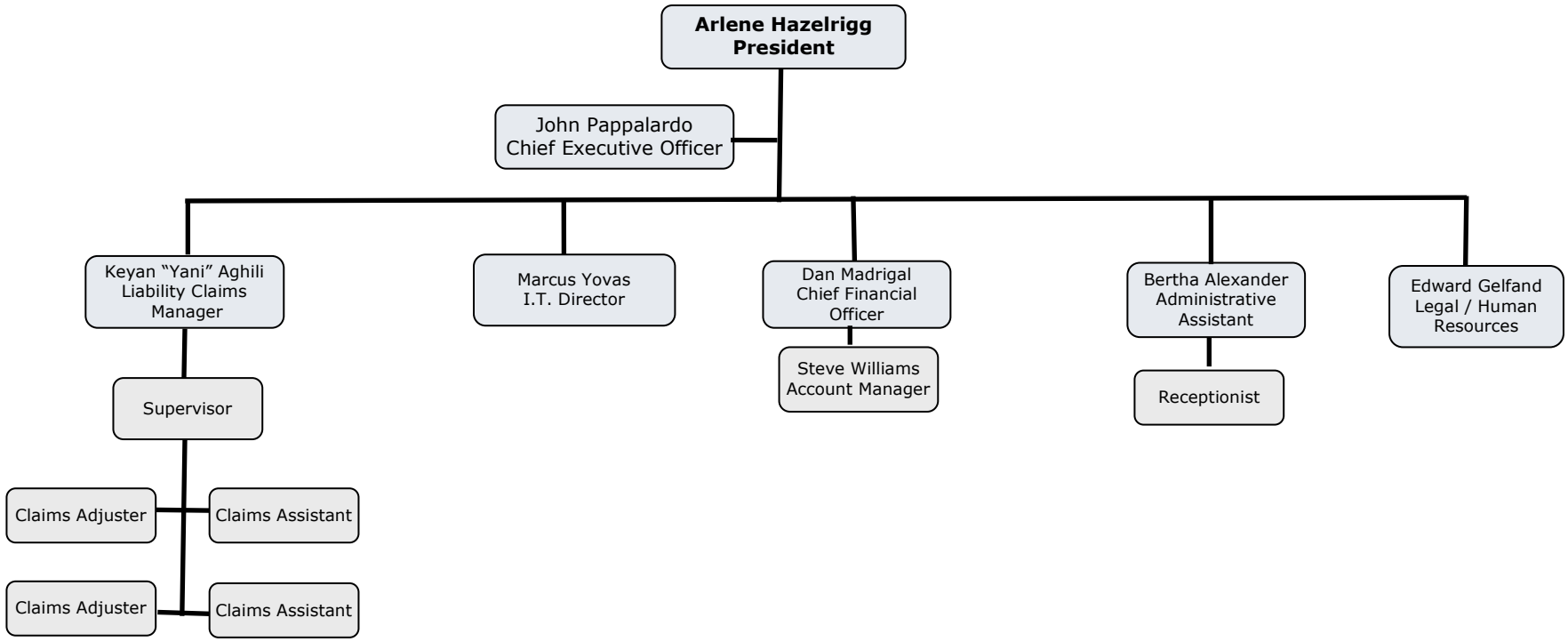
Arlene Alvarez-Hazelrigg

Hazelrigg Claims Management Services

EXHIBIT B

HCMS' Organizational Chart

Hazelrigg Claims Management Services
Liability



Hazelrigg Claims Management Services

EXHIBIT C

Sample Reports

Customer Name

Historical Financial Development of Claims

from 2010 to 2015

As of 03/31/2015

**All claim periods July 1st to June 30th*

Note: 1) Figures are exclusive of recoveries.

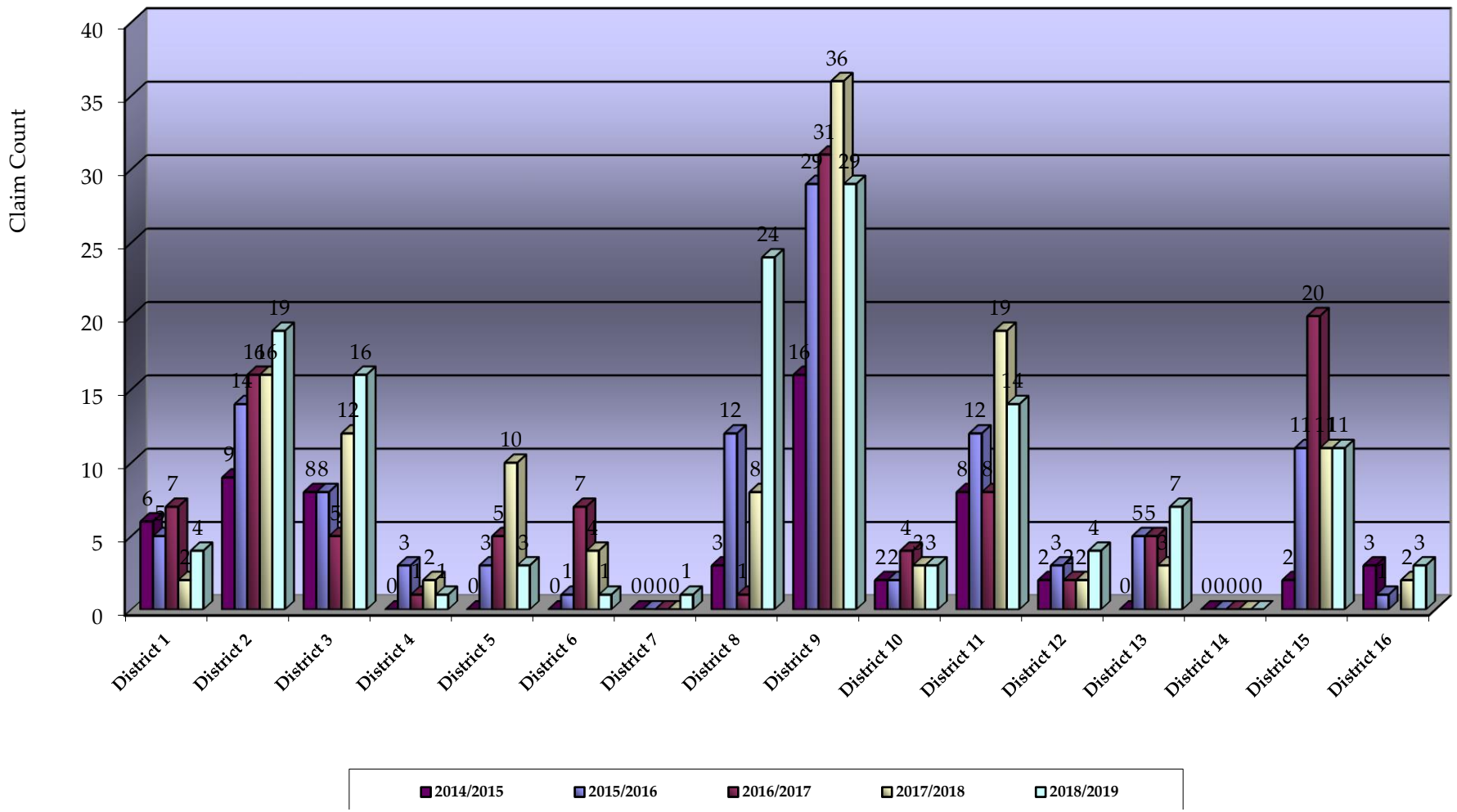
		3/31/2015		6/30/2014		6/30/2013		6/30/2012		6/30/2011
Claim Period*		Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount
10-11 FY	Claim Count	288	0.00%	288	0.35%	287	0.00%	287	5.23%	272
	Total Incurred	4,057,782	19.47%	3,267,578	5.25%	3,096,058	25.72%	2,299,877	58.71%	949,651
	Total Reserves	1,713,136		1,153,618		1,361,918		985,548		490,296
	Total Paid	2,344,647		2,113,960		1,734,139		1,314,329		459,355
11-12 FY	Claim Count	279	0.00%	279	0.72%	277	3.97%	266		
	Total Incurred	3,955,404	7.58%	3,655,517	11.87%	3,221,589	50.66%	1,589,660		
	Total Reserves	1,293,616		1,582,032		1,649,813		950,825		
	Total Paid	2,661,787		2,073,485		1,571,776		638,835		
12-13 FY	Claim Count	237	0.84%	235	2.13%	230				
	Total Incurred	2,112,765	4.05%	2,027,194	26.44%	1,491,134				
	Total Reserves	786,440		991,257		1,022,524				
	Total Paid	1,326,326		1,035,938		468,610				
13-14 FY	Claim Count	242		238						
	Total Incurred	2,060,226		1,244,332						
	Total Reserves	879,211		714,657						
	Total Paid	1,181,015		529,675						
14-15 FY	Claim Count	194								
	Total Incurred	1,205,979								
	Total Reserves	733,045								
	Total Paid	472,934								

Customer

All Policy Years

Litigated Claims by Member

Evaluated as of 6/30/2019

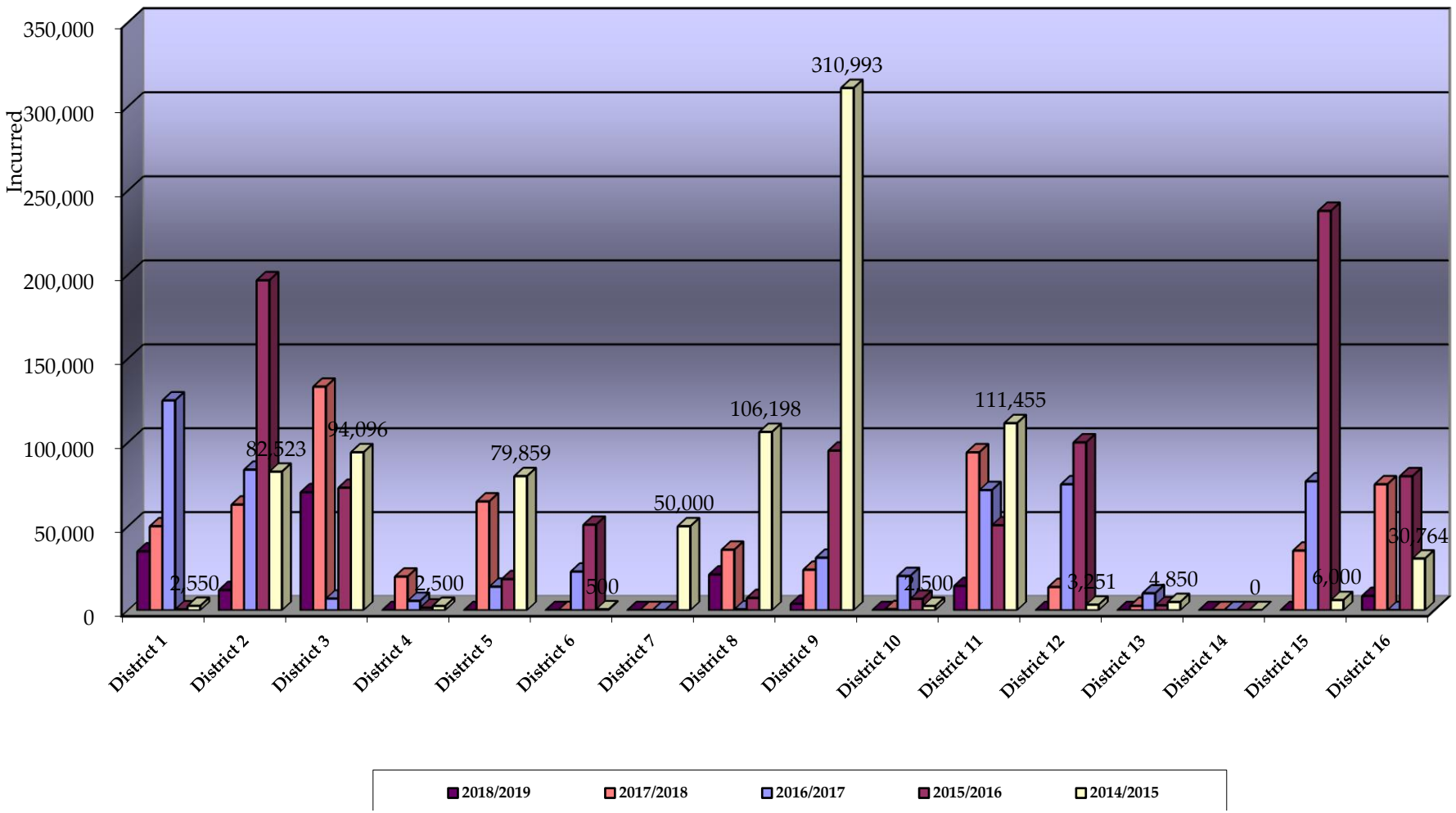


Customer

All Policy Years

TOTAL INCURRED BY MEMBER

Evaluated as of 6/30/2019

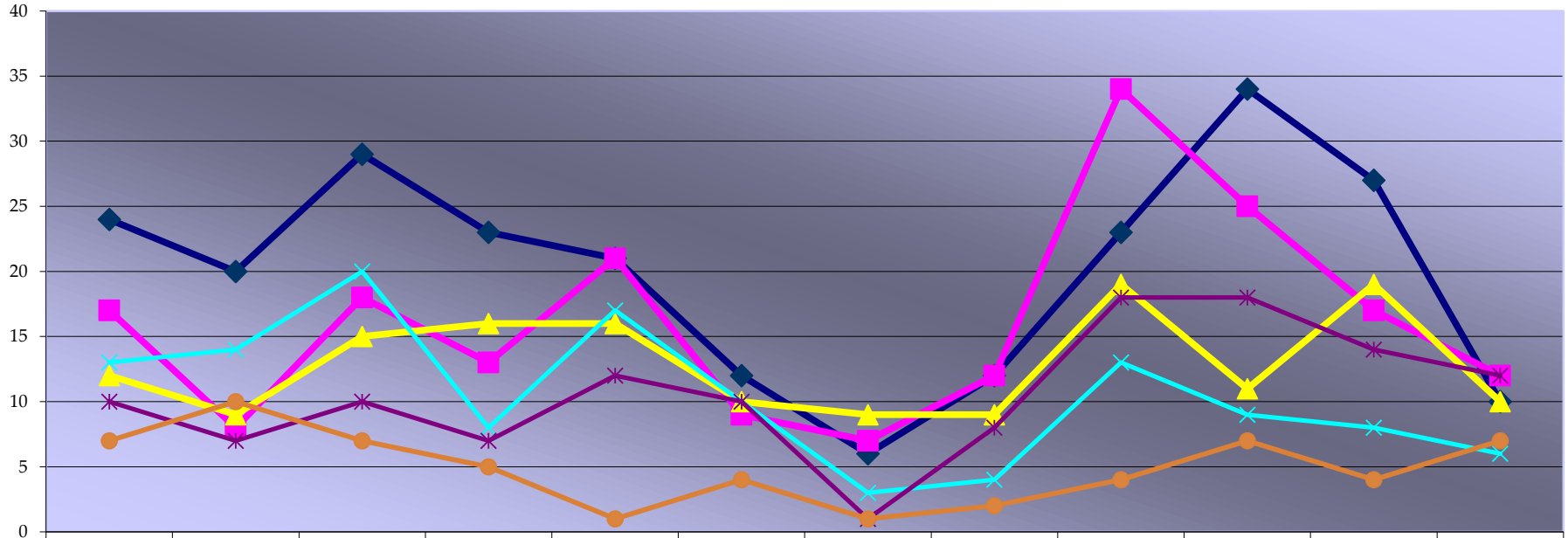


Customer

All Policy Years

CLAIM FREQUENCY BY MONTH

Evaluated as of 6/30/2014



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008/2009	24	20	29	23	21	12	6	12	23	34	27	10
2009/2010	17	8	18	13	21	9	7	12	34	25	17	12
2010/2011	12	9	15	16	16	10	9	9	19	11	19	10
2011/2012	13	14	20	8	17	10	3	4	13	9	8	6
2012/2013	10	7	10	7	12	10	1	8	18	18	14	12
2013/2014	7	10	7	5	1	4	1	2	4	7	4	7

Customer Name

Lossrun valued as of 9/13/2016 by Coverage

Coverage: Auto Liability Property Damage

Claimant	Claim#	Loss Date	Fiscal Year	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	013-000082	06/15/2016	2015/2016	Open	$0.00	$2,000.00	$188.00	$68.00	$188.00	$2068.00	$0.00	$2,256.00	$188.00
Claimant Name	1431113	07/13/2006	2006/2007	Closed	$0.00	$0.00	$249.60	$0.00	$249.60	$0.00	$0.00	$249.60	$249.60
Claimant Name	1443767	12/29/2006	2006/2007	Closed	$3,907.38	$0.00	$763.30	$0.00	$4,670.68	$0.00	$0.00	$4,670.68	$4,670.68
Claimant Name	1444700	01/17/2007	2006/2007	Closed	$610.38	$0.00	$538.20	$0.00	$1,148.58	$0.00	$0.00	$1,148.58	$1,148.58
Claimant Name	1744364	04/23/2012	2011/2012	Closed	$2,366.67	$0.00	$653.70	$0.00	$3,020.37	$0.00	$0.00	$3,020.37	$3,020.37
Claimant Name	1889591	01/13/2014	2013/2014	Closed	$0.00	$0.00	$632.10	$0.00	$632.10	$0.00	$0.00	$632.10	$632.10
Auto Liability Property Damage Total:												**$11,977.33**	**$9,909.33**

Coverage: Bodily Injury Liability

Claimant	Claim#	Loss Date	Fiscal Year	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	013-000047	07/23/2015	2015/2016	Closed	$0.00	$0.00	$905.50	$0.00	$905.50	$0.00	$0.00	$905.50	$905.50
Claimant Name	013-000072	10/14/2015	2015/2016	Open	$0.00	$10,000.00	$1,062.00	$34.00	$1,062.00	$10034.00	$0.00	$11,096.00	$1,062.00
Claimant Name	013-000076	10/14/2015	2015/2016	Open	$0.00	$15,000.00	$1,580.00	$14269.00	$1,580.00	$29269.00	$0.00	$30,849.00	$1,580.00
Claimant Name	120522	09/27/2004	2004/2005	Closed	$0.00	$0.00	$902.60	$0.00	$902.60	$0.00	$0.00	$902.60	$902.60
Claimant Name	137971	10/04/2002	2002/2003	Closed	$5,300,000.00	$0.00	$420,162.22	$0.00	$5,720,162.22	$0.00	($910,354.07)	$5,720,162.22	$4,809,808.15
Claimant Name	138514	02/06/2003	2002/2003	Closed	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Claimant Name	140656	04/24/2003	2002/2003	Closed	$8,500.00	$0.00	$6,360.70	$0.00	$14,860.70	$0.00	$0.00	$14,860.70	$14,860.70
Claimant Name	1473221	10/16/2007	2007/2008	Closed	$5,000.00	$0.00	$61,954.90	$0.00	$66,954.90	$0.00	($16,954.90)	$66,954.90	$50,000.00
Claimant Name	1473222	12/10/2007	2007/2008	Closed	$0.00	$0.00	$19,197.80	$0.00	$19,197.80	$0.00	$0.00	$19,197.80	$19,197.80
Claimant Name	1517039	05/29/2009	2008/2009	Closed	$0.00	$0.00	$4,187.81	$0.00	$4,187.81	$0.00	$0.00	$4,187.81	$4,187.81
Claimant Name	1549227	02/23/2011	2010/2011	Closed	$0.00	$0.00	$3,750.10	$0.00	$3,750.10	$0.00	$0.00	$3,750.10	$3,750.10
Claimant Name	1551512	11/17/2010	2010/2011	Closed	$0.00	$0.00	$499.80	$0.00	$499.80	$0.00	$0.00	$499.80	$499.80

Customer Name

Lossrun valued as of 9/20/2016 by Fiscal Year

2002/2003

Claimant	Claim#	Loss Date	Coverage	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	137542	09/22/2002	LPD	Closed	$0.00	$0.00	$149.50	$0.00	$149.50	$0.00	$0.00	$149.50	$149.50
Claimant Name	138416	09/20/2002	LPD	Closed	$0.00	$0.00	$263.25	$0.00	$263.25	$0.00	$0.00	$263.25	$263.25
Claimant Name	138540	02/12/2003	LPD	Closed	$1,322.09	$0.00	$333.00	$0.00	$1,655.09	$0.00	$0.00	$1,655.09	$1,655.09
Claimant Name	138543	09/22/2002	LPD	Closed	$0.00	$0.00	$976.30	$0.00	$976.30	$0.00	$0.00	$976.30	$976.30
Claimant Name	140592	01/01/2003	LPD	Closed	$10,572.55	$0.00	$614.25	$0.00	$11,186.80	$0.00	$0.00	$11,186.80	$11,186.80
Claimant Name	295586	02/26/2003	LPI	Closed	$0.00	$0.00	$52,771.52	$0.00	$52,771.52	$0.00	($2,771.52)	$52,771.52	$50,000.00
Total for: 2002/2003					**$11,894.64**	**$0.00**	**$55,107.82**	**$0.00**	**$67,002.46**	**$0.00**	**($2,771.52)**	**$67,002.46**	**$64,230.94**

2003/2004

Claimant	Claim#	Loss Date	Coverage	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	140733	07/10/2003	APD	Closed	$1,559.14	$0.00	$250.50	$0.00	$1,809.64	$0.00	$0.00	$1,809.64	$1,809.64
Claimant Name	141605	02/19/2004	LBI	Closed	$0.00	$0.00	$337.10	$0.00	$337.10	$0.00	$0.00	$337.10	$337.10
Claimant Name	141713	01/28/2004	LBI	Closed	$42,500.00	$0.00	$42,734.06	$0.00	$85,234.06	$0.00	($35,234.06)	$85,234.06	$50,000.00
Claimant Name	141837	05/12/2004	LBI	Closed	$0.00	$0.00	$1,196.28	$0.00	$1,196.28	$0.00	$0.00	$1,196.28	$1,196.28
Claimant Name	141838	04/01/2004	LPD	Closed	$0.00	$0.00	$236.80	$0.00	$236.80	$0.00	$0.00	$236.80	$236.80
Claimant Name	141912	06/09/2004	LMP	Closed	$259.00	$0.00	$186.60	$0.00	$445.60	$0.00	$0.00	$445.60	$445.60
Claimant Name	293696	06/01/2004	LMP	Closed	$245.95	$0.00	$235.70	$0.00	$481.65	$0.00	$0.00	$481.65	$481.65
Total for: 2003/2004					**$44,564.09**	**$0.00**	**$45,177.04**	**$0.00**	**$89,741.13**	**$0.00**	**($35,234.06)**	**$89,741.13**	**$54,507.07**

2004/2005

Claimant	Claim#	Loss Date	Coverage	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	1389452	06/01/2005	LBI	Closed	$0.00	$0.00	$807.70	$0.00	$807.70	$0.00	$0.00	$807.70	$807.70
Claimant Name	281649	09/24/2004	LMP	Closed	$820.00	$0.00	$411.70	$0.00	$1,231.70	$0.00	$0.00	$1,231.70	$1,231.70

Customer Name

Lossrun valued as of 9/20/2016 by Coverage and Fiscal Year

Coverage: Auto Collision

2005/2006

Claimant	Claim#	Loss Date	Fiscal Year	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	1390358	07/14/2005	2005/2006	Closed	$2,028.18	$0.00	$180.40	$0.00	$2,208.58	$0.00	$0.00	$2,208.58	$2,208.58
Claimant Name	1393274	09/30/2005	2005/2006	Closed	$0.00	$0.00	$1,143.20	$0.00	$1,143.20	$0.00	$0.00	$1,143.20	$1,143.20
Claimant Name	1393276	09/21/2005	2005/2006	Closed	$0.00	$0.00	$1,195.60	$0.00	$1,195.60	$0.00	$0.00	$1,195.60	$1,195.60
Claimant Name	304543	07/18/2005	2005/2006	Closed	$1,847.48	$0.00	$0.00	$0.00	$1,847.48	$0.00	$0.00	$1,847.48	$1,847.48
Total for: 2005/2006					**$3,875.66**	**$0.00**	**$2,519.20**	**$0.00**	**$6,394.86**	**$0.00**	**$0.00**	**$6,394.86**	**$6,394.86**

2012/2013

Claimant	Claim#	Loss Date	Fiscal Year	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	1813645	08/27/2012	2012/2013	Closed	$0.00	$0.00	$499.80	$0.00	$499.80	$0.00	$0.00	$499.80	$499.80
Total for: 2012/2013					**$0.00**	**$0.00**	**$499.80**	**$0.00**	**$499.80**	**$0.00**	**$0.00**	**$499.80**	**$499.80**
Auto Collision Total:												**$6,894.66**	**$6,894.66**

Coverage: Auto Liability Bodily Injury

2008/2009

Claimant	Claim#	Loss Date	Fiscal Year	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	1487952	12/05/2008	2008/2009	Closed	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Claimant Name	1487952	12/05/2008	2008/2009	Closed	$2,000.00	$0.00	$8,944.91	$0.00	$10,944.91	$0.00	$0.00	$10,944.91	$10,944.91
Total for: 2008/2009					**$2,000.00**	**$0.00**	**$8,944.91**	**$0.00**	**$10,944.91**	**$0.00**	**$0.00**	**$10,944.91**	**$10,944.91**

2012/2013

Claimant	Claim#	Loss Date	Fiscal Year	Status	Loss Paid	Loss Reserve	Expense Paid	Expense Reserve	Total Paid	Total Reserve	Total Recovery	Total Incurred	Net Paid
Claimant Name	1857734	04/18/2013	2012/2013	Closed	$6,000.00	$0.00	$0.00	$0.00	$6,000.00	$0.00	$0.00	$6,000.00	$6,000.00
Total for: 2012/2013					**$6,000.00**	**$0.00**	**$0.00**	**$0.00**	**$6,000.00**	**$0.00**	**$0.00**	**$6,000.00**	**$6,000.00**

Hazelrigg Claims Management Services

Submits

A Proposal For

Workers' Compensation Third Party Administration Services

To The

City of Montebello

Respectfully Submitted
February 24, 2020

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City of Montebello

Workers' Compensation Third Party Administration Services

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Exhibit B: Claims Policies & Procedures Manual/Best Practices

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February 24, 2020

Ms. Eva Sahagun, Risk Manager
Human Resources
City of Montebello
1600 W. Beverly Blvd.
Montebello, CA 90640

Subject: RESPONSE TO REQUEST FOR PROPOSALS FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES (RFP No. 19-61)

Dear Ms. Sahagun:

Hazelrigg Claims Management Services (HCMS) is pleased to submit the attached proposal for Workers' Compensation Third Party Administration Services to the City of Montebello. This proposal incorporates the four fundamentals of HCMS' Claims Management philosophy—Claims Administration, Cost Containment, Information Technology, and Training—to provide the City with high performance, effective, and streamlined claims management and managed care services.

Hazelrigg Claims Management Services (HCMS), and its predecessor, Hazelrigg Risk Management Services (HRMS), have provided the highest-quality professional and personalized claims management service since 1988. HCMS' predecessors have served over 200 accounts comprised of cities, counties, joint power authorities, school districts, non-profit entities, transit agencies and private sector accounts. Today, HCMS remains the trusted advisor and partner to its self-insured clients providing superlative and comprehensive workers' compensation and managed care services.

HCMS is a Minority Business Enterprise and is devoted to the management of self-insured public entity workers' compensation claims. HCMS is concentrated on tailoring each client's program to reflect its philosophy, priorities, and needs while small enough to provide a personalized "Boutique Style" service. As your partner, we will jointly identify the departmental and organizational goals, challenges and concerns to adequately serve your needs. Our Boutique Style approach allows for easier lines of communication to help you identify solutions quicker while applying our cost containment techniques to forego unnecessary expenses.

HCMS employs dedicated professionals, a majority of whom were employed with its predecessor, HRMS, for many years. All HCMS' supervisors and examiners have over 10 years claims adjusting experience, and all are State certified to administer workers' compensation claims in the State of California

HCMS uses ClaimsXPress, a state-of-the-art administration system, which will allow the City staff to benefit from on-line direct access to the workers' compensation data and to generate reports as needed to monitor achievement of program goals. Our program includes provision of medical provider networks, utilization review, case management experts, medical management, subrogation coordination, and careful litigation management in order to achieve economic resolution and closure of cases.

HCMS is incorporated in the State of California and solely owned by Arlene Alvarez-Hazelrigg. HCMS is in good standing in the State of California and has had all necessary licenses, permits, approvals and authorizations necessary to perform all of the obligations with this Request for Proposal. HCMS' Best Practices and Standard Operating Procedures meet or exceed the City's requirements as outlined in its Scope of Work. HCMS does not have any exceptions to the RFP. The proposal shall remain valid for ninety (90) days from the date of this correspondence.

Thank you for the invitation to submit a proposal to the City of Montebello. I am authorized to bind the proposal as presented for Workers' Compensation Third Party Administration Services. HCMS has reviewed and agrees to all proposal requirements. For reference, my contact information is found below:

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The following is our proposal giving a more detailed description of our firm's philosophy as well as a description of our approach to personalized claims management and managed care services for the clients we serve.

Respectfully submitted,

Arlene Alvarez-Hazelrigg

Arlene Alvarez-Hazelrigg
President

AH:bao

Enclosures

PROPOSAL FOR
WORKERS' COMPENSATION THIRD PARTY ADMINISTRATION SERVICES

City of Montebello

Introduction

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

Hazelrigg Claims Management Services (HCMS) understands that the City of Montebello is seeking responses to the Request for Proposal for provision of workers' compensation claims administration services. HCMS has focused on the provision of claims services to public entities consisting of cities, counties and school districts. Thus, HCMS is aware of the issues and attributes that differentiate City claims from those of other employers and we can offer the City prompt and creative claims handling services and solutions, which are detailed throughout our Proposal.

HCMS' Claims Management incorporates four main fundamentals—Claims Administration, Cost Containment, Information Technology, and Training—to provide its clients with a high performance, effective, and streamlined Claims Management process. The organization's additional capabilities are summarized as follows:

- HCMS' Modular System and Caseload Constraints have been specifically designed to allow HCMS staff to handle the important aspect of "account responsiveness" both appropriately and promptly.

- HCMS focuses on an interactive return-to-work process with the primary focus of assisting the employee in achieving full recovery from their respective injury.

- HCMS operates a web-based claims administration software that provides detailed data tracking capabilities.

- HCMS is committed to the ongoing training and education of its clients and personnel to perform at a level of professional excellence.

General Scope of Work

Briefly summarize the scope of work as the proposer perceives or envisions it for each Service Area proposed.

1. **Claims Administration**

- ***Claims Administration (from claim inception to disposition)***

HCMS respectfully attaches its Claims Policies and Procedures Manual/Best Practices contained in **EXHIBIT B** providing the City a detailed layout regarding HCMS' policies, procedures, and best practices for claims administration including overall project management strategies and techniques HCMS intends to employ.

- ***Medical Provider Network (MPN)***

In partnership with industry veteran Harbor Health Systems, Arissa Cost Strategies manages and maintains a flexible network of high quality, outcomes-based physicians and ancillary providers. Per DWC regulation, the MPN filing entity has the exclusive right to determine MPN participants. Additions and removals can be made quickly. Removals can be made at will but are typically done for reasons of provider performance. Provider-related issues are reported and culled together by provider.

- ***Managed Care Services, which shall include:***

  - ***Medical Billing Reviews***

    HCMS' bill review process includes step-by-step verification of all bill information. HCMS undergoes a very aggressive bill review approach to reduce service fees by grouping and downgrading the schedule. HCMS goes directly to the more frequently used providers and negotiates a preferred rate for the volume the providers are receiving. With all bill review services through HCMS in-house bill review provider, Medical Management Partners (MMP), clients receive quicker turnaround time on bill review decisions, avoidance of third-party fees, and access to a bill review expert.

    HCMS has leased Comp-Star software for utilization in reviewing bills. The bill review process includes verification of all bill information. Comp-Star will match the bill to the correct injured worker and provider, and check for duplicates. If the system determines that any data, claim, or provider match is in question, or if a bill is identified as a duplicate, the system will flag the bill for further review by the bill reviewer.

    HCMS has been successful in an average savings rate of 75% on bill review services.

  - ***Utilization Reviews***

    Hazelrigg Claims Management Services (HCMS) has extensive experience in the provision of Utilization Review services for public entities. HCMS Utilization Review nurses have an average of ten (10) years of experience in Utilization Review.

HCMS utilizes Arissa Cost Strategies' software to record all Utilization Review (UR) referrals and determinations. The software further tracks UR decisions at both the nurse and physician levels, including UR appeals.

Upon receipt of a Request for Authorization (RFA), the matter is carefully reviewed to determine if it meets the minimum threshold for Utilization Review referral. HCMS examiners and assistants are provided with Medical Protocols which further outlined the necessary treatment which should be authorized and/or sent Utilization Review.

If it is determined that an RFA should be referred to Utilization Review, the RFA is forwarded to our Utilization Review Coordinator (URC). The URC assigns the request to one of the Utilization Review nurses for review. If the requested treatment meets California MTUS, ACOEM and/or ODG guidelines criteria for medical necessity, the nurse will certify the treatment request. If treatment request does not meet the minimum criteria, the treatment will be referred to our outside contractor, Arissa Cost Strategies. The RFA is then sent for peer review and determination.

The usual process followed by peer reviewer/specialty peer reviewer is:

- ✓ Review the forwarded information and request for medical necessity. It is the practice of Arissa to align the appropriate specialty to the request/referral.
- ✓ If the Request for Authorization (RFA) is not clear, two phone calls are made to the requesting provider for discussion and clarification.
- ✓ If information is appropriate, then a decision is made based on the current evidence-based guideline, MTUS, ODG, ACOEM, ReedMD, and recent research if applicable Class 1,2. (AMA).
- ✓ If Request for Authorization cannot be certified or modified, it will be denied, and rationale included as well as the references for the decision.
- ✓ All non-certified decisions are re-reviewed by the Medical Director prior to being forwarded to the requesting provider to avoid unnecessary IMR processing.
- ✓ All medical records are retained in the Arissa Software system.

- o ***Field Nurse Case Management/Telephonic Nurse Case Management***

HCMS has extensive experience in providing Nurse Case Management services through its affiliate, Medical Management Partners (MMP). MMP has provided Nurse Case Management services on a volume of self-insured public entities.

HCMS' Nurse Case Management services are performed on a case-by-case basis to effectively administer claims and to avoid unnecessary expenditures by our clients.

HCMS considers and reviews various factors prior to recommendation to a Nurse Case Manager. HCMS will not make referral for nurse case management services, without the approval of the City. With a collaboration of telephonic and field case management nurses, HCMS promotes a close liaison with doctors to provide proactive case management. Nurse Case Management services are performed in concert with claims administration to accomplish the goals arrived at jointly between the claims staff and nursing staff. This provides an overall savings to our client in time and money.

The specific criteria used to identify cases for telephonic case management are as follows:

- The first day of a catastrophic case in conjunction with field based case management
- If there is not adequate progress in recovery (minimum 25%) at the end of 14 days
- Any obvious abuse of medication or severe co-morbidities associated with the injured worker

The specific criteria used to identify cases for potential field case management are as follows:

- Catastrophic injuries
- Amputations
- Fractures of hip, pelvis and long bones
- Injuries involving joints (knee, wrist, ankle and shoulder)
- Crush injuries
- Any hospitalization over seven days
- Cases with a positive history of a known chronic illness e.g. diabetes, epilepsy, alcoholism, heart disease or psychiatric involvement
- Back injuries especially when: there is no improvement with extensive physically therapy, there is loss of bladder or bowl control, the worker is involved with heavy lifting or physical tasks or the worker falls from a great distance
- Soft tissue injuries where the employee is off work more than one month
- Cases with a history of work related injuries
- Cases where treatment is ongoing with no return to work prognosis
- Subjective complaints outweighing objective findings
- Litigated cases
- Substantial increase for the need of prescription drugs

- ***Pharmacy Card Services***

HCMS subcontracts Pharmacy Benefits Management (PBM) through Matrix Healthcare Services/ExamWorks, Inc. (DBA myMatrixx), an Express Scripts company. myMatrixx offers customizable formularies, customizable first fill program and Customizable RX cards to name a few of their many services. myMatrixx also can process all out-of-network bills as if they were a point of sale. They contact the

pharmacy for conversion into their network for future claims. Their process results in increased network penetration.

2. Claims Personnel

- ***Dedicated Senior Claims Adjuster and Claims Supervisor shall be assigned to the City's account and appropriate support staff. The City retains the right and opportunity to interview, approve, and/or reject all proposed individuals to be assigned to the City's account.***

HCMS agrees to this request.

3. Claim Handling, Case Review

- ***TPA will investigate questionable claims with coordination, assistance and approval from the City.***

HCMS promptly initiates investigation of issues identified as material to potential litigation. The City shall be alerted to the need for an outside investigation as soon as possible, and the examiner shall appoint an investigator who is acceptable to the City. The City shall be kept informed on the scope and results of all investigations. All activities shall be clearly documented in the computer notepad.

- ***The TPA shall maintain, in accordance with California law, a claim file on each reported claim. Said claim file shall also be available to the City during normal business hours and include actual costs and estimated costs of all anticipated benefits and expenses related to the claim file.***

HCMS provides on-line "read only" access to the ClaimsXPress system database. Access to this online portal allows the City and its authorized users to review the claims file including the Claims Examiner's daily notes and to run standard or customized reporting. HCMS certifies that any and all documents, records, files, and computer information relating to an injured worker's file (except for software) will remain the exclusive property of the City. HCMS shall maintain these records on behalf of the City for the period as required per the California Labor Code. Such maintenance will continue for the duration of HCMS' service as Claims/Third-Party Administrator.

HCMS' claims reserving philosophy is to comply with the Office of Self Insured Plans requirements pursuant to Title 8, California Code of Regulations, Section(s) 15300 through 15303. HCMS will set a realistic estimate of future liability for each claim based on computations which reflect the probable total future cost of compensation and medical benefits due or that can reasonably be expected over the life of the claim. The reserves shall be separately set for the indemnity, medical, expense, and other applicable categories.

- ***The TPA shall closely monitor all active claims and make timely reports to the City of case status, pending issues, suspected malfeasance, and any other pertinent program information.***

At HCMS, every claim is investigated. However, care is taken to eliminate overuse of outside investigators. In many cases, HCMS' claims professionals can resolve AOE/COE issues during our three-point contact process.

Where the employer has serious questions concerning the legitimacy of a claim and/or the examiner notes "red flags" in the information surrounding the injury, we find it cost-effective to refer such matters out for investigative services to support a potential denial. By having a concrete statement in hand, we can solidify the facts early on so that they do not change in the future. However, no file is referred out to an investigator for services without the authorization of the client. Some of the "red flags" that would support investigative services are:

Scenarios	Particulars
•Post Lay Off/Termination	-Medical condition(s): -History of chronic back pain -Comorbidities -Diabetes -High blood pressure -Respiratory/Heart issues -History of depression -Foreign substance dependency
•Disgruntled employee	-History of repetitive performance violations
•Questionable factors that need additional investigation	-Unwitnessed accident (cost of claim exceeding 10,000.00) -When mechanism of injury and symptoms don't run in correlation with each other -Repetitive Trauma -Cumulative Trauma
•Horse play	-Physical altercation with another employee -Safety violation -Not following proper log out/tag out procedures for employees -Not using the proper safety gear or operating equipment correctly
•Late Reporting	-10 days
•Severe injuries involving multiple body parts	-Spine/neck injuries -Broken bones -ER related incidents
•Short temp employer	-1 to 6 months of employment
•Casualty	-OSHA involvement

- ***The TPA shall provide the City with regular loss reports, as requested by the City, and provide special reports for an additional expense, when requested.***

The ClaimsXPress system allows for the ability to run scheduled reporting on a monthly and/or quarterly basis. An outline of the available reporting through the ClaimsXPress system is outlined below:

a. Claim Listing / Claim Log / Claim Register (At a minimum, this standard report will have the following elements):

* Claim Number
* Claimant Name
* Date of Injury
* Litigated Status
* Department/Location
* Customer Name
* Body Part
* Injury Cause
* Occupation

b. Detailed Loss Runs (At a minimum, the Loss Runs include the following information):

* Employer
* Claim Status
* Open Claims
* Closed Claims
* Date of Injury
* Employee Name (alpha)
* Claims by Fiscal Year
* Type of Injury
* Future & Paid T.D.
* Current Mo. Open & Closed
* Future & Paid P.D.
* Future & Paid Medical
* Future & Paid Rehab
* Total Incurred Losses
* Occupation
* Location
* Claims by Department
* Litigated or Not
* Historical Financial History

c. Loss Runs Summary Only
d. Check Registers
e. Payment Total / Voucher Total
f. Reserve Changes
g. Closing Ratios

- ***The TPA shall examine, on behalf of the City, all reports of industrial injury to or disease of employees reported to it by the City and properly process each claim from its inception to resolution. Such procedures shall include, but not be limited to, determining the compensability of claimed injuries and illnesses under the State Workers' Compensation Law, eligibility for payments of medical benefits and medical examinations, coordinating rehabilitation efforts, recommending payment of temporary and permanent disability compensation, and utilizing, as necessary or desirable, the advisory rating of the Permanent Disability Rating Bureau.***

A preliminary determination of compensability in accordance with the California Labor Code regulations is made following a review of the Employer's Report of Injury or Doctor's First Report of Injury. If a question arises regarding compensability, we will contact the City representative to gather more data. Based upon the information obtained, HCMS will suggest an appropriate course of action. This recommendation may include delay or denial of the claim. Final determination of compensability, however, will generally rest with the City. The initial decision to either accept or deny a claim will be made within time frames mandated by the State.

HCMS provides all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Codes. The TPA shall compute and pay temporary disability benefits to injured employees, or the City (if Labor Code §4850 pay is being provided) based upon earnings information and authorized disability periods. HCMS reviews, computes, and pays all informal ratings, death benefits, Findings and Awards, life pensions, or Compromise and Release settlements. Copies of all benefit notices shall be sent to the City.

HCMS will utilize the Permanent Disability Rating Bureau when necessary or desirable. A copy of the Permanent Disability Award or Order is provided to both the Claims Examiner and the Claims Manager. The Claims Manager logs the Award due date to ensure the Award is paid timely. The Claims Manager reviews all payments of Awards and Order Approving prior to issuance of checks.

4. Communication

- ***The TPA shall maintain regular communications with the City and injured worker, from the inception to disposition of each claim***.

At HCMS, we conform to the style and needs of our clients. We encourage daily communication between our Claims Examiners and our clients. The City can always expect to hear a "live voice" instantly when calling the manager, examiner, or assistant. Voicemail messages from the City representatives will be returned within one day. The City can expect communication on every new loss, confirmation of lost time and/or modified duties before issuing a temporary disability payment. Written contact is also made to obtain authority prior to settling a file.

- ***The TPA shall emphasize outstanding customer services and treat all parties to each workers' compensation claim in an equitable and fair manner. This requirement shall include the on-going assistance of employees throughout the entire workers' compensation process and the facilitation of outstanding customer relations.***

It has become apparent that there exists a need for "boutique" TPA services tailored to reflect the employer's philosophy while providing caring service to the injured worker. Our focus is to integrate the mandatory guidelines that the State requires of an administrator, while customizing the service to reflect the client's goal and philosophy with a commitment in responsiveness and caring administration throughout the workers' compensation process. HCMS provides that caring and outstanding customer service.

- ***TPA shall make initial contact with claimant and establish claim file within 24 hours of receipt of the Employers' First Report of Injury from the City.***

Communication with the injured worker as soon as possible after an injury has occurred has been proven to be a key element in the potential scope of the claim. For that reason, we use the "24 hour-three-point contact" approach. We make every effort to contact the injured worker, the employer, and the treating doctor within 24 hours of our knowledge of a work-related injury. This allows us to retain more medical control, evaluate the circumstances giving rise to the industrial accident, take necessary action to prevent possible expansion of the claim and establish a rapport with the injured worker.

- ***TPA shall maintain regular contact with injured workers and their physicians with the goal of returning employees to modified or regular work as soon as possible.***

We will work with the City and the physician during our disability phone calls until the employee reaches a level where he/she can return to modified and/or full duties. In cases where injured workers are released to modified duties, we will inquire with the City about whether modified positions are available and relay that information, from the onset, to the treating physician.

- ***TPA to contact the physician's office within one to three days of notice of all new claims and shall provide follow up and intervention with medical service providers on behalf of the City and the injured employee.***

We contact the injured worker's treating doctor within 24 hours of our knowledge of a work-related injury. This allows us to retain more medical control, evaluate the circumstances giving rise to the industrial accident and take necessary action to prevent possible expansion of the claim.

- ***TPA shall be the point of contact for injured workers for assistance with all aspects of the workers' compensation process including explanation of permanent disability ratings and other benefit notices.***

As a part of our-three-point contact approach, an explanation of the benefit system including both State mandated, and employer provided benefits will be provided in a pleasant, concerned and supportive manner to the injured worker. Thereafter, the examiner will contact any injured workers receiving temporary disability benefits between a minimum of every two (2) weeks and a maximum of every thirty (30) days. The timeframe for contacting the injured worker will be evaluated by the examiner based on complexity of injury and course of treatment.

- ***As required, the TPA will assist injured employees in resolving problems that arise from injury or illness claims.***

HCMS shall maintain a high level of customer satisfaction and professionalism when assisting injured employees. HCMS' personalized approach to customer service as well as direct

interaction with between the injured employee and the assigned Claims Examiner allows for a dialogue and solving any and all problems the injured employee may have.

5. Payments & Workers' Compensation Account

- ***The TPA shall only make payments of permanent disability compensation and death benefits in accordance with the Permanent Disability Ratings Bureau, orders of the Workers' Compensation Appeals Board (WCAB), or by approval of the City.***

Regarding settlement payments, the Claims Examiner, claims supervisor and claims manager all review the Award and payments to be made in accordance with the approving bodies and the City. Input of payments, authorization of payments, check printing and check mailing responsibilities are all separated to eliminate fraud potential and enforce security.

- ***The TPA shall, with the approval of the City and at the City's expense, engage the services of persons or firms outside its organization for work not generally performed by Claims Examiners in connection with the investigation and adjustment of claims.***

HCMS, in collaboration with the City, will select a panel of independent investigation agencies with the best reputation for quality, timeliness, and assignment fulfillment. These services are assigned with the approval of the City.

- ***The TPA shall decide, on behalf of the City, what benefits, if any, should be paid or rendered under the applicable State Workers' Compensation laws for each reported claim.***

HCMS' Claims Examiners and claims assistants provide benefits to the injured worker in line with mandated workers' compensation laws and statutes. We provide all our clients with comprehensive, full-service claims administration with seasoned examiners, and reasonable caseloads which allows for quality claims handling.

- ***The TPA shall make timely payments and/or reimbursements of all duly payable program benefits, wages, medical expenses, and eligible costs covered under State Workers' Compensation law from the claim payment fund established and maintained by the City.***

HCMS shall provide all compensation and medical benefits in a timely manner and in compliance with the statutory requirements of the California Codes. The TPA shall compute and pay temporary disability benefits to injured employees, or the City (if Labor Code §4850 pay is being provided) based upon earnings information and authorized disability periods. The TPA shall review, compute, and pay all informal ratings, death benefits, Findings and Awards, life pensions, or Compromise and Release settlements. Copies of all benefit notices shall be sent to the City.

- ***The TPA shall report any discrepancies or accounting errors it finds in connection with the claim payment fund.***

Trust accounts are set-up as directed by the client, based on funding, balance and check versus voucher desires of the client. HCMS will report to the City any accounting discrepancies we find in the payment fund. Personnel authorized to print checks do not have authorization to enter vendors or payments. Claims Examiners are the only authorized personnel that can order payments. Our IT Department Manager thoroughly audits and confirms a vendor legitimacy prior to entering a service provider into our system. HCMS also participates in management of the trust account through Positive Pay. Positive Pay is a method of account management that further helps to prevent check fraud. How a Positive Pay account works is the bank requires the check issuer (HCMS) to prepare a formatted check file that includes details about each check issued. This file is transmitted to the bank via SFTP and the bank compares checks received for payment against the items included in the file. The bank identifies items that do not match and then presents the rejected items to the issuer (HCMS) for its consideration for payment.

6. Settlement

- ***Settlement proposals directed to the City shall be forwarded by the TPA or defense counsel in writing, along with a reasoned settlement recommendation with supporting documentation required by the City.***

Prior to recommending a settlement, we will provide the City with a written analysis of our options, including an evaluation of potential costs in terms of time and money. Our analysis will suggest a plan of action.

If the injured worker continues to work for the City, we will evaluate the claim settlement via Stipulations with Request for Award. There may be specific instances where we may recommend a settlement via Compromise and Release settlement for an injured worker still working for the City; however, we will discuss this is detail with the City and the basis for same. We will discuss with the City, which is the preferred method of settlement. If the injured worker no longer works for the City, we will provide you with a recommendation for a future medical buy-out through a Compromise and Release in addition to our Stipulation recommendation in writing.

- ***Settlement proposals shall be presented to the City with enough time to process the proposal and obtain settlement authority from either the City or City Council, as required.***

HCMS will always contact the City to obtain authorization before entering any settlement agreements. With many of our current clients, we are accustomed to obtaining written settlement authority on all settlements. Nevertheless, we will recognize and honor your time constraints considering City Council meeting timelines.

7. Compliance & Reporting

- ***The TPA shall keep the City informed of all program compliance matters and ensure the City meets all program reporting requirements and deadlines. This requirement shall include:***

  - ***Providing the City with all forms necessary for the efficient and effective operation of the self- insurance program;***

    HCMS will provide to the City an update of any amendments to existing forms, pamphlets, posters, brochures, etc. as required by the State Labor Code.

  - ***Preparing and submitting at least 15 days prior to the deadline, all legally required program forms and reports to their authorized agencies on behalf of the City;***

    HCMS will prepare the legally required program forms and reports based on the City's self-insured status and submit them to the authorized agencies at least 15 days prior to the deadline.

  - ***Preparing and submitting to the City no later than 30 days prior to the due date, the Public Entities Self- Insures' Annual Report, as required by the State of California Department of Industrial Relations, Workers' Compensation Division.***

    HCMS will prepare and submit to the City an Annual Self-Insurer report as required by the State of California Department of Industrial Relations 30 days prior to the due date.

  - ***Providing the City with all tax forms necessary for the City's annual tax filings with the State Franchise Tax Board and Internal Revenue Service.***

    HCMS will prepare and submit to the City all required information, data, and forms necessary for the City's annual tax filings for both the Federal Internal Revenue Service and the State Franchise Tax Board.

8. File and Program Review Meetings

- ***The TPA shall conduct quarterly program analyses and status meetings, or more frequently if requested, with the City to discuss case statuses, issues, and trends based on the TPA's analysis of the program. TPA shall also recommend loss controls and solutions to the City based on its quarterly program analyses.***

HCMS will provide the City with quarterly file reviews or more frequently if requested. Our file reviews contain Narratives which detail: the history of the claim; the current status of the claim; the recommended plan of action and the current detailed reserves on each claim. The

file review is an invaluable tool to discuss status of the claim with the client but also arrive at an agreed strategy and plan of action.

- ***The TPA shall attend City Council meetings, as necessary and requested, to respond to City Council inquiries and to keep the City Council and public informed of various program matters.***

At the request of City staff, HCMS staff are available to attend City Council meetings and respond to City Council inquiries. We will also work with the City to keep the City Council and public informed regarding various aspects of the City's program.

- ***The TPA shall provide the City with recommendations for year- to- date and projected reserve fund encumbrances.***

The ClaimsXPress systems allows for the ability to run scheduled reporting on a monthly, quarterly, annual or year-to-date basis. Within the reports, and loss runs, payment totals, historical financial information and reserves and reserve changes are reported. HCMS will provide recommendations for the year-to-date and projected reserve funds based on the data.

- ***The TPA shall provide the City, on an annual basis, a program improvement plan based on program utilization rates and cost- to- benefit analyses.***

HCMS will work with the City and provide annually, a set of recommendations for improving their program. These recommendations will be based HCMS' experience with the City, best practices, an analysis of the utilization of benefits, and various cost benefit analyses.

9. Authority

- ***The TPA shall acquire the approval of the City to assign and refer cases to outside providers, such as medical examiners, physicians, specialists, investigators, and vocational rehabilitation services.***

HCMS shall obtain approval of the City to engage the services of physicians, therapists, pharmacists, investigators, forensic experts, defense attorneys, hearing representatives, and other firms or individuals to perform specialized work in connection with claims administration.

HCMS is dedicated to cost containment, professionalism, communication and cooperation as the foundation for providing high quality claims administration. HCMS maintains its independence from service providers associated with workers' compensation industry in order to offer objective assistance to injured workers, as well as the employer. HCMS has no in-house requirement to choose pre-designated investigators or attorneys. This autonomy avoids favoritism and eliminates any tendency found in in the industry to provide ancillary services through subsidiary corporations of the parent administrator. HCMS is free to select the provider with the best reputation for quality and service at the most cost-effective price to the City.

The above being said, we do have a panel of providers that we have carefully vetted and are currently working with. We feel that maintaining a panel of qualified providers gives an incentive for the providers to live up to our company standards and expectations. However, in recognition of the fact that clients have relationships with various providers, we recommend that we tailor a provider list to your respective programs.

10. Litigation and Investigation

- ***The TPA shall adhere to a City approved panel of legal counsel and acquire the approval of the City to assign all litigated matters and/or cases to legal defense counsel. The City's approval shall also be required for the selection and employment of attorneys and paralegals to appear before the Workers' Compensation Appeals Board (WCAB) on behalf of the City for claims made by an employee of the City. The legal panel shall be incorporated into the final contract as an attachment thereto.***

Claims will not be referred to legal counsel without authorization from the City. HCMS shall utilize the City approved panel of legal counsel. Additionally, any attorneys and/or paralegals that appear on behalf of the City before the Workers' Compensation Appeals Board (WCAB) will also be approved by the City. HCMS understands that the legal panel will be incorporated into the final contract.

- ***The TPA shall make all efforts to mitigate the escalation and litigation of workers' compensation claims.***

HCMS' philosophy is that the most efficient method of controlling litigation is to avoid it. This can be accomplished by early, effective communication between the Claims Examiner, employer, injured worker, and the treating physician. Prompt benefit delivery and proactive efforts for early return to work help to foster trust between the injured worker and his/her Claims Examiner and ultimately result in a reduction of litigation.

The responsibility/accountability for claims file management, including preparation, guidance, and controlling the defense of litigated claims, resides with the Claims Examiner. If an injured worker becomes represented by counsel, the Claims Examiner will act to seek cooperation with opposing counsel so that files can be disposed of via Compromise and Release or Stipulation without need to enlist the aid of legal counsel.

- ***The TPA shall make professional recommendations to the City concerning the escalation of cases, potential litigation, suspected and/or substantiated malfeasance, course of administrative action, treatment of claims, and program direction.***

The responsibility/accountability for claims file management, including preparation, guidance, and controlling the defense of litigated claims, resides with the Claims Examiner. HCMS' claims examiners are directly responsible for making professional recommendations concern any and all escalation of cases, suspected abuse, treatment, administrative action, and claim direction to the City. The claims examiner immediately reviews all industrial injury cases for

conformance with State regulations relating to reporting and review. If a question arises regarding compensability, HCMS claims staff will contact the City staff to gather more data. claims examiners review each claim initially, and at 6 months and annually thereafter, for fraud indicators.

- ***The TPA shall coordinate all litigated claims with the City and maintain on- going communications and correspondence with City staff, defense counsel, and claimant counsel in order to facilitate the resolution of issues and avoid unnecessary appearances and expenses of litigated claims.***

Subsequent to referral to counsel, the claims examiner will be actively involved in the continued legal management of the file. The claims examiner monitors the litigation on diary, rather than merely reacting and acquiescing to legal recommendations. We communicate with counsel and the City staff about the progress of litigation in accordance with the litigation strategy, mutually agreed upon by counsel and the claims examiner. This communication should include analysis of issues, strategy, what needs to be done and by whom. These agreements are documented within the claim file.

The claims examiner may attempt settlement which shall be communicated beforehand to counsel in writing. All telephone calls initiated to or received by staff or outside counsel shall be documented in the claim file, along with the name of the caller (attorney or legal secretary). The claims examiner assists legal counsel to be fully prepared to reach a possible disposition at a hearing, trial, or mandatory settlement conference, by providing a complete breakdown and summarization of all benefits paid or provided, and the dates upon which such benefits were furnished to afford the legal representative a complete and current status of the claim at the time of the appearance. The claims examiner will also fully advise the legal representative as to any and all significant developments which may have transpired, if any, subsequent to any prior communication and well before the date of the hearing which may affect the outcome of the case.

11. Reporting to Excess Carrier

- ***The TPA shall report claims to the City's excess insurance carriers in accordance with the claims reporting criteria of said carriers and pursue the collection of covered losses on behalf of the City.***

All Excess Carrier Reporting Guidelines are reviewed. The claims examiner will provide a notice to the excess carriers once the claim falls within the excess reporting guidelines. Future medical claims are closely managed to control medical costs and ensure excess coverage is addressed. The plan of action noted in the file will detail the history of the claim; body parts injured; any body parts settled; body parts awarded future medical care; past course of treatment; current treatment plan; comment on the frequency of use of future medical care and evaluation of the current reserves given all of this information. The claims examiner will pursue reimbursement of all covered losses on behalf of the City.

Our ClaimsXPress system has been customized to allow for tracking of the last date of report to the excess carrier along with notation of that the excess retention levels are for each policy year. This customization allows for detailed excess reports to be run.

12. Employee Training

- ***The TPA shall provide training to City personnel involved in the administration of the City's workers' compensation program.***

HCMS will provide customized training per the City's requests. Prior training topics provided to clients include; New developments in workers' compensation laws and regulations; Updates on claim reporting procedures and best practices; Client panels to allow collaboration of client experience and successes as it relates to claims management; Workers' Compensation 101 In-Services.

- ***The TPA personnel shall be made available to the City on an "as needed" basis to provide City-wide supervisory and employee training on topics of interest to be determined by the City pertaining to the City's workers' compensation program.***

HCMS claims staff and management are available, at the City's discretion, to actively consult with employee groups to ensure proper education of employer personnel regarding the workers' compensation system. This consultation process will allow us the opportunity to participate in feedback from the employer regarding HCMS policies in order to effect needed changes in the future.

Work Plan

Present concepts for conducting the work plan and interrelationship of all products. Define the scope of each task including the depth and scope of analysis or research proposed including claims procedures, staffing, data management, and financial/banking options available.

HCMS' approach and detailed work plan for the provision of Workers' Compensation TPA and Managed Care Services to the City will include elements discussed below:

Compensability:

A preliminary determination of compensability in accordance with the California Labor Code regulations is made following a review of the Employer's Report of Injury or Doctor's First Report of Injury. If a question arises regarding compensability, we will contact the City representative to gather more data. Based upon the information obtained, HCMS will suggest an appropriate course of action. This recommendation may include delay or denial of the claim. Final determination of compensability, however, will generally rest with the City. The initial decision to either accept or deny a claim will be made within time frames mandated by the State.

Providers:
HCMS will engage the services of physicians, therapists, pharmacists, investigators, forensic experts, defense attorneys, hearing representatives, and other firms or individuals to perform specialized work in connection with claims administration.

HCMS is dedicated to cost containment, professionalism, communication and cooperation as the foundation for providing high quality claims administration. HCMS maintains its independence from service providers associated with workers' compensation industry in order to offer objective assistance to injured workers, as well as the employer. Unlike other firms, HCMS has no in-house requirement to choose pre-designated investigators or attorneys. This autonomy avoids favoritism and eliminates the tendency found in many larger TPA's to provide ancillary services through subsidiary corporations of the parent administrator. Rather, HCMS is free to select the provider with the best reputation for quality and service at the most cost-effective price to the City.

The above being said, we do have a panel of providers that we have carefully vetted and are currently working with. We feel that maintaining a panel of qualified providers gives an incentive for the providers to live up to our company standards and expectations. However, in recognition of the fact that clients have relationships with various providers, we recommend that we tailor a provider list to your respective programs.

HCMS, in collaboration with the City, will select a panel of investigation agencies, not to exceed three firms, with the best reputation for quality, timeliness and assignment fulfillment, at the most reasonable cost.

Investigation:
HCMS will conduct the necessary investigation of each claim using competent and qualified personnel.

At HCMS, every claim is investigated. However, care is taken to eliminate overuse of outside investigators. In many cases, HCMS' claims professionals can resolve AOE/COE issues during our three-point contact process.

In cases where the employer has serious questions concerning the legitimacy of a claim, we find it cost-effective to refer such matters out for investigative services to support a potential denial. By having a concrete statement in hand, we are able to solidify the facts early on so that they do not change in the future.

Three Point Contact:
Communication with the injured worker as soon as possible after an injury has occurred has been proven to be a key element in the potential scope of the claim. For that reason, we use the "24 hour-three-point contact" approach. We make every effort to contact the injured worker, the employer, and the treating doctor within 24 hours of our knowledge of a work-related injury. This allows us to retain more medical control, evaluate the circumstances giving rise to the industrial accident, take necessary action to prevent possible expansion of the claim and establish a rapport with the injured worker.

Indexing:
Part of our commitment to investigate all claims, includes our pledge to index all the City indemnity claims. HCMS reports all new indemnity claims to the Index System.

Fraud:
HCMS fights fraudulent activity through an aggressive internal SIU program. Our procedure is to report any suspected fraudulent activity to the Claims Manager immediately upon suspicion. Our claims examiners are provided a fraud checklist to assist them in the identification process. Generally speaking, they report all suspected fraudulent claims immediately upon suspicion.

Our claims examiners have undergone, and continue to receive, extensive fraud training annually. From this they have developed an acute awareness of the four types of fraud that can impact a self-insured workers' compensation program. These are: 1) Claimant Fraud; 2) Provider Fraud; 3) Employer Fraud; and 4) Forgery. They also have a solid understanding of the number of insurance and criminal code statutes that apply to the arena of workers' compensation.

Utilization Review:
The Utilization Review (UR) process is applicable on delayed and accepted claims. Once a Request for Authorization (RFA) is received by the Claims Examiner from the doctor, it is referred to Utilization Review for consideration of the appropriateness of the treatment. A decision to accept, delay or deny regarding treatment, must be made within five (5) days of receipt. On or prior to the fifth day, the Utilization Review decision is served on all parties.

Nurse Case Management:
A Nurse Case Manager may be recommended for assignment on a case by case basis. This may be indicated due to seriousness of injuries; complexity of claim; lack of progress medically by injured worker; lack of progress in the treatment plan by the treating doctor and/or lack of comprehensive treatment plan. Referral to a Nurse Case Manager is recommend by the Claims Examiner; however, is not done without the client's approval.

Timeliness of Initial and Continuous Payments:
All HCMS Claims Examiners are required to be State certified. All first disability payments are made within 14 days of the initial disability. Each active indemnity claim is put on a 14-day revolving payment systemic diary. All claims assistants have temporary disability payment cards for each active indemnity file to ensure that all payments are signed off by the Claims Examiner.

To ensure the accuracy of the payments, all HCMS Claims Examiners review all wage statements and establish the overall Average Weekly Wage. Once this is established, our system calculates the rates for all benefits.

In cases where injured workers are released to modified duties, we will inquire with the City about whether modified positions are available and relay that information, from the onset, to the treating physician.

We will work with the City and the physician during our disability phone calls until the employee reaches a level where he/she can return to modified and/or full duties.

Temporary Disability Processing Procedures:
HCMS has policies and procedures in place that ensure against the potential for duplicate or inaccurate temporary disability payments. These involve the following:

The Claims Examiner, in our systems claim notes, must document justification for all TTD payments. If there are any changes in a work restriction, HCMS will call the employer to determine if accommodations can be made in order to return the injured worker to work.

The Claims Examiner reviews all temporary disability payments. The payment is not released until the Claims Examiner signs off on the payment. The Claims Examiner reviews each payment to ensure that adequate documentation is present to justify the payment. If the payment is deemed justified, the payment is released. If the payment is not justified, the payment is cancelled.

Medical Reports:
HCMS will obtain and review all medical reports related to each claim. Medical bill review services are performed by in-house bill review, to establish whether the fees charged are in accordance with the Medical Fee Schedule.

Upon receipt of appropriate medical documentation, HCMS will rate all reports and calculate the remaining exposures on the file. Although greater weight is usually given to the treating physician's report, HCMS Claims Examiners are trained to evaluate other factors when rating reports. Often, this process will involve input from the City.

HCMS will obtain medical reports or contact the medical providers as frequently as needed for verification of continuing workers' compensation indemnity payments.

Settlements:
If the injured worker continues to work for the City, we will evaluate the claim for a Stipulation. However, in certain circumstances, settlement via Compromise and Release may be favorable while the injured worker still works for the City. We will discuss with the City, which is the preferred method of settlement. If the injured worker no longer works for the City, we will provide you with a recommendation for a future medical buy-out through a Compromise and Release in addition to our Stipulation recommendation.

If a file is determined to warrant completion of a Medicare Set Aside evaluation (MSA), HCMS will refer the file for said evaluation.

If HCMS determines that referral to a defense attorney is not necessary, we will conduct settlement negotiations on behalf of the City with the opposing attorney. We are confident in our Claims Examiners' skill in resolving cases prior to trial. We attempt to establish and maintain a good working relationship with applicant counsels in order to reach final settlements quickly, fairly and at the lowest possible price.

HCMS currently has settlement authority up to $30,000. If a case cannot be settled within $30,000 or less, a formal Settlement Authority Request, SAR, is prepared and sent to the City for formal

settlement authority. The SAR contains our analysis of our options, including an evaluation of potential costs in terms of time and money. Our analysis will suggest a plan of action.

HCMS' Claims Examiners prepare Compromise and Release Agreement and Stipulations with Request for Awards in specific cases, in our claims systems. As indicated above, the Claims Manager will maintain first tier approval before the Claims Examiner makes settlement recommendations to the City.

Bill Review:
HCMS will provide medical bill auditing services. HCMS makes timely payments of all compensation benefits, medical expenses, and other required benefits under the applicable State workers' compensation laws, together with "Allocated Loss Expenses."

Subrogation Procedure:
Should the City become liable for a workers' compensation claim, and the injury is a result of negligence of a third party, the City has the right to subrogate against the negligent third party. HCMS' policy requires that all reported claims be reviewed for possible restitution through subrogation recovery.

During the initial audit of the City's existing files, HCMS will analyze each claim for possible third-party liability. In addition, as new claims arrive, possible third-party liability will be considered during our initial file review. The original set-up of all claim in our ClaimsXPress system requires documentation that a decision has been made with a respect to potential subrogation recovery.

However, before initiating subrogation recovery, we will obtain specific direction from the City. If the City agrees that we should pursue its third-party interests, we will do so aggressively. The Claims Manager will then review the progress of our recovery effort no less often than every 90 days.

Whenever possible, our Claims Examiners will attempt to settle the subrogation matter without the use of attorneys. This further increases the potential reimbursement to the City. In addition to limiting the amount of time an attorney is needed HCMS will provide an aggressive in-house subrogation effort. We will only assign counsel as a last resort to recover financial loss incurred by the City as a result of employee injuries and property damage.

Communication:
At HCMS, we conform to the style and needs of our clients. We encourage daily communication between our Claims Examiners and our clients.

The City can always expect to hear a "live voice" instantly when calling the manager, examiner, or assistant. Voicemail messages from the City representatives will be returned within one day. The City can expect communication on every new loss, confirmation of lost time and/or modified duties before issuing a temporary disability payment. Written contact is also made to obtain authority prior to settling a file.

File Reviews:
HCMS will provide the City with file reviews quarterly or when requested. Our file reviews contain narratives of the selected claims along with a reserve analysis.

DWC Notices and Correspondence:
HCMS' system integrates all of the State mandatory DWC letters. The examiner or assistant easily accesses these pre-formatted letters through the ClaimsXPress system itself, which retrieves all system data related material in the required fields. HCMS currently has over 300 correspondence documents (letters) in the database. In addition, HCMS has full capability to integrate new letters. Through an approval process, new letters are continually being input on an as needed basis. This saves our technical and clerical personnel considerable time which we use for more productive tasks such as case analysis and claimant contact.

Reporting Capability:
HCMS' system identifies injuries by various criteria that can be sorted in over 100 ways on existing City claim files and new losses. Loss Runs will be provided on a monthly basis.

Electronic Data Interface:
We currently have the capability to export and import data via Internet in a wide range of formats, including ASCII, Delimited Text file, Microsoft Excel and MS Access. The ClaimsXPress system includes interconnectivity through a secure Web Site. This capability also allows us to securely export and import each client's data to that client (but no client's data is accessible by any other client) without corruption concerns. We also have the ability to download our client's Unit Stat data with this system.

On-Line/Remote Claims Reporting:
HCMS has designed and operates a program allowing our clients to report all new injuries "on-line" with our computer system. When they are done entering the data on the computerized 5020 form, they simply save the document. By doing this, an actual pending claim is created within our system. The employer can then print the 5020 for their records and note the claim number. HCMS then receives a message of receipt of this pending claim instantaneously. Upon notification, we immediately begin to process the claim.

On-Line RMIS Access:
HCMS has available on-line "read only" access to the database. This allows the client to look at the entire file, including the adjuster's daily notes.

HCMS will provide information to the City in a timely fashion for submission of the Self-Insured Annual Report to the Department of Self-Insurance Plans prior to the October 1st deadline. HCMS will provide all forms necessary for the efficient operation of the self-insurance insurance program, and necessary to prepare and file all legally required California forms and reports on behalf of the City. HCMS will provide the City, annually prior to October 1st, the City's Annual report.

The foregoing is merely a summary of the many facets of HCMS' proposed methodology for providing administrative services to the City.

Fees and Costs

Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any firm. All prices should reflect "not to exceed" amounts per item. Provide pricing using the following table/format.

PROPOSAL COST SHEET							
	Year 1		Year 2		Year 3		
Descriptions	**Rate/Unit**	**Not to exceed Annual Cost**	**Rate/Unit**	**Not to exceed Annual Cost**	**Rate/Unit**	**Not to exceed Annual Cost**	**TOTAL 3-Years**
Program Administration	Per Year	$ 265,000	Per Year	$ 272,950	Per Year	$ 281,139	$ 819,089
Medical Provider Network	$ 70	Per Claim	$ 70	Per Claim	$ 70	Per Claim	
Medical Billing Reviews (MBR)	$ 10.00	Per Bill	$ 10.00	Per Bill	$ 10.00	Per Bill	
MBR PPO Savings	25%	N/A	25%	N/A	25%	N/A	
MBR Specialty Reviews	10%	N/A	10%	N/A	10%	N/A	
Utilization Review Auth Only	$ 25	N/A	$ 25	N/A	$ 25	N/A	
UR Nurse Level	$ 145	N/A	$ 145	N/A	$ 145	N/A	
UR Peer Review	$ 245	N/A	$ 245	N/A	$ 245	N/A	
Nurse Case Management	$ 98	Per Hour	$ 98	Per Hour	$ 98	Per Hour	
Nurse Field Case Management	$ 110	Per Hour	$ 110	Per Hour	$ 110	Per Hour	
Pharmaceutical Services*							
Subrogation Services	No Cost		No Cost		No Cost		
Other Proposed Services							
TOTAL ANNUAL AMOUNT		$ 265,000		$ 272,950		$ 281,139	$ 819,089

* Contracted through myMatrixx

Ability of the Proposer to Perform

Provide a detailed description of the proposer and his/her/its qualifications, including names, titles, detailed professional resumes and experience in similar work efforts/products of key personnel who will be working on the assignment. Provide a list of specific related work projects that have been completed by the proposer which are directly related to the assignment described in this RFP. Note the specific individuals who completed such project(s). Identify role and responsibility of each member of the project team. Include the amount of time key personnel will be involved in the respective portions of the assignment. Respondents are encouraged to supply relevant examples of their professional product. Provide a list of references.

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

Company Overview

The firm's formal name is Hazelrigg Claims Management Services (HCMS). HCMS has been providing third-party claims administration since January 1988. Founder Arlene Alvarez-Hazelrigg initially started her company as Southern California Risk Management Associates. In 1990, she joined several partners to share the claims management operation. In 1991, Ms. Hazelrigg dissolved her ownership in Southern California Risk Management Associates and opened Hazelrigg Risk Management Services (HRMS). In the span of fifteen (15) years, HRMS had grown to five (5) offices and over 300 employees. In 2007, HRMS sold its assets, and Ms. Hazelrigg retired. In July 2013, Ms. Hazelrigg re-launched her claims management organization as Hazelrigg Claims Management Services as there was a crucial industry need for cost-effective claims administration services.

Hazelrigg Claims Management Services (HCMS) and its predecessors Hazelrigg Risk Management Services (HRMS) and Southern California Risk Management Associates have provided the highest quality professional and personalized claims management services since 1988. HCMS' predecessors have served over 200 accounts comprised of joint power authorities, non-profit entities, school districts, cities, counties, transit agencies and private sector organizations. Today, HCMS remains the trusted advisor and partner to its self-insured clients providing superlative and comprehensive claims management services.

HCMS' Claims Management philosophy incorporates four main fundamentals—Claims Administration, Cost Containment, Information Technology, and Training—to provide its clients with a high performance, effective, and streamlined Claims Management process. The organization's additional capabilities are summarized as follows:

HCMS' Modular System and Caseload Constraints have been specifically designed to allow HCMS staff to handle the important aspect of "account responsiveness" both appropriately and promptly.

HCMS focuses on an interactive return-to-work process with the primary focus of assisting the employee in achieving full recovery from their respective injury.

HCMS is committed to the ongoing training and education of its clients and personnel to perform at a level of professional excellence.

Since its inception, HCMS has expanded its scope of services to include account administration, bill review, data processing, education and training, managed care services, return-to-work programs, and Utilization Review.

HCMS is a Minority Business Enterprise and is devoted to the management of self-insured public entity workers' compensation claims. HCMS is concentrated on tailoring each client's program to reflect its philosophy, priorities, and needs while small enough to provide a personalized "Boutique Style" service. As your partner, we will jointly identify the departmental and organizational goals, challenges and concerns to adequately serve your needs. Our Boutique Style approach allows for easier lines of communication to help you identify solutions quicker while applying our cost containment techniques to forego unnecessary expenditure.

HCMS employs dedicated professionals, a majority of whom were employed with its predecessor, HRMS, for many years. All of HCMS' supervisors and examiners have over 10 years claims adjusting experience, and all are State certified to administer workers' compensation claims in the State of California.

HCMS' Staffing:

Arlene Hazelrigg – President:

Ms. Hazelrigg has over 40 years' experience in California workers' compensation claims. Most of this experience has been in managing claims associated with self-insured agencies, particularly public entities.

Ms. Hazelrigg's claims career began with Hartford Company in 1979 and was Vice President of Claims of one of the largest third-party administration firms in California.

In 1987, Ms. Hazelrigg formed Southern California Risk Management Associates, which became Hazelrigg Risk Management Services, Inc., a workers' compensation claims administration company, specializing in tailored programs that provide strong cost containment features. This company grew to include 5 offices and over 300 employees. Ms. Hazelrigg sold the company in 2007.

In 2013, she entered the market again and opened Hazelrigg Claims Management Services (HCMS). HCMS is focused on providing personalized, tailored workers' compensation claims administration which focuses on the individual needs of its clients.

Ms. Hazelrigg is a graduate of California State University, Long Beach. She is a State Certified Workers' Compensation Administrator, and she is trilingual.

Daniel Madrigal – Chief Financial Officer:

The Chief Financial Officer is primarily responsible for the establishment, auditing and payment processing of all banking trust funds for HCMS and its clients.

Mr. Madrigal possesses over 38 years' experience in public safety emergency response, personnel risk management, financial management and recently served for 10-years as Fire Chief for the City of Redondo Beach, CA. Since his retirement from the fire service, he has served as consultant to several cities and municipalities throughout the greater Los Angeles and Orange County, CA area. Mr. Madrigal joined Hazelrigg Claims Management Services in June 2013, as its Chief Financial Officer and oversees the company's telephonic triage services, financial auditing and Return to Work program. Additionally, he possesses a broad background in workers, compensation laws, policies strategies and government code compliance.

Mr. Madrigal holds a California State certification in Hazardous Materials Handling and Storage and First Responder Emergency Preparedness with public and public education facilities. In the area of hazardous materials, his expertise over the years has helped several HCMS clients with their annual State mandated OSHA inspections and documentation requirements. His emergency responder experience has also assisted in the development of several emergency protocols for situations such as earthquake preparedness, active shooter awareness and emergency evacuation.

Mr. Madrigal also holds an MBA from California State University, Long Beach and a Bachelor's degree in Vocational Education also from California State University, Long Beach and is a graduate of the California Fire Academy and member of the International Association of Fire Chiefs.

John Pappalardo, Ed.D. – Chief Executive Officer:

Dr. Pappalardo has over 28 years of experience managing both Workers' Compensation and general liability programs. He was a JPA President for 12 years and chairman of a statewide wrap-up program for five years. His experience spans the broad array of insurance options from self-insured to fully insured programs. He is well versed in organization leadership and strives for the highest quality client and customer service.

Dr. Pappalardo has over 32 years of experience in public education which includes Superintendent of San Gabriel Unified School District. Prior to this he was Chief Finance and Facilities Officer in the Pasadena Unified School District, Deputy Superintendent, Business Services in the San Gabriel Unified School District as well as Business Services Manager and Director of Data Processing in Fullerton Joint Union High School District.

He has taught fiscal resource management courses at the University of La Verne and at California State University, Los Angeles. Along with his experience in the public sector and public-school systems, he brings a wealth of knowledge in leadership, education, and business functions.

Dr. Pappalardo received his Doctor of Education in Leadership from the University of La Verne and possesses a Master of Science degree in Management Science from California State

University, Fullerton, and a Bachelor of Science degree in Business Administration from California State Polytechnic University, Pomona.

Sherry Edwards – General Manager:

The General Manager is Sherry Edwards. Ms. Edwards has extensive experience in the transition of account and account management.

Ms. Edwards has over 37 years' experience in Workers' Compensation claims experience. From 1997 thru 2013, Ms. Edwards worked as a Claims Manager for two different TPAs. She oversaw large city and county programs and integrated the claims and managed care administration of these accounts. Ms. Edwards worked for Hazelrigg Risk Management Services for 18 years and rejoined Hazelrigg Claims Management Services in 2015 as the General Manager. Ms. Edwards provides strong leadership and training and will be responsible, should the City contract with HCMS, to ensure that the City's program is transitioned seamlessly. Ms. Edwards is State Certified and has her Bachelor of Art degree in Liberal Arts from the University of Nebraska.

Delina Gonzaga – Claims Manager:

The Claims Manager responsible for the City of Redland's account in our Chino Hills Office will be Delina Gonzaga. Ms. Gonzaga will oversee the claims team assigned to handle the City's account.

Ms. Gonzaga has over 33 years' experience in California workers' compensation claims. Ms. Gonzaga began her workers' compensation career in 1987, upon graduating from college. Ms. Gonzaga has handled claims for insured and self-insured clients. She has worked extensively on private and public agency accounts. Ms. Gonzaga has held positions of Claims Examiner, Claims Supervisor, Internal Claims Auditor, Regional Operations Manager and Claims Manager. Ms. Gonzaga worked for Hazelrigg Risk Management Services for 16 years. She joined Hazelrigg Claims Management Services in 2014 as the Claims Manager where she is responsible for claims operations.

Ms. Gonzaga is State certified and has her IEA Certificate in workers' compensation. She possesses a Bachelor of Science degree in Business Administration with an emphasis in Finance from California State University, Long Beach.

Alisha Baca – Senior Claims Examiner:

Alisha Baca began her career in workers' compensation in 1996 handling claims for cities, school districts, colleges and hospitals. Ms. Baca has handled claims for insured and self-insured clients. Ms. Baca joined HRMS/HCMS in 2006.

Ms. Baca has over 24 years' experience in handling California workers' compensation claims. She has worked extensively on public agency accounts for the last 15 years handling over 18 cities. She has extensive knowledge in Labor Code 4850 benefits and disability retirement benefits for safety employees.

Ms. Baca was certificated as a Workers' Compensation Claims Professional by the Insurance Association in May of 2001. She became California State Certified to administer self-insured accounts in 2000.

San Bernardino City Unified School District was a specialized contract wherein we took on a portion of their self-insured, self-administered claims for a special project to review claims for closure. Over the course of the contract, 75% of the claims were moved to closure. Ms. Baca was the Project Manager for this project.

Sharron Sacks – Senior Claims Examiner:

Ms. Sacks has over 40 years of experience in California workers' compensation claims. Most of her experience has been managing claims for self-insured employers. Her career began as a paralegal for a compensation defense firm, working with self-insured and insured clients, including multiple public entities. In the mid 80's, she then worked for a third-party administrator initially as a Claims Supervisor and upon leaving this employer, her last position was that of Vice President, Workers' Compensation. Ms. Sacks then went on to form her own consulting, auditing and training firm providing services for self-insured employers, insurance companies, excess and reinsurance carriers across the United States. Her last position, prior to coming to Hazelrigg Claims Management Services (HCMS), was that of Claim Manager for Southern California Edison, a large self-insured employer with locations throughout California. While at Southern California Edison, she oversaw claims operations and managed a large office. Ms. Sacks areas of expertise are extensive and include all aspects of claims administration, claims operations and consulting.

In January of 2014, she accepted a position to join HCMS. She handles large loss claims and regularly interfaces with reinsurance carriers. Ms. Sacks has her Self-Insurance Certification.

Rose Negron – Claims Assistant:

Ms. Negron has over 14 years' experience in handling California workers' compensation claims. She has extensive experience in handling public agencies including cities and school districts. This includes experience with Labor Code 4850 and ED Code benefits. Ms. Negron has handled medical-only claims from inception to conclusion.

Ms. Negron is certified as a Workers' Compensation Medical-Only Examiner and has her State certification to administer self-insured accounts.

HCMS has provided a copy of our Organizational Chart under **EXHIBIT C**.

HCMS Provides the following Services:

Utilization Review

HCMS works with Arissa Cost Strategies in the provision of Utilization Review services. HCMS utilizes Arissa Cost Strategies' software, to records all Utilization Review (UR) referrals and determinations. The software further tracks UR decisions at both the nurse and physician levels, including UR appeals. HCMS works with Arissa in utilizing their services for UR peer review.

MPN

HCMS works with Arissa Cost Strategies / Harbor Health in formulation and implementation of a comprehensive Medical Provider Network (MPN).

Pharmacy (PBM)

HCMS subcontracts Pharmacy Benefits Management (PBM) through Matrix Healthcare Services/ExamWorks, Inc. (DBA myMatrixx), an Express Scripts company. myMatrixx offers customizable formularies, customizable first fill program and Customizable RX cards to name a few of their many services. myMatrixx also can process all out-of-network bills as if they were a point of sale. They contact the pharmacy for conversion into their network for future claims. Their process results in increased network penetration.

MMSEA

HCMS utilizes ExamWorks for MMSEA reporting in compliance with MMSEA Section 111 Medicare Secondary Payor Mandatory Reporting. HCMS derives no financial benefit for using ExamWorks. HCMS will work directly with the City of Montebello, CMS, and ExamWorks to ensure its full compliance with MMSEA Section 111.

Bill Review Software

HCMS uses Comp-Star's software for our in-house bill review.

Investigation

HCMS, in collaboration with the City of Montebello, will select a panel of independent investigation agencies with the best reputation for quality, timeliness, and assignment fulfillment.

CMS

CLAIMS NARRATIVE			
FILE NO.			Date: 09/03/2019
EMPLOYEE			
EMPLOYER			
DATE OF HIRE			
DATE OF INJURY			
DATE OF BIRTH			
OCCUPATION	Produce Clerk		
EMPLOYMENT STATUS	Full-Time		
DEFENSE ATTORNEY			
APPLICANT ATTORNEY			Venue:
EXAMINER			

FACTUAL SUMMARY

This case involves a 24-year-old male, full-time, Wet Rack Clerk/Produce Clerk employee, with 4 years of service with _____, assigned to work at _____. The employee injured his back while he was filling in the cilantro in the wet rack. He stated he was bending over for a long time, cleaning the wet rack as he finished cleaning it, he got up, and felt a sharp pain in the lower back and couldn't get up for a while.

The employer questioned the alleged injury. The employee did not lose time from work as the employer has been able to accommodate the work restrictions. The claim was timely accepted based on our employer level investigation.

The employee was referred to _____ Occupational Med Group. He was first seen on 3/15/18 and was diagnosed with a lumbar strain. He was placed on work restrictions of no push/full/lift over 15 lbs., alternate walking, standing, and sitting as tolerated. He was last seen 5/29/19, and the work restrictions have remained the same.

We objected to PTP/Dr. _____'s medical treatment and proceeded with a Panel Qualified Medical Evaluation (PQME).

On 10/24/18, the employee was seen by PQME/Dr. _____. He did find the employee at a Maximum Medical Improvement (MMI), and further stated the employee should have epidural injection; however, he noted an 8% Whole Person Impairment (WPI). The 8% WPI provided a final rating of 11% or $9,932.50.

The employee then retained legal representation and amended body parts to legs, groin and internal organs. The treatment for over 1 year never included treatment to those body parts, only back. Thus, we denied the amended body parts on the current existing medical reports which did not note any injury to these added body parts, thus lack of substantial medical evidence.

On 6/26/19, the applicant was re-evaluated by PQME/ Dr. _____ who found the applicant MMI and further indicated the impairment rating remained the same as the original report dated 10/24/18. The report also indicated no need for future medical care. Based on PQME medical reports of 6/26/19, TTD benefits were ceased.

Applicant's attorney made a settlement demand of $35,000.00. We obtained settlement authority up to $15,000.00 to resolve matter via Compromise and Release (C&R) with a signed resignation. Our counter offer was accepted by applicant's attorney. The C&R documents are currently being circulated for signatures. Once signed, defense attorney will obtain a "walk-thru" Order Approving Compromise & Release (OAC&R).

PLAN OF ACTION

1. Obtain an Order Approving Compromise & Release.
2. Close file.

RESERVE SUMMARY

	PAID	FUTURE	TOTAL
MEDICAL	8,815.76	12,000.00	20,815.76
T.D.	1,177.02	0.00	1,177.02
P.D.	1,822.86	8,109.64	9,932.50
EXPENSE	7,067.38	5,932.62	13,000.00
GRAND TOTAL	18,883.02	32,042.26	50,925.28

References

- **City of Chino –** Contract Period: November 2016 to Present
  Contact: Anthony Arroyo, Director of Human Resources/Risk Management 909-334-3381
  Address: 13220 Central Avenue, Chino, CA 91710
  Email: aarroyo@cityofchino.org
  Services Provided: Claims Administration, Bill Review, Utilization Review, Nurse Case Management

- **City of Pico Rivera –** Contract Period: July 2017 to Present
  Contact: Luisa Najera, Risk Management Analyst 562-801-4396
  Address: 6615 Passons Blvd., Pico Rivera, CA 90660
  Email: lnajera@pico-rivera.org
  Services Provided: Claims Administration, Bill Review, Utilization Review, Nurse Case Management

- **California Schools Joint Powers Authorities** – Contract Period: February 2016 to Present
  Contact: Dr. Karla M. Rhay, Chief Executive Officer 909-763-4900
  Address: 1950 S. Sunwest Lane, Suite 100, San Bernardino, CA 92408
  Email: krhay@csjpa.org
  Services Provided: Claims Administration, Bill Review, Utilization Review, Nurse Case Management

  Baker Valley Unified School District
  Contact: Ronda Tremblay, Superintendent/Principal 760-733-4567
  Address: 72100 School House Lane, Baker, CA 92309
  Email: ronda_tremblay@bake.k12.ca.us

  Bear Valley Unified School District
  Contact: Dr. Mary Suzuki, Superintendent 909-866-4631
  Address: PO Box 1529, Big Bear Lake, CA 92315
  Email: Mary_Suzuiki@bearvalleyusd.org

  Chino Valley Unified School District
  Contact: Laurie Griego, Risk Management Specialist 909-628-1201
  Address: 5130 Riverside Drive, Chino, CA 91710 Ext. 1303
  Email: laurie_griego@chino.k12.ca.us

  Cucamonga School District
  Contact: Rick Jensen, Assistant Superintendent, Business Services 909-987-8942
  Address: 8776 Archibald Avenue, Rancho Cucamonga, CA 91730
  Email: rjensen@cuca.k12.ca.us

  East San Gabriel Valley Regional Occupational Program
  Contact: Leticia Covarrubias, Chief Business Officer 626-472-5131
  Address: 1501 W. Del Norte Street, West Covina, CA 91790
  Email: lcovarrubias@esgvrop.org

Helendale School District
Contact: Deanna Dibble, Assistant Superintendent 760-952-1180
Address: 15350 Riverview Road, Helendale, CA 92342
Email: ddibble@helendalesd.com

Hesperia Unified School District
Contact: Shauna Warnock, Director Risk Management/Benefits 760-244-4411
Address: 15576 Main Street, Hesperia, CA 92345 Ext. 7217
Email: shauna.wanock@hesperiausd.org

Lucerne Valley Unified School District
Contact: Kimberly Alonzo, Payroll & Risk Management Supervisor 760-248-6108
Address: 8560 Aliento Road, Lucerne Valley, CA 92356 Ext. 4134
Email: kimberly_alonzo@lucernevalleyusd.org

Oro Grande School District
Contact: Jennifer Tarpley, Personnel Technician 760-243-5884
Address: 19900 National Trails Highway, Oro Grande, CA 92368 Ext. 148
Email: jennifer_tarpley@orogrande.org

Rim of the World Unified School District
Contact: Kerry Castillo, Director of Risk Management 909-336-4146
Address: 27315 North Bay Road, Blue Jay, CA 92317
Email: kerry_castillo@rimsd.k12.ca.us

San Bernardino County Superintendent of Schools
Contact: Joe Sanchez, Director of Risk Management 909-386-9670
Address: 760 East Brier Drive, San Bernardino, CA 92408
Email: Joe_Sanchez@sbcss.k12.ca.us

Snowline Joint Unified School District
Contact: Robert Chacon, Director of Risk Management 760-868-5817
Address: 4075 Nielson Road, Phelan, CA 92329 Ext. 10151
Email: robert_chacon@snowlineschools.com

Victor Elementary School District
Contact: Debbie Betts, Assistant Superintendent of Admin. Services 760-245-1691
Address: 12219 Second Avenue, Victorville, CA 92395
Email: dbetts@vesd.net

Victor Valley Union High School District
Contact: Kathleen Hardy, Risk Manager 760-955-3201
Address: 16350 Mojave Drive, Victorville, CA 92395 Ext. 10205
Email: khardy@vvuhsd.org

- **MERGE Risk Management JPA –** Contract Period: August 2013 to Present
  Contact: Pearl Iizuka, JPA Administrator 310-490-8009
  Email: pearl.iizuka1127@gmail.com
  Services Provided: Claims Administration, Bill Review, Utilization Review, Nurse Case Management, Injury Hotline/Triage

  El Monte City School District
  Contact: Jose M. Herrera, Assistant Superintendent, Business Services 626-453-3790
  Address: 3540 N. Lexington Avenue, El Monte, CA 91731
  Email: jherrera@emcsd.org

  El Monte Union High School District
  Contact: Wael Elatar, Chief Business Official 626-444-9005
  Address: 3537 Johnson Avenue, El Monte, CA 91731
  Email: wael.elatar@emuhsd.org

  Rosemead School District
  Contact: Harold Sullins, Assistant Superintendent 626-312-2900
  Address: 3907 Rosemead Blvd., Rosemead, CA 91770
  Email: hsullins@rosemead.k12.ca.us

  Mountain View School District
  Contact: Darin DeKnikker, Assistant Superintendent 626-652-4054
  Address: 3320 Gilman Road, El Monte, CA 91732
  Email: ddeknikker@mtviewschools.net

- **North Orange County Community College District**
  Contract Period: July 2014 to Present
  Contact: Tami A. Oh, District Director, Risk Management 714-808-4779
  Address: 1830 W. Romneya Drive, Anaheim, CA 92801
  Email: Toh@nocccd.edu
  Services Provided: Claims Administration, Bill Review, Utilization Review, Nurse Case Management

Hazelrigg Claims Management Services

EXHIBIT A

Affidavit of Non-Collusion

EXHIBIT A
AFFIDAVIT OF NON-COLLUSION

AFFIDAVIT OF NON-COLLUSION BY CONTRACTOR

STATE OF CALIFORNIA)

)

ss COUNTY OF LOS ANGELES)

Arlene Alvarez-Hazelrigg

, being first duly sworn deposes and says that he/she is
President

(Insert "Sole Owner", "Partner", "President, "Secretary", or other proper title)

of Hazelrigg Claims Management Services

(Insert name of bidder)

who submits herewith to the City of Montebello a proposal;

That all statements of fact in such proposal are true;

That such proposal was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;

That such proposal is genuine and not collusive or sham;

That said bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Montebello, or of any other bidder or anyone else interested in the proposed contract; and further

That prior to the public opening and reading of proposals, said bidder:

a. Did not directly or indirectly, induce or solicit anyone else to submit

a false or sham proposal;

b. Did not directly or indirectly, collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham proposal, or that anyone should refrain from bidding or withdraw his proposal;

c. Did not, in any manner, directly or indirectly seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of his proposal price, or of that of anyone else;

d. Did not, directly or indirectly, submit his proposal price or any breakdown thereof, or the contents thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, or to any individual or group of individuals, except the City of Montebello, or to any person or persons who have a partnership or other financial interest with said bidder in his business.

I certify under penalty of perjury under the laws of the State of California that the above information is correct

By: Arlene Alvarez-Hazelrigg Title: President

Arlene Alvarez-Hazelrigg

Date: 02/20/2020

Hazelrigg Claims Management Services

EXHIBIT B

Claims Policies & Procedures Manual/Best Practices

Hazelrigg Claims Management Services

Claims Policies and Procedures Manual / Best Practices

Hazelrigg Claims Management Services

Claims Policies and Procedures Manual / Best Practices

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Hazelrigg Claims Management Services
Claims Policies and Procedures

1. General Claims Management Philosophy

1.1 Emphasis On Each Claim

Hazelrigg Claims Management Services' (HCMS) philosophy of claims management is based upon the belief that with manageable case loads, our experienced claims staff can aggressively manage each claim. Evaluating each claim on its individual merits, HCMS claims staff will promptly provide benefits in accordance with State law and OBEA rules and regulations, if appropriate. Where the facts of the claim raise questions of compensability, the employer and treating physician will be contacted to confirm their knowledge of the facts and their position on compensability. Unless the factual circumstances indicate otherwise, questionable claims will be delayed, pending further discovery.

1.2 General Guidelines

The following is a general review of the HCMS claims management functions:

1.2.1 **Claims Management** - HCMS will immediately review all industrial injury cases for conformance with State regulations relating to reporting and review. A preliminary determination of compensability will be made following a review of the Employers Report of Injury or Doctor's First Report of Injury. If a question arises regarding compensability, HCMS claims staff will contact the employer representative to gather more data. The initial determination will be made in accordance with time frames mandated by the State. Compensable claims will be coordinated with payroll policies of the employer and will be coordinated with the employer retirement system, if appropriate.

All settlement agreements shall be negotiated in accordance with the employer's approval limits and procedures. HCMS staff will rate permanent disability (P.D.) benefits based on applicable medical reports. On non-litigated claims, the State Panel QME Process will be used to reduce unneeded litigation. The State rating bureau will be used to quantify levels of permanent disability.

Temporary and Permanent Disability payments will begin as mandated. HCMS claims staff will maintain close contact with medical facilities treating injured workers to ensure that these benefits cease when appropriate. The claims staff will work with the individual employer representatives to determine applicable light duty policies. Returning an injured employee to light duty can dramatically reduce potential exposures and reduce the life of a claim.

HCMS claims staff will take all necessary actions to assist the employer in recovering reimbursements through subrogation actions against third parties, reinsurance and apportionment.

HCMS will provide the employer's personnel and other departments, as designated by the employer, with all necessary reports and information pertaining to pertinent workers' compensation cases.

1.2.2 **Medical Treatment** - HCMS claims staff will work closely with medical facilities and providers who currently have a good rapport and are approved by the employer. HCMS will review the service provided by existing facilities and make appropriate recommendations to the employer. The staff will also facilitate arrangements with local facilities to provide ancillary services and/or reduced fees. The claims staff will also make all necessary medical appointments.

Upon initiation of a claim, the adjustor will immediately review the claim for compensability and determine the extent of injuries. The Claims Examiner will make contact with the claimant, claimant's supervisor and/or the designated risk management staff, and the treating physician. Coordination and communication between the employer and the treating doctor tends to lead to faster resolution of claims. The Claims Examiners will make independent referrals to specialists to ensure that treating physicians are not benefiting from high cost referrals to associated specialists or medical facilities. All referrals will be made in accordance with employer guidelines.

The Claims Examiners will obtain and evaluate medical expert opinions to determine duration and extent of temporary and permanent disability, respectively.

HCMS will assist the employer in the enforcement of any medical case management program implemented.

1.2.3 **Customer Service** - All injured workers will receive State mandated materials explaining the workers' compensation process. HCMS claims staff is required to attempt to notify all injured workers within 24 to 48 hours of receipt of the claim. Our policy mandates contact within the first two working days of receipt of a claim. As a part of this contact process, an explanation of the benefit system including both State mandated and employer provided benefits will be provided in a pleasant, concerned and supportive manner.

Through our contacts with injured employees, the claims staff will identify any employee problems arising from the injury and notify the employer regarding this issue. HCMS will also provide recommendations for solving these problems when appropriate.

HCMS claims staff and management are available, at the employer's discretion, to actively consult with employee groups to ensure proper education of employer personnel regarding the workers' compensation system. This consultation process will allow us the opportunity to participate in feedback from the employer regarding HCMS policies in order to effect needed changes in the future.

It is the goal of HCMS to maintain an effective line of communication with the employer personnel. This includes discussion with line management and return-to work coordinators.

2. Claims Assistant Duties and Responsibilities

2.1 Medical-Only Claim File Set-Up

Upon receipt of the Employer's Occupational Injury Report (Form 5020), or any knowledge of injury from the employer, together with the necessary documentation other than (Form 5020), the Claims Assistant will immediately set-up a Medical-Only file.

2.2 Medical-Only Files

The Claims Assistant will handle Medical-Only Claim files and is responsible for the provision of medical benefits to the injured employee.

Medical-Only files will be diaried every 90 days for review by the Claims Examiner.

Medical-Only files should have an average life expectancy of 120 days. If a file requires further handling after the 120th day, the Claims Assistant will refer the claim to their Claims Examiner for review and/or further handling by the Examiner.

Medical-Only files initial reserves standard is $750.00. However, all file reserves must be reviewed at each diary to ensure that the reserves adequately reflect the full value of the claim.

2.3 Indemnity Claim File Set-Up

Upon instructions from the Claims Examiner, the Claims Assistant will immediately set-up an indemnity file in the system.

Claims Examiners will give the Claims Assistant due dates for set-ups of lost time cases ensuring the first payment meets the 14 day rule.

The Claims Examiner will do the initial work-up and three-point contact, documented in the system. He/she will: prepare the indemnity paycard; calculate temporary disability rate; calculate benefit payment due the injured worker; complete the indemnity card status sheet; and authorize input of the calculated payment. The Claims Examiner will then give the paycard to the Claims Assistant to enter the payment. Once the file and indemnity payment has been entered, the paycard is given to check processing to verify the amount paid with the amount noted on the paycard. Prior to issuance of the check, the Claims Examiner is provided a Trial Posting (list of payments to be made, including indemnity payments) and authorizes issuance of the payment. Once the payment is made, the paycard is routed back to the Claims Assistant. All active indemnity paycards are to be kept separate from the claims file and should be kept within the unit's work station.

The Claims Assistant will keep a separate index card on the active indemnity files being paid and will check against the trial posting to insure claimants are continuously paid. If the claimant has returned to work, the Claims Examiner will process the termination of temporary disability benefit letter to the injured worker and proceed to provide other benefits as may be necessary.

The Claims Examiner must make contact with the employer to advise of doctor's release to return to work and/or verify the return to work date.

The Claims Assistant must make a hard copy, i.e., index card backup to the paycard diary system for all claim files that are active for temporary disability.

All indemnity payment entries will be color-coded as follows on the paycard:

Black or Blue - Temporary Disability Payments.
Red - Permanent Disability Payments, and any settlement payments.

3. Claims Examiner Duties and Responsibilities

3.1 Indemnity - Litigated Files

Upon receipt of file set up from Claims Assistant, the Claims Examiner will handle the claims file until the case is concluded by performing the following:

a) Estimate and set reserves based upon case potential.

b) Direct payments of indemnity, vocational rehabilitation, medical, med-legal and other expenses of claim file.

c) Coordinate and direct the medical, vocational rehabilitation and legal aspects of the claim file.

d) Attend WCAB hearings, vocational rehabilitation conferences, and company/client meetings when required.

e) Prepare settlement authorization request letter to client.

f) Prepare and file objections of med-legal liens and negotiate outstanding liens.

g) Provide training to junior examiner and clerical staff as required.

h) Diary and review file every 60 days.

Medical-Only File
Initial Case Make-Up

1. **Documentation:**

1.1. Employer's Report of Occupational Injury or Illness (Form 5020)

1.2. Workers' Compensation Claim Form (DWC-1)

1.3. Doctor's First Report of Occupational Injury or Illness (Form 5021)

2. **HCMS Forms:**

2.1. Employer Contact Sheet

2.2. Employee Contact Sheet

2.3. Disability Status

2.4. M.O. File Checklist

Indemnity File
Initial Case Make-Up

1. **Documentation:**

1.1. Employer's Report of Occupational Injury or Illness (Form 5020)

1.2. Workers' Compensation Claim Form (DWC-1)

1.3. Doctor's First Report of Occupational Injury or Illness (Form 5021)

2. **HCMS Forms:**

2.1. Employer Contact Sheet

2.2. Employee Contact Sheet

2.3. Treating Doctor Contact Sheet

2.4. Disability Status

2.5. Introductory Letter to Claimant

2.6. Claims Analysis Summary/Reserve Evaluation (HCMS-13)

2.7. T.D. Status Sheet (HCMS-19)

2.8. Indemnity Claim File Checklist

2.9. Note Pad

2.10. Reserve Sheet

Hazelrigg Claims Management Services, Inc.
Performance Audit Form

Examiner:_____ **Auditor:**_____
Claim No.:_____ **Date:**_____
Claimant:_____
Employer:_____ **OVERALL SCORE:**_____**/100**

1. **Three Point Contact (10 possible):** _____**/10**
   - Timely Three point contact
   - 3 point contact complete
   - Issues identified
   - If claim is transferred or converted, has examiner done initial overview eval of case.

   Notes:_____
   _____
   _____

2. **Notes/Documentation (20 possible):** _____**/20**
   - How complete are notes/documentation
   - Progress of case easy to follow based on notes
   - Claim Indexed. Results of Index commented on.
   - Activity on claim documented.
   - Does documentation attached to file follow in notes?
   - If Excess involved, updates timely, appropriate and reimbursement requested.

   Notes:_____
   _____
   _____
   _____

3. **AOE/COE investigated (10 possible):** _____/10

- Issues regarding compensability identified.
- ER consulted on decision to delay and accept or deny.
- AOE/COE investigation complete.
- Compensability decision timely

Notes:_____
_____
_____
_____

4. **Reserves (10 possible):** _____/10

- Reserves accurate.
- Reserve rationale documented.
- Reserve changes made timely.

Notes:_____
_____
_____

5. **Plan of Action (20 possible):** _____/20

- Plan of action accurate & timely.
- Have all issues been addressed with the Plan of Action.
- POA progressing through life of claim.
- Client apprised of POA and their input reflected.

Notes:_____
_____
_____
_____

6. **Medical Management (15 possible):** _____/15

- UR utilized appropriately
- NCM indicated and utilized appropriately.
- Prior medical records obtained, reviewed and strategy on use of prior medical records documented.
- Management of medical proactive and timely.

Notes:_____
_____
_____
_____

7. **Resolution/Litigation Management (15 possible): _____/15**

- Examiner moving case to resolution.
- If litigated, examiner directing course of claim in concert with defense attorney. *
- Case evaluated timely for settlement.
- Authority for settlement sought from client and documented.
- Settlement documents prepared timely.

Notes:_____
_____
_____
_____

Misc
Notes:_____
_____
_____
_____
_____
_____
_____
_____

Hazelrigg Claims Management Services
Claims Administration Standards / Best Practices

1. Initial Claimant Contact -

Claims Examiner or designee will contact the injured worker, or document all attempts, within two business days from the time the first report is first received. File documentation showing meaningful contact or attempts is mandatory.

2. Subsequent Injured Worker Contacts -

Claims Examiner or designee will contact each lost time worker, or document all attempts, no less frequently than every four (4) weeks while the injured worker is receiving Temporary Total Disability (TTD) benefits, unless represented by an attorney. Contact by a managed care nurse counts if documented in file. File documentation showing meaningful contact or attempts is mandatory.

3. First-Pay Timeliness -

Claims Examiner will approve issuance of the first day of payment of temporary disability in time for the check to be mailed or mail a delay/denial letter by the 14 day of lost time.

4. Managed Care Nurse Involvement -

Claims Examiner will assign a managed care nurse to report to file within 5 days on all claims involving serious head or spinal injuries. (i.e., 5 days after the first loss time day, the nurse must report to file).

5. Bill Audit and Payment -

All bills/liens will be audited and paid or denied within 60 days of the date of receipt.

6. Reserving -

Reserving must be based upon the most probable outcome considering the information known to be true at the time. The reserves shall be separately set for the indemnity, medical, expense, and other categories.

7. Subrogation -

Every claim will be evaluated for subrogation, and each file will be documented as to the results.

8. Fraud Detection and Handling -

Claims Examiners will review each claim, initially and at 6 months and annually thereafter, for the fraud indicators on the checklist form. See **Fraud Detection** and **Handling Procedures Policy**.

Each review of the claim for fraud must be documented in the file. Where fraud is suspected follow the guidelines in the policy manual.

9. File Documentation -

Claims Examiners will assure that each file is up-to-date and all necessary information is properly posted to the file. This includes, but is not limited to, a written record of: reserve changes; investigations; interviews; phone conversations; diary reviews; file reviews; authority requests; authorizations; report summaries; strategy notes; adjuster impressions; payment changes; delays; denials; required state forms; and any other information that is material to the proper handling of the claim.

Disputed Claims

Upon receipt of the DWC-1 Claim Form, the time limitations set forth to deny a claim is 90 days. Within this period, the following should be completed with the appropriate documentation placed in the claim file:

- Within 48 hours of receipt of claim, contact employer to discuss merit of claim.
- Within the initial 14 days, a DWC delay notice must be sent.
- AOE/COE investigation should be completed.
- Obtain injured worker's medical history and secure medical records.
- Outline in the Plan of Action what actions will be taken to resolve AOE/COE.
- Once decision is made, contact employer for concurrence of acceptance or denial of claim.
- Send necessary notices to injured worker.

If liability is not rejected within 90 days after the date the Claim Form is received, the injury shall be presumed compensable. The presumption is rebuttable only by evidence discovered subsequent to the 90 day period. This evidence must have been unavailable during the 90 day delay period.

Hazelrigg Claims Management Services
Litigation Management Program

Claims Examiner Division of Tasks:

1. The responsibility/accountability for claims file management, including preparation, guidance, and controlling the defense of litigated claims, resides with the Claims Examiner.

2. It is obvious that the most efficient method of controlling litigation is to **avoid it**. This can be accomplished by early, effective communication between the claims examiner, employer, injured worker, and the treating physician. Prompt benefit delivery and proactive efforts for early return to work help to foster trust between the injured worker and his/her claims examiner and ultimately result in a reduction of litigation.

3. If an injured worker becomes represented by counsel, the Claims Examiner will act to seek cooperation with opposing counsel so that files can be disposed of via Compromise and Release or Stipulation without need to enlist the aide of legal counsel.

4. If a file is referred for legal representation, it is the responsibility of the Claims Examiner to:

   - Send a chronological copied file, as well as updating counsel with any subsequent correspondence.

   - Files will not be referred to counsel without authorization from the employer. The employer will select the law firm that will be used to defend the claim.

5. Subsequent to referral to counsel, the Claims Examiner will:

   - Be actively involved in the continued legal management of the file.

   - Monitor the litigation on diary, rather than merely reacting and acquiescing to legal recommendations.

   - Communicate with counsel about the progress of litigation in accordance with the litigation strategy, mutually agreed upon by counsel and the Claims Examiner. This communication should include analysis of issues, strategy, what needs to be done and by whom. These agreements should be documented within the claim file.

   - Upon receipt of every report or recommendation from counsel, the Claims Examiner shall promptly respond within **10 working days** of receipt with appropriate direction and/or authorization to counsel.

   - If the Claims Examiner is attempting settlement, this shall be communicated beforehand to counsel in writing.

- All telephone calls initiated to or received by staff or outside counsel shall be documented in the claim file, along with the name of the caller (attorney or legal secretary) and the approximate time expended on the call.

6. To assist legal counsel to be fully prepared to reach a possible disposition at a hearing, trial, mandatory settlement conference, the Claims Examiner will provide, on paycard form, a complete breakdown and summarization of all benefits paid or provided and the dates upon which such benefits were furnished to afford the legal representative a complete and current status of the claim at the time of the appearance. Of course, in addition to providing a summarization of benefits provided, the Claims Examiner will also fully advise the legal representative as to any and all significant developments which may have transpired, if any, subsequent to any prior communication and well before the date of the hearing which may effect the outcome of the case.

Legal Division of Tasks:

1. It is the purpose of the legal representative to uphold, at all times, the legal interests of Hazelrigg Claims Management Services and their self-insured clients, once defense is accepted.

2. It is the responsibility of the legal representative to recognize potential conflict of interest situations, and to advise HCMS **immediately** of any potential such conflicts.

3. An acknowledgement letter **immediately** will be forwarded upon receipt of assignment of case for legal representation.

4. An initial letter of case analysis with recommendations for preparation of case defense is required. This initial letter of analysis should be forwarded within **10 working days** from date of assignment by claims department and shall include, but is not limited to, the following:

    - A discussion of all issues
    - An analysis of the potential exposure
    - Initial settlement evaluation/ratings of included medical reports
    - Recommendations for further work requested of the Claims Examiner
    - Recommendation for further work up by the legal representative
    - If deposition is recommended, an analysis of how a deposition could impact the eventual outcome of the claim, and therefore, outweigh the costs of taking the deposition
    - Subrogation potential, other potential liabilities (132a, employer liability, etc.)

5. Receipt by legal representative of any and all order, awards, or other ordered action by the Appeals Board must necessarily be forwarded to the HCMS Claims Examiner via facsimile transmission **on the date of receipt** by the law office/legal representative.

6. Hearing reports, summaries of deposition, and other reports from appearances made by a legal representative must and should be forwarded to the account representative/Claims Examiner, no less than **7 to 10 working days** following the occurrence of appearance or event.

7. Transmission and analysis of significant documentation received via fax transmission or mail must necessarily be forwarded to the account representative/claims department with necessary analysis and recommendations within **5 working days** of receipt by the law office/legal representative. Depending upon its significance, and the time constraints involved, it is often necessary for the transmittal and analysis to be forwarded for review by the claims function within **1 to 2** days of receipt and by facsimile transmission or telephonic communication as necessary.

8. Upon receipt of extension of settlement authority and/or request by the account representative/claims department for immediate resolution requires an **immediate** response by the legal representative/law office involved so as to effectuate a closure of the file at the earliest possible date.

General Observations and Recommendations Regarding Cost Containment:

1. To effectively achieve cost containment in counsel assisted defense of claims, a clearly delineated division of tasks between the claims and legal function is a necessity. The following are methods to be used by HCMS claims staff to meet this goal:

    a. Routine arrangement for medical-legal evaluation and/or the procurement of medical records, should come as a cost savings measure, being handled by and clearly within the claims department function. These arrangements are the responsibility of claims rather than that of legal counsel in most instances in which the evaluation to be scheduled is an AME examination scheduled with the agreement of the parties pursuant to Labor Code 4062. There should be an agreement ahead of time between the account representative and the legal representative as to which party is responsible for the preparation of the cover letter to the AME, giving due consideration to the complexity/legal issues of the claim. Whenever possible, HCMS claims staff will do this cover letter.

    b. Preparation of filing of pleadings of less significance (e.g. Information Response Forms, Answers, etc.) are to be routinely handled by the HCMS claims staff rather than being the responsibility of the legal function.

    c. Routine investigations either through in-house or outside investigative firms or by telephonic contact with the employer are to be completed by the HCMS claims staff.

    d. Legal counsel should, in the assistance of the claims function, strive for brevity and economy in periodic reporting as to litigation status.

e. The legal function should and must maintain file review on not less than a **30 to 45** day cycle but render periodic status reports to the HCMS Claims Examiner on a selective and as-needed basis only to avoid costly duplication and unnecessary communication.

f. Telephonic response time of the legal representative to inquiries of the claims function should be immediate and within **1 working day** of the receipt of the telephonic communication from claims. Under any circumstances, response to telephonic communications from any source, whether or not connected with the claims function should not exceed **1 to 2 working days**. All contacts, or attempts, must be documented in both the electronic file and hard copy file.

g. Upon receipt of the assignment of legal representation, the law office/legal representative should offer an assessment of the potential exposure of the claim, if possible, based upon the information available at time of assignment and should prepare and submit with the additional letter of analysis a reasonable estimate of the litigation defense costs likely to be encountered in defending the claim to its conclusion.

h. Also, based upon the information available at the time of the assignment of the litigation function to the law office/legal representative, an assessment of the likelihood of the successful defense of the claim should be offered. If a complete defense is seemingly unavailable at the time of the initial analysis, defense counsel should offer an assessment and recommendation regarding litigation goals (e.g. containment of duration of medical treatment, temporary disability indemnity, minimization of award of permanent disability, etc.) and the most efficient course to be taken by the claims function to achieve these litigation goals.

i. Throughout the development of the course of the litigation, defense counsel should **continually update** these evaluations, assessments and recommendations so as to assist the HCMS Claims Examiner in effectively altering and adjusting the course of litigation for the purpose of bringing out the earliest and least costly disposition. Typically, these reassessments, re-evaluations, and recommendations should be offered at significant stages of the litigation such as upon the completion of depositions, attendance at hearings, or receipt of significant medical documentation.

j. Of invaluable assistance in the coordination of claims/legal function during the course of litigation is the implementation as needed, of **case staffing conferences** between legal counsel and the HCMS Claims Examiner. The intervals at which case staffing may be utilized should be flexible and dependent upon the particular exigencies of the case, claims complexity, or insured servicing requirements. Case staff is particularly productive in dealing with claims which present peculiar or provocative legal issues, as well as those that pose a substantial risk of exposure and affords a more integrated effort in presenting a defense to such claims and minimizes the likelihood of a substantial loss from occurring due to inadequate communication between the claims and legal function. Claims Examiners must review the need for case staffing conferences with their Claims Supervisor.

k. To avoid the possibility of losing control of the litigation as well as keeping abreast of the harsh time constraints per the Labor Code, it is critical that the legal representative maintain a well managed **diary or follow-up system** to assure that the direction and the focus of the litigation is maintained. Claims Examiners will discuss the legal representative's review and reporting schedule to ensure that it meets HCMS' standards.

l. No settlement offer shall be extended/declined without conveyance to and extension of authority from the HCMS Claims Examiner, who will be responsible for obtaining the client's authorization. Likewise, no deposition will be set without prior authorization from the HCMS Claims Examiner. The reasons/purpose for the taking of the deposition and the legal representatives opinion(s) on how the taking of the deposition will be crucial/beneficial to the potential outcome of the case shall be clearly documented to the HCMS Claims Examiner.

Legal Billing Procedures:

HCMS claims staff will review the following legal billing procedures with legal counsel and provide a copy at initiation of the legal services on the claim file.

A. Legal Services which are not considered "billable events" include but are not limited to the following:

- Revision, modification, or editing of an associate's work by senior counsel, or staff counsel manager
- File reviews or discussion with an associate which are primarily supervisorial
- Intra-office conferences and staffing which are primarily administrative or educational in nature
- Overhead costs such as file storage, postage, lights, office supplies
- Messenger service (which is a billable cost) should never be routinely utilized as a substitute for the mail system, but rather for extraordinary occasions, where time is critically important
- Clerical costs of staff or legal secretaries such as calendaring of files, date stamping, ordering of court reporters and translators, scheduling, travel arrangements, etc.

B. Guidelines for Acceptable billing for legal services rendered:

a. Attorney or legal representative must bill only for time **actually** expended on the service being billed. No rounding to the nearest 1/2 hour or hour is considered acceptable.

b. All bills must be presented in a **detailed** and **itemized** format rather than grouped narratively into multiple charges.

c. Each bill must include:

- The date for each service performed
- The initials of the attorney performing the service
- A **detailed** and **itemized** line description of the legal services performed**
- Specific time billed in tenths of an hour
- All outside costs, advance travel costs for witnesses, photocopy costs shall be itemized separately. The total number of pages photocopies shall be itemized.

** On the legal services itemized, the attorney or legal representative when billing for telephone calls must identify to whom the call was made and the nature of the telephone call. On correspondence, the subject matter of the correspondence must be identified and to whom the correspondence was sent. If legal research was done, the issues necessitating the legal research must be outlined and the time expended. A specific description of work performed on discovery, pleading, trials, depositions, and appeal must be provided. The identity of any material reviewed such as investigative reports, medical records, prior cases, etc., must be specified.

Hazelrigg Claims Management Services
Fraud Detection and Handling Program

Effective January 1, 1992, statutes were instituted to stiffen the penalties and sanctions for any party committing workers' compensation fraud.

The statues made it unlawful to make or cause to be made any knowingly false or fraudulent material representation for the purpose of obtaining or denying any workers' compensation benefits.

Any insurer, self-insured employer, third-party administrator, worker compensation judge, audit unit, attorney, or other person who believes that a fraudulent claim has been made, must report the suspected fraudulent acts to the Bureau of Fraudulent Claims or the local District Attorney's office within thirty (30) days of acquiring knowledge and belief that a fraudulent act or acts has been committed.

When fraud is suspected, the Claims Examiner will consult with the Claims Supervisor and Claims Manager. If there is concurrence that the evidence warrants a fraud referral filing, then a timely referral will be made to the fraud bureau. The client will be advised of the pending filing of the "Suspected Fraudulent Claim Report" prior to the referral to appropriate law enforcement officials. Clients requesting a delay should be referred immediately to the Claims Supervisor and Claims Manager for further consideration.

Claims Checklist
Situations That May Warrant Investigation

Solicitation Indicators

- ☐ Several employees from same employer have similar injuries and use same doctors and/or attorneys.
- ☐ First notice of claim comes from attorney or medical clinic.
- ☐ Employee's medical clinic provides first report of injury and lists attorney's name at bottom of form.

Medical or Medical/Legal Fraud Indicators

- ☐ Multiple medical/legal referrals as a clinic practice.
- ☐ "Skin and contents" type of allegation - often a post employment claim.
- ☐ Medical reports appear to be photocopied with the same information typed in (employer, employer's address, injury description, etc.)
- ☐ The same doctor(s) and attorney are repeatedly involved together on claims of questionable merit.
- ☐ Employee visits doctor's office frequently and always receives same type of treatment.
- ☐ Reports from a doctor on various workers' compensation claims read almost identically.
- ☐ Medical bills indicate treatment on weekend or doctor's usual day off.
- ☐ Medical bills include extensive testing which would not be performed by a family doctor for the injury alleged.
- ☐ Injuries are of a subjective nature, such as stress, emotional distress, headaches, inability to sleep, nausea, soft tissue, etc., and there are no credible, objective findings.
- ☐ Such ailments persist more than two weeks.

AOE/COE Fraud Indicators

- ☐ Employer planning or in the process of a plant shutdown.
- ☐ Employer was cutting back hours or laying people off.
- ☐ Employer terminated employee.
- ☐ Employer notified employee of his/her poor performance, tardiness, etc.
- ☐ Employee was the subject of an immigration raid.
- ☐ Employee has a history of personal injury and/or workers' compensation claims.
- ☐ Index Bureau inquiry reports many prior claims.
- ☐ Employer was not notified by employee when injury occurred.
- ☐ Fellow employees state employee's injury is not legitimate; no one is aware of injury.
- ☐ Employee was a relatively new hire.
- ☐ Employee was able to work at another job but continued to receive medical treatment for his/her work-related injury.

* Any single indicator or group of indicators does not necessarily establish fraudulent activities. However, their presence suggests further investigation.

Hazelrigg Claims Management Services
Training Curriculum

The attached curriculum of courses is the core of Hazelrigg Claims Management Services' in-house training program. Completion of these and other current issue courses are scheduled annually for all HCMS claims staff.

Training Classes

Benefit Notice Letters

Detailed overview of requirements for Benefit Notices to injured workers.

Apportionment

Half day course designed to teach the claims technician what constitutes substantial evidence reporting, valid legal apportionment, and a discussion of the evolution of apportionment case law.

Workers' Compensation Reform

One day in-depth course on legislative statutory and procedural changes brought about by the Workers' Compensation Reform.

Establishing Medical Control Post Reform

Claims management/cost containment is critically dependant upon the claims technician's ability to maintain medical control. This one-day seminar covers historical changes in statutory medical control (L.C. 4600) and the impact of QME-AME requirements (L.C. 4060, 4061 & 4062).

QME/AME/Primary Treating Physician

One day in-depth seminar on the changing roles of the medical provider and the QME/AME process (L.C. 4060, 4061 & 4062), as well as post reform changes with Health Care Organizations (HCO).

Permanent Disability Rating

Either two day fast track course in teaching permanent disability rating skills (with proposed changes in the Permanent Disability Rating Schedule) or intensive 6 week course.

Developing Litigation Strategy

Attorney teaching one day course on developing strategy for case management to prevent unnecessary litigation, and developing litigation strategy once a claim becomes litigated.

Continuous Trauma Strategy

One day course on Continuous Trauma Strategy, determining pro-rata liability exposure, discussion of Case Law and L.C. 5500.5.

Fraud Prevention

One day seminar on developing a protocol for fraud identification and prevention, with discussion of relevant statutes and codes. (Fraud Prevention Act, Insurance Code, Business & Professions Code, and Sanctions for Perpetrators of Fraud).

Employer Responsibilities and Reporting Instructions

A. Reporting an Injury

It is the responsibility of the employer to report an injury to the Third Party Administrator. Steps in reporting an injury are outlined below.

1. The Labor Code holds that "within one (1) working day of receiving knowledge of an injury, or of an employee's request, the **employer** shall provide the Workers' Compensation Claim Form (DWC 1) to the employee." For every day the employer delays giving the Workers' Compensation Claim Form, that is one less day of the 90 days available to the employer/TPA to make a decision on the case. Complete the Workers' Compensation Claim Form Reporting Log to document that the Workers' Compensation Claim Form was given or mailed to the injured worker.

2. Investigate the facts of the accident.

   * How did injury occur?
   * When did injury occur?
   * Where did injury occur?
   * Any witnesses?

3. Complete the Employer's Report of Occupational Injury or Illness (Form 5020) and submit to your TPA within five days of knowledge. The Employer's Report should be typed and as complete as possible, but do not delay sending the report because some information is not available. Send the Employer's Report to your TPA. As a reminder, completion of this form is <u>not</u> an admission of liability.

4. Send a copy of the Workers' Compensation Claim Form (DWC 1) to your TPA when it has been returned by employee.

5. Telephone information on any serious injury directly to your TPA as soon as possible.

6. The supervisor, or another designated individual, should telephone the injured worker after the injury periodically to follow-up on the recovery process. This shows concern for the individual's well-being and reinforces the employer's commitment to providing quality medical care and an early return to work.

7. If the injury was the result of equipment, tools, ladders, furniture, etc., these should be inspected for defects. They should not be thrown away. If defective, they should be taken out of use and stored for the Investigator to review. If the injury was a slip and fall due to a spill, or a hole in a torn carpet, etc., this should be photographed immediately with a "point of reference" in the picture and then the problem should be corrected. If someone else caused the injury, get identifying information for follow-up.

8. Any information concerning the suspicion that a fraudulent act has occurred should be reported as soon as possible to HCMS. Individuals outside of HCMS should:

* Telephone the HCMS Claims Examiner as soon as possible.
* Follow-up the oral report with a detailed written statement of the circumstances.

A company representative will contact you as soon as possible to confirm the contents of the report and request any additional information needed. If HCMS and the employer determine that the case should be pursued, HCMS will file a formal report immediately to the Department of Insurance, Bureau of Fraudulent Claims. Depending on the circumstances and individuals involved, similar reports will be made to other law enforcement and licensing agencies. At the completion of the investigation, all parties will be notified of the outcome.

B. Workers' Compensation Claim Form (DWC 1)

The date of knowledge rule requires the employer to provide a Workers' Compensation Claim Form (DWC 1) to the injured worker *within 24 hours or one working day of the employee's allegation*. This knowledge, however, under the Reform, is defined as the date when the employer or someone *in authority* is made aware of an injury/claim.

When the Claim Form is returned to the employer, the employer is to detach the employee's temporary copy, date stamp it and return it to the employee. The employer should then fill out the bottom portion and date stamp all copies. One copy is for the employer's file and one completed copy is for the employee. The remaining copy is then sent to the TPA.

C. Employer's First Report of Occupational Injury or Illness

The Employer's First Report of Occupational Injury or Illness is to be filled out by the employer, not the employee. The Employer's First Report is to be signed by someone at the employer who is responsible for processing the forms. <u>THE EMPLOYEE IS NOT TO FILL OUT AND/OR SIGN THE FORM.</u>

The Employer's First Report of Occupational Injury or Illness is required under the Labor Code to be submitted to the administrator within five days of knowledge of the injury. <u>SUBMITTING THE FORM IS NOT AN ADMISSION OF LIABILITY OR ACCEPTANCE OF THE CLAIM.</u>

D. Thirty Day Medical Control

Per the California Labor Code § 4600, the employer has control over the medical treatment for the first thirty (30) days after the injury. If an employee requests a change of physician pursuant to Section 4601, the request may be made at any time after the injury, and the alternative physician, chiropractor or acupuncturist shall be provided within five days of the request.

Hazelrigg Claims Management Services
Accounting Controls & Procedures

Payment Processing & Security Procedures

1. All bills are reviewed/approved by the Claims Examiner or Claims Assistant. The Claims Assistant then inputs the bill into SIMS Claims and/or reviewed by Medical Management Partners and downloaded into SIMS Claims.

   HCMS maintains internal control procedures including a division of responsibilities. Our policy dictates that bills are to be paid within two weeks of receipt. This policy significantly reduces the chances for payment duplication errors, and the assessment of State mandated penalties for late remittals. All payment requests must include information regarding date of service, vendor name, and type of service prior to acceptance by our computer system. The system automatically audits to ensure that the bill has not previously been paid, and will print checks only to pre-approved vendors.

2. Once payment is entered, on the appropriate day of the week, Data Processing runs a trial posting which lists all the payments entered for a particular client. Data Processing then verifies all payments on the trial-posting match with all payments (hard copy) received by Data Processing. The trial-posting with all payments are then given to the Supervisor for final approval and verification. Once approval is received, Data Processing runs a final trial.

3. Data Processing then requests checks from the Chief Financial Officer.

4. The Chief Financial Officer is responsible for signing the checks out to Data Processing, based on the final trial posting. Each payment is verified with the hard copy of the invoice and listed numerically.

5. The checks are then given to Data Processing for printing.

6. After completion of printing, Data Processing then returns the completed checks to the Chief Financial Officer for review, verification of check numbers and approval for release.

7. All checks, once signed, are then given to the Claims Manager for review, before mailing.

Security Features

1. Claims Examiners and/or Claims Assistants order payments and DO NOT have access to check stock or printing of the checks.

2. Data Processing cannot order payments, nor have access to our check stock. They can only print payments entered by the Claims Examiner, Claims Assistant or from Medical Management Partners.

3. The Chief Financial Officer controls all checks, but cannot order payments or print checks.

4. The Claims Manager reviews all printed checks before mailing. Has no access to check printing, but does have access to check stock.

Phone Training

The following should be reviewed and practiced when answering the phone at all times.

1. Good (morning/afternoon), Hazelrigg Claims Management, How may I help you?

2. When asking who is calling and what this is regarding, be sure to always use words such as "may", "thank you" and "please".

   Example: May I ask who is calling? Thank you. Please hold while I transfer your call.

3. If a call is not transferred immediately due to a busy line, reply by saying "I'm sorry, (name's) line is busy, would you like to hold or leave a message"?

   If the person you are trying to reach is unavailable, reply by saying "I'm sorry, (name) is unavailable at this time, may I take a message"?

   If the caller is a client, never keep on hold for a long time. Simply ask if someone else in that Unit could assist them.

4. When several lines ring at the same time, don't attend to one line at a time. Put calls on hold first, then attend to each one as they came in.

   Example: Good (morning/afternoon), Hazelrigg Claims Management, could you please hold? (No one has ever objected to this).

5. If a client left a message, please leave a message on the adjuster's phone to call the receptionist in order to receive this right away.

6. If you are taking a message and the other lines begin ringing for a period of two times, politely interrupt the caller and ask them to hold for a moment.

7. If a caller chooses to hold, pick-up the line every so often so they know that they are not forgotten.

It is HCMS' policy that all claims staff return phone calls the same day or within 24 hours of receipt. There is always a live person to answer a call.

In conclusion, we need to concentrate on having a professional and polite attitude at all times. The key is not to get overwhelmed with calls, which is why these steps where created.

You would be surprised, but a person can actually hear a smile in your voice.

Account / File Transfers

When transferring an account from this office to a new administrator, there are certain requirements under Section 15402.2 of the Administrative Code which must be met.

The former administrative agency (HCMS) must provide the Claims Manager and the new administrative agency with a written report containing the following:

1. A list of all open and closed claims in our possession on the date of transfer.

2. A written description of the physical location of all claimed files transferred. (See sample).

3. The required claims logs.

4. Any computer data files, unless otherwise specified by contractual agreement for transfer of data.

If you are involved in a transfer of account or preparing files/data for transfer, you must obtain a signed statement from the recipient acknowledging receipt of all items turned over. This can be done simply by compiling a list which shows the number of open and closed boxes of files and all other information, such as claims logs, active indemnity lists, etc., being transferred and having the recipient sign it.

Once this proof of transferred information is obtained, we must submit the above-mentioned report to the Claims Manager along with a copy of claims listings given to the new administrator. A sample letter is attached.

We must follow these procedures carefully in order to protect HCMS as failure to submit this information can result in serious consequences. When in charge of account transfer, prepare your letter following these guidelines and have it reviewed and signed by the President. If the President is not available, please have the Claims Manager review and sign.

Payment Codes

Paycode	Pay Code Description	Reserve	Recovery
100	Medical - General	Medical	
105	Medical - Conversion	Medical	
110	Mileage	Medical	
115	Hospital	Medical	
120	Pharmacy	Medical	
125	Med-Legal Evaluation	Medical	
130	Reconsideration	Medical	
135	RTW Coordinator	Medical	
140	RN Nursing Services	Medical	
145	MED Penalty HCMS	Medical	
150	MED Penalty Prior TPA	Medical	
155	MED Penalty-Employer	Medical	
160	MPN transfer of care prep work	Medical	
165	MPN transfer of care review work	Medical	
170	MPN medical service coordinator services	Medical	
175	Level I Review	Medical	
180	Expert Peer Review	Medical	
185	Expert Peer Review - Other	Medical	
190	Records Review-Medical Summary	Medical	
195	Medicare Set Aside	Medical	
200	Future Medical Settlement	Medical	
205	Excess Recovery Med.	Medical	Recovery
210	Subrogation Recovery	Medical	Recovery
215	Co-Defendant - Med. Recovery	Medical	Recovery
999	Review only	Medical	
220	Indemnity - TD	TD	
225	TPD	TD	
230	4850 TD Benefits	TD	
235	Sick Leave Restoration	TD	
240	Salary Continuation	TD	
245	TD Indemn. Penalty-Employer	TD	
250	TD Indemn. Penalty-HCMS	TD	
251	TD Indemn. Penalty-Prior TPA	TD	
255	TD Conversion	TD	
260	Co-Defendant - Ind. Recovery	TD	Recovery

270	TD Subro Recovery	TD	Recovery
275	TD Excess Recovery	TD	Recovery
280	Permanent Disability	PD	
285	Permanent Total Disability	PD	
290	Commutation Interest	PD	
295	Death Benefit-Burial	PD	
300	Death Benefits	PD	
305	Life Pension	PD	
310	Appl. Attorney Fees	PD	
315	Compromise & Release	PD	
320	Findings & Award	PD	
325	Stipulations	PD	
330	PD Penalty HCMS	PD	
335	PD Penalty Employer	PD	
340	PD Penalty Prior TPA	PD	
345	PD Supplement-Rehab	PD	
350	PD Pre. Settlement	PD	
355	PD Conversion	PD	
360	Subro Recovery PD	PD	Recovery
365	PD Excess Recovery	PD	Recovery
375	Co-Defendant Recovery	PD	Recovery
380	Voc Rehab Vendor Svc	VR	
385	VR - Maint Allowance	VR	
390	VR Penalty Maint. Allowance (Outside Cap)	VR	
395	Rehab Att. Fees	VR	
400	VR Mileage-Supplies	VR	
405	Voc Rehab Training	VR	
410	VR Penalty-Employer	VR	
411	VR Penalty Prior TPA	VR	
412	VR Penalty HCMS	VR	
415	Voc Rehab-Conversion	VR	
420	VR Excess Recovery	VR	Recovery
425	VR Recovery Co-Def	VR	Recovery
435	VR Subro Recovery	VR	Recovery
440	Expenses - General	Expense	
445	Bill Review Fee	Expense	
450	Expense Penalty - Prior TPA	Expense	
460	Expense Penalty - HCMS	Expense	
465	Expense Penalty - Client	Expense	
470	Legal	Expense	

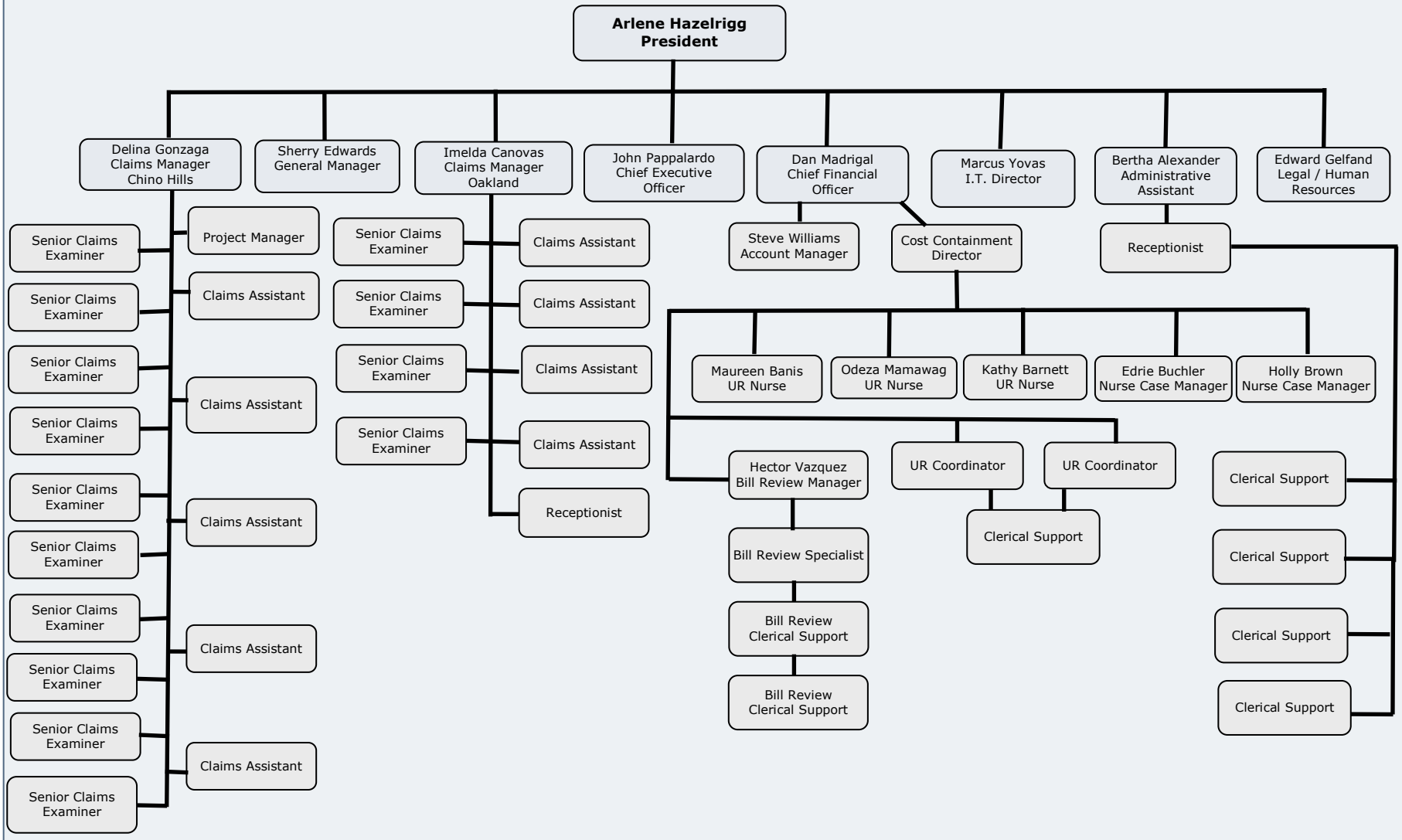
475	Investigation	Expense	
480	Utilization Review	Expense	
485	Photocopy	Expense	
486	Depo Witness Fee	Expense	
487	Translation Service	Expense	
490	Sub-Rosa	Expense	
495	Expenses-Conversion	Expense	
496	MPN ACCESS	Expense	
499	Review only	Expense	
500	Appl Atty Depo Fee	Expense	
505	Co-Defendant - Exp. Recovery	Expense	Recovery
510	Recovery Excess	Expense	Recovery
515	Exp Subro Recovery	Expense	Recovery
600	4850 Benefits	4850	
610	4850 Recovery Excess	4850	Recovery
620	4850 Recovery Subro	4850	Recovery
630	4850 Recovery Co-Def	4850	Recovery
640	4850 Penalty - Prior TPA	4850	
650	4850 Penalty - HCMS	4850	
660	4850 Penalty - Client	4850	

Hazelrigg Claims Management Services

EXHIBIT C

HCMS' Organizational Chart

Hazelrigg Claims Management Services



Fees and Costs

Although an important aspect of consideration, the financial cost estimate will not be the sole justification for consideration. Negotiations may or may not be conducted with the proposer; therefore, the proposal submitted should contain the proposer's most favorable terms and conditions, since selection and award may be made without discussion with any firm. All prices should reflect "not to exceed" amounts per item. Provide pricing using the following table/format.

PROPOSAL COST SHEET - Addendum No. 1							
	Year 1		Year 2		Year 3		
Descriptions	**Rate/Unit**	**Not to exceed Annual Cost**	**Rate/Unit**	**Not to exceed Annual Cost**	**Rate/Unit**	**Not to exceed Annual Cost**	**TOTAL 3-Years**
Program Administration	Per Year	$ 225,000	Per Year	$ 230,000	Per Year	$ 235,000	$690,000
Medical Provider Network	$ 70	Per Claim	$ 70	Per Claim	$ 70	Per Claim	
Medical Billing Reviews (MBR)	$ 10.00	Per Bill	$ 10.00	Per Bill	$ 10.00	Per Bill	
MBR PPO Savings	20%	N/A	20%	N/A	20%	N/A	
MBR Specialty Reviews	10%	N/A	10%	N/A	10%	N/A	
Utilization Review Auth Only	$ 25	N/A	$ 25	N/A	$ 25	N/A	
UR Nurse Level	$ 145	N/A	$ 145	N/A	$ 145	N/A	
UR Peer Review	$ 245	N/A	$ 245	N/A	$ 245	N/A	
Nurse Case Management	$ 95	N/A	$ 95	N/A	$ 95	N/A	
Nurse Field Case Management	$ 98	N/A	$ 98	N/A	$ 98	N/A	
Medicare Secondary Payer Compliance Services	ALAE	N/A	ALAE	N/A	ALAE	N/A	
ISO Indexing Fee	$ 15	N/A	$ 15	N/A	$ 15	N/A	
One-Time Data Conversion Fee	$ 3,500	N/A	$ -	N/A	$ -	N/A	
Pharmaceutical Services*							
Subrogation Services	No Cost		No Cost		No Cost		
Annual Licensing Fee (View only - 2 Licenses) - Optional	$ 3,500	N/A	$ 3,500	N/A	$ 3,500	N/A	
TOTAL ANNUAL AMOUNT		$ -		$ -		$ -	$690,000

* Contracted through myMatrixx

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and Members of the City Council

FROM: René Bobadilla, City Manager

BY: Brad Keller, Chief of Police

SUBJECT: **Award of Professional Services Agreement for Jail Services as detailed in RFP # 19-55**

DATE: April 8, 2020

RECOMMENDATION

It is recommended that City Council:

1) Award a Professional Services Agreement for official operation of the Montebello Police Department's Type 1 Jail Facility as detailed in RFP #19-55; and
2) Authorize the City Manager to execute the Professional Services Agreement on behalf of the City; and
3) Take such additional, related, action that may be desirable.

BACKGROUND

On October 24, 2019, the City issued Request for Proposal (RFP) # 19-55 for Jail Services for the City of Montebello Police Department. The solicitation was published on Planet Bids (via the City website). On January 17, 2020, the City received one (1) proposal in response to RFP #19-55. A copy of RFP #19-55 is available in the City Clerk's Office.

The following firm submitted a response to RFP #19-55: The Geo Group, Inc. (Geo).

Geo submitted a comprehensive proposal formatted to include all requested material, additional insurance documents, and up-to-date certification required to operate a type 1 detention facility. There were 7 perspective bidders that ultimately did not submit a response to this RFP.

Geo is the current provider for the Montebello Police Department's Jail Services. Staff reviewed the proposal submitted by Geo and determined that Geo is a highly qualified provider and should be allowed to continue services. The company has contracts with other facilities that range in size and that have expressed their satisfaction with Geo's services. Additionally, Geo has established a training program for its staff that has been successfully implemented and will continue throughout the contract.

Based on the proposal submitted by Geo, it was determined that this company has the best qualifications and experience that meet the needs of the Police Department's Type 1 Jail Facility as detailed in RFP #19-55.

FISCAL IMPACTS

Geo's operational budget for the 19-20 fiscal year was $467,286. Their proposed total operating cost for the fiscal year 20-21 fiscal year is $465,470. The Department's jail services are currently budgeted under the General Fund – Police – Detention Facility – Contract Services (100-831-6040.10).

Staffing	$336,213
Jail Administrator (1) Jail Officers (5) Jail Director (.125) Salaries, Overtime, Benefits, Taxes, Recruitment, New Hire Costs	
Operating Costs	$42,866
Incidental expenses, office supplies, food, inmate care items	
Insurances	$18,759
Management Fee	$67,632
Total Operations Cost Budgeted	**$465,470**

SUMMARY

Staff recommends awarding the contract for a term of three (3) years with the option to extend the contract for two (2) additional two-year terms to The Geo Group, Inc.

Upon review and analysis of the one (1) response to the City's RFP #19-55 for Jail Services, staff recommends awarding the annual contract to The Geo Group, Inc. The City Council will consider awarding this contract to The Geo Group Inc. and will consider authorizing the City Manager to execute the contract on behalf of the City; and direct staff to take such additional, related, action, that may be desirable.

ATTACHMENTS:

1) RFP 19-55
2) The Geo Group, Inc. Proposal
3) Professional Services Agreement

CITY OF MONTEBELLO

Requests for Proposals

RFP No. 19-55

Jail Services

Release Date: Thursday, October 24, 2019

Due Date: Friday, January 17, 2020, 1:00 p.m.

Bid Award Date: February 2020 (Tentative)

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INTRODUCTION TO PROSPECTIVE BIDDERS

The City of Montebello invites your company to submit a proposal in accordance with this Request for Proposal (RFP). Your response to this request will be evaluated to determine the qualifications of your company. Proposals must adhere to the format and content of this RFP. Proposals will not be evaluated unless all parts requested are submitted in a complete package. The information set forth is the minimum required in order to qualify for consideration.

THE DATE OF SOLICITATION: Thursday, October 24, 2019
SUBMITTAL DUE DATE: Friday, January 17, 2020, 1:00 p.m.
AWARD DATE: (Tentative February 2020)

THE PROJECT:

Project Name: Jail Services

Project Description: Operation, management, supervision, and maintenance of the City of Montebello Jail in order to properly receive, detain, and care for all inmates who may be booked.

THE OWNER:

Name:	City of Montebello/Montebello Police Department
Address:	1600 W. Beverly Blvd., Montebello, CA 90640
Contact:	William Molinari - Police Lieutenant Patrol Bureau
Contact Phone:	(323) 887-1200 Ext. 231
Contact E-Mail:	Wmolinari@cityofmontebello.com

PROPOSAL CONTACTS

Any questions concerning this RFP and all correspondence must be submitted in writing in the Planet Bids vendor portal. Please email Lt. William Molinari if you have any questions at Wmolinari@cityofmontebello.com

CITY OF MONTEBELLO
1600 W. BEVERLY BLVD.
MONTEBELLO CA 90640
(323)887-1200

NOTICE INVITING REQUEST FOR PROPOSALS FOR JAIL SERVICES

RFP NO. 19-55

PUBLIC NOTICE IS HEREBY GIVEN THAT THE City of Montebello (the "City" or "AGENCY"), invites proposals for the above stated project. Proposals can be submitted via PlanetBids Portal (accessed through the City's official website at http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html) up to the hour of 1:00 p.m. on Friday, January 17, 2020.

Copies of the specifications and contract documents are available on PlanetBids Vendor Portal, accessed through the City's official website at: http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html.

The AGENCY hereby affirmatively ensures that minority business enterprises will be afforded full opportunity to submit bids in response to this notice and will not be discriminated against on the basis of race, color, national origin, ancestry, sex, or religion in any consideration leading to the award of contract.

Proposals must be prepared on the approved Proposal forms in conformance with the instructions to Bidders and submitted as required.

The successful Service Provider will be required to possess business licenses from the City as well as comply with insurance and worker's compensation guidelines.

The AGENCY reserves the right to accept or reject any or all bids, to waive any irregularity in a bid and to make an award as may serve the interests of the City.

Questions during the solicitation period shall be submitted through email. The contact person for this RFP is William Molinari, Police Lieutenant Patrol Bureau. He can be reached at (323) 887-1200 Ext. 231 or by email Wmolnari@cityofmontebello.com.

Invitation to Bid:

Notice is hereby given that the City will receive Proposal for qualified and experienced contractor to provide jail services for the Montebello Police Department ("Department"). Proposals are to be submitted via PlanetBids Portal (accessed through the City's official website at http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html) up to the hour of 1:00 p.m. on Friday, January 17, 2020.

The primary intent of this Request for Proposal ("RFP") is to enter into an agreement with a contractor capable of providing Jail Services based upon the needs of the Montebello Police Department ("Contractor").

The Department reserves the right to accept or reject any or all bids, to waive any informality and to accept the Proposal deemed to be in the best interest of the City.

RFP Schedule:

The following is a tentative schedule of this entire RFP process. While the City will attempt to apply the necessary resources to maintain this schedule, the following dates are merely projections and the City reserves the right to modify this schedule as needed to accommodate the completion of this RFP process.

Project Schedule

RFP Published:	October 24, 2019
Proposal Due:	January 17, 2020 1:00 p.m.
On-Site Inspection:	December 2-December 5, 2019
Award Contract:	February 2020 (Tentative)
Contract Begins Approximately	July 1, 2020

Examination of Site

Every proposer must attend a mandatory site visit prior to submission of a Proposal. Site visits shall be made by appointment with Lieutenant William Molinari, (323) 887-1200, Ext. 231 and shall be completed at a time that will give proposers sufficient time to complete and submit Proposals by the due date. Each proposer will visit the site and fully acquaint himself/herself with the conditions relating to the facility and labor so that he/she may fully understand the requirements, difficulties, and restrictions attending the execution of the work under the contract.

Proposer will thoroughly examine and be familiar with the specifications. The submission of a Proposal will be taken as prima facie evidence of compliance with this section.

Attention Proposer – It is the City's intent to enter into an agreement with a Contractor on a suitable value approach. The City will treat suitable value as a combination of availability, fit, short-term costs and long-term costs that, in totality, are deemed the best meet the City's needs.

The City of Montebello Police Department and Current Status of the City Jail

The Department is a full-service organization committed to traditional values of close community involvement and the value of the individual employee. The Department is big enough to provide challenge and variety, yet small enough to treat each employee as a person, not a number. The agency consists of 74 sworn Officers, 10 Reserve Officers, and 29 Civilian personnel organized into three divisions: Field Services, Investigative Services, and Support Services. A Reserve Officer Corps, a Police Chaplain Corps, a Police Explorer Program and a civilian Citizen's on Patrol program augment the Department. The Department management team consists of the Chief of Police, 2 Captains, 6 Lieutenants, 10 Sergeants, and 2 Civilian Supervisors. The Department maintains specialized units in many areas including, Traffic Investigations, Adult and Juvenile Investigations, Narcotics Investigations, Gang Investigations, K-9 unit, and a Training bureau. Selection to specialized assignments is made based on the employee's knowledge, interest, ability and performance in their current field. Individual career development is encouraged through extensive advanced training and educational assistance programs.

The current jail contract is set to expire in June of 2020. The "Initial Term" of the agreement for the operation and management of the Jail shall be for the three (3) years commencing on the Effective Date, and terminating on a date exactly three (3) years thereafter.

Following the Initial Term, the City may exercise the option of extending the agreement for two (2) additional -two (2) year terms (each a "Renewal Term").

The Department processes approximately 1,600 arrests per year. These arrests are all pre-arraignment, and consist of males and females, adults and juveniles.

The Department also provides a pay-to-stay program for persons convicted for certain crimes.

The current jail services contractor provides staff and management for the Montebello City Jail. The prisoners are taken in and processed; they are screened, segregated and housed; they are fed according to State and Federal requirements; and, their immediate medical needs are provided for. Local prisoners are transported to the East Los Angeles Municipal Court. Injured and long-term local prisoners are transported to appropriate Los Angeles County Sheriffs facilities.

Scope of the Work to be Performed

The City is seeking qualified firms to furnish professional, uniformed jail custodial personnel, eighteen (18) years of age and older, licensed to legally operate a vehicle in California, and to operate the custody facility. The Contractor shall operate, manage, supervise, and maintain the Jail for the City in order to properly receive, detain, and care for all inmates who may be booked in the Montebello City Jail. A detailed description of the worked to be performed is included in the proposed Professional Services Agreement – "Scope of Work" attached hereto.

The Contractor shall furnish to the Department a copy of all background investigations performed on all personnel assigned to fulfill the agreement. Background investigations shall include:

- Seven (7) year employer review and history revealing meaningful employment;
- High school diploma or equivalent;
- Drug screening test; reference check;
- Fingerprint check;
- Credit check;
- Forty (40) hours of Contractor's professional training; and
- A "MMPI" psychological test.

The Contractor shall furnish the Department a copy of certificates or other documentation showing that personnel assigned to fulfill this assignment have successfully completed the following required training, furnished at the Contractor's expense:

Custodial Officer's Training as required by the California Penal Code Section 831, which includes eight (8) hours of "court and temporary holding facility" training in compliance with the California minimum jail standards, California Code of Regulations, Title 15, section 1024; and

- American Red Cross First Aid course, including CPR.

The Contractor shall perform duties under the guidelines established in the Department's Policy Manual and Jail Procedure Manual relating to the custody and transportation of prisoners, including but not limited to:

- Transportation of prisoners from field locations to the jail facility using assigned, department owned, vehicles;

- Assume all responsibilities for the care and processing of prisoners that would otherwise be relegated to the arresting or booking officers relating to prisoner custody and housing;

- Complete booking of prisoners;

- Mandated inspections of the jail facility and persons detained therein;

- Evaluate prisoners for criteria relating to: Admittance to the jail facility; Segregation of prisoners; Need for medical attention; Feeding schedules and serving of meals;

- Produce reports relating to incidents they witness or are involved in;

- Notification of Police Department supervisors;

- Booking of property into evidence;

- Fingerprinting applicants and registrants;

- Testifying in court and/or administrative hearings;

- Accept bail bonds and release prisoners; and
- Transportation of prisoners from the jail facility to other locations: County Jail; East Los Angeles Court; Hospital; and other locations as determined by Department supervisory personnel.

Specific areas that must be covered in the Proposal are described below. Each of these areas is to be thoroughly assessed with, at a minimum, attention to the following:

- Contractor will operate the Montebello City Jail on a twenty-four-hour-a-day (24-hours per day), three hundred and sixty-five day a year basis (365-days a year).

- Contractor will provide total support to all types of prisoners including processing, segregation, housing, meals, medical, and recreation. Medical emergencies will be handled according to city/police department policy (i.e. paramedics, local hospital).

- Contractor is expected to accommodate the needs of both male and female prisoners.

- Contractor will provide an Operating Policy Manual which shall be kept current.

- Contractor will manage a prisoner visitation program in accordance with State and Federal law, as well as local policy.

- Contractor will provide food service to all prisoners that meets State Board of Corrections and County Board of Health requirements and any applicable Federal requirements.

- Contract personnel are required to wear appropriate uniforms. The uniforms are subject to Department approval. Safety of all personnel will be the primary consideration followed by professional appearance. Related areas such as hair, fingernail length for females, jewelry, facial hair, tattoos, etc. will also be subject to Department review and approval.

- The Montebello City Jail shall be operated and managed in complete compliance of all applicable Federal, State and local law and policies, especially State of California Title 15 and Title 24.

Questions of the City of Montebello Police Department Regarding the Proposal

It is the responsibility of each Bidder to inquire about any requirement of this RFP that the Bidder does not understand. Responses to inquiries, if they change or clarify the RFP in a substantial manner, will be submitted via Addendum and posted on the City website with the original FRP. The City will not be bound by oral responses to inquires or written responses other than addenda.

Address all inquiries via PlanetBid, or by emailing Lieutenant, William Molinari at Wmolinari@cityofmontebello.com.

Evaluation Process and Selection Criteria

Evaluation of the Proposals will be based upon a competitive selection process. Selection may not, however, be limited to price alone. City staff and evaluators will review all statements of proposals received in a timely manner.

The candidate will be evaluated on the following criteria:

1. Company qualifications, history, and ability to provide business longevity.
2. The Committee selects proposals, which qualify based on the qualifications and previous experience performing similar work (public sector-specific).
3. References- Provide minimum required amount.
4. Responsiveness to scope of work and overall presentation of proposal.

The Committee will determine and identify the vendors that are qualified to perform the services and will rank the vendors based on their demonstrated competence and professional qualifications deemed necessary for the satisfactory performance of the services required. Vendors with top ranking proposals may be selected for an interview.

The Committee will make selection based on qualifications. Negotiations will be undertaken with the vendor ranked most qualified with the City's goal being to secure the services at a cost equivalent to the lowest cost offered to the City by an approved and qualified vendor and provides to the City the best long-range economic value by the qualified vendors.

If a contract cannot be successfully negotiated with the top-rated vendor/firm, the negotiations with the designated vendor/firm may be terminated in writing and negotiations may be started with the next highest rated proposal. This process will continue until the negotiations are successfully concluded with a vendor/firm.

The vendor must satisfy the City of its ability to perform the services. Vendor must demonstrate and document a history of timely and satisfactory performance of similar projects in a manner, which addresses the stated evaluation criteria. Vendor shall be responsible for the accuracy of information supplied concerning references. In addition, the City may consider evidence of untimely and unsatisfactory performance on prior similar projects, or litigation by the vendor on previous contracts to be grounds for disqualification.

The City reserves the right to reject any or all Proposals, amend the RFP, and to discontinue or re-open the process at any time. The City reserves the right to request and obtain, from one or more vendors, supplementary information as may be necessary for the City to analyze the proposal pursuant to contract selection criteria.

Upon completion of the evaluation phase, the City may select those vendors/firms for interviews whose proposals and qualifications most closely conform to the requirements of this RFP, if required. **The vendor, by submitting a response to this RFP, waives all rights to protest or seek any legal remedies whatsoever regarding an aspect of this RFP**.

The City may choose to interview one or more vendor/firms responding to this RFP, and may enter into more than one contract with multiple individuals, vendor/firms, if City determines that this is the best way to address the full range of services needed under this RFP.

The City's standard professional services agreement is attached, including insurance requirements. As part of your proposal, please indicate whether the standard agreement is acceptable or whether you would like to propose modifications to the standard agreement.

Business License

A City business license is required and shall be maintained during the life of the contract.

Conditions of Proposal Acceptance

The RFP does not commit the City to award a contract, pay any costs incurred in the preparation of a Proposal to this request, or to procure or contract for any services. The City reserves the right to accept or, reject any or all Proposals received as a result of this request, to negotiate with any qualified source or to cancel in part or in its entirety this RFP if it is in the best interest of the City. All information will become the property of the City. If any proprietary information is contained in the Proposal, it should be clearly identified.

Award of contract, if any, will be made in the best interest of the City and shall be based upon various factors, including but not limited to the following: Price, bidder's qualifications, experience, and reputation.

The City reserves the rights to accept or reject any or all Proposals, and to be the sole judge of the merits and qualifications of the services and/or items offered and the ability of bidder to responsibly perform. The City reserves the right to waive any irregularities or informalities in any Proposal or in the bidding procedure and may accept other than the lowest bid offered. Proposal may not be withdrawn for a period of sixty (60) days after the time Proposals are due.

The successful bidder shall meet all insurance requirements of the City including but not limited to the provisions of personal and property liability including automobile coverage and Workers Compensation in the limits acceptable to the City. All required insurance shall name the "City of Montebello" as Additional Insured.

All responses must be completed as required, signed by an official of the vendor/firm who is authorized to enter into a binding agreement with the City on behalf of the company, and must be received in the place and by the time designated in this document.

General Requirements

- **Purpose** – The purpose of the RFP is to solicit proposals from qualified vendor/firms for contract jail services.

- **City Option to reject all proposals** - The City may, at its sole discretion, reject any and all proposals submitted in response to this RFP. The City will not be liable for any costs incurred in connection with the preparation and submittal of any proposal. The City reserves the right to waive any irregularities in a submitted proposal.

- **Contract Sum** - All proposals will include specific proposals for annual contract fees.

- **Contract Payment** - Payment to contractor will be made in arrears on a monthly basis for services performed, provided that the contractor is not in default under any provisions of the agreement.

- **Invoices -** The Contractor shall submit a monthly invoice in duplicate to the Inspector at the following address: 1600 W. Beverly Blvd., Montebello, CA 90640. Invoice shall be submitted on standard company forms and shall state:

  1. Invoice number
  2. Invoice period
  3. A brief description of work
  4. Total amount requested
  5. Contractor's tax identification number
  6. Location where services were provided

  Payment will be made on approval by the Contract Supervisor subject to routine processing requirements of the City.

Term of Contract –

A. Initial Term. The term of contract will commence on July 1, 2020, and will remain and continue in effect until July 1, 2023, unless terminated earlier pursuant to the contract.

The "Initial Term" of this Agreement for the operation and management of the jail shall be for the three (3) years commencing on the Effective Date, and terminating on a date exactly three (3) years thereafter.

B. Renewal Option(s). Following the Initial Term, the City may exercise an option to extend the agreement for two (2) additional -two (2) year terms (each a "Renewal Term").

The selected Contractor(s) shall ensure against discrimination in employment practices on the basis of race, color, national origin, ancestry, sex or religion will also be required.

The City hereby ensures that minority business enterprises will be afforded full opportunity to submit proposals in response to this notice and will not be discriminated against on the basis of race, color, national origin, ancestry, sex, or religion in any consideration leading to the award of a contract.

- **Discrepancies and Misunderstandings** - Bidders must satisfy themselves by personal examination of the work site, specifications, and other contract documents, and by any other means as they may believe necessary, as to the actual physical conditions, requirements and difficulties under which the work must be performed. No Bidder will at any time after submission of a proposal make any claim or assertion that there was any misunderstanding or lack of information regarding the nature or amount of work necessary for the satisfactory completion of the job. Any errors, omissions, or discrepancies called to the attention of the City will be clarified by the City in writing to all proposers prior to the submission of proposals.

- **Interpretation of Documents** - A person in doubt as to the meaning of any part of the RFP documents, or who finds discrepancies, in, or omissions from the specifications, may submit to the City a written request for an interpretation or correction thereof. The person submitting the request will be responsible for its

prompt delivery. Any interpretation or correction of the RFP documents will be made only by addendum duly issued and a copy of such addenda will be mailed or delivered to each person receiving a set of the RFP documents. No oral interpretation of any provision in the documents will be made to any proposer.

- **Bidders Interested in More than One Proposal** - No person, firm, or corporation will be allowed to make or file, or be interested in more than one (1)proposal for the same work unless alternate bids are specifically called for. This restriction does not apply to formal proposals as a prime contractor. No proposal will be accepted from a Bidder who has not been licensed in accordance with the provisions of the State Business and Professional Code.

INSTRUCTIONS TO FIRMS SUBMITTING PROPOSALS

Proposal Content:

- **Cover Letter** - A one-page (1-page) cover letter will be provided which includes the firm name, address and telephone number of the person or persons to be used for contact and who will be authorized to make presentations for the firm. The cover letter must bear the signature of the person authorized to sign on behalf of the bidder and to bind the applicant in the contract.

- **Table of Contents** - A comprehensive table of contents of the material should be included in the proposal.

- **Work Statement and Quality Control Plan** - The proposal will provide a statement of the proposer's understanding of the work to be done, a description of the methods and techniques to be used by the proposer to achieve the objective of the contract, and a positive statement of commitment to perform.

- **Contractor Costs** - This section of the proposal will outline all costs for services specified in the technical provisions of this document for the duration of the contract.

- **Staff Qualifications** - This section should show that the organization is adequately staffed and trained to perform the required service or should demonstrate the capability for recruiting such staff.

- **Corporate Capability** - This section must provide a summary of relevant background information to ensure that the prospective contractor has the capacity to perform the required services. The firm submitting the proposal must have sufficient experience as a corporation or other entity.

- **Performance History/References -**

  1. The City reserves the right to determine suitability of service from references, reputation, interviews, and/or any other means available (Proposal Evaluation), when determining the successful bidder. The City shall be the sole determiner of suitability of past performance.

2. Bidders must submit a minimum of three (3) references. Each reference must include the name of the firm/agency, address, contact person(s), and telephone number(s). References shall not be within the proposer's own organization or subsidiary. References will be contacted. Failure to provide this information shall be sufficient reason to declare the proposal non-responsive.

3. If a Bidder has been prevented from proposing, and/or removed from a service contract for cause in the last ten years, the Bidder must so state in its cover letter and provide a detailed written explanation of each instance in its response package.

- **Acceptance of Conditions** - This section will be a statement offering the Bidder's acceptance of all conditions listed in the "Request for Proposals" document. Any exception on the Bidder's behalf must be stated in the proposal including referencing the specific terms or provisions of the Standard Professional Agreement in question.

- **Sample Professional Agreement –** Previously used agreement demonstrating vendor/firm/company policies.

- **Additional Data** - This section may contain material not specifically requested for the evaluation, but which the Bidder wishes to submit. This may include sales brochures, pictures, a general narrative, and a statement of additional services the contractor may wish to provide.

- **Equal Employment Opportunity Compliance**

  Bidders will be required to certify that in all previous contracts or subcontracts, all reports which may have been due under the requirements of any agency, State, or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

  Bidders will also be required to certify that it has sought out and considered minority business enterprises for those portions of the work to be subcontracted, and has fully documented such actions that said documentation is open to inspection, and that said action will remain in effect for the life of any contract awarded hereunder. Furthermore, proposer certifies that all steps will be taken

to meet all equal employment opportunity requirements of the contract documents.

- **Noncollusion Affidavit**

  Bidders will be required to declare that the only persons or parties interested in this proposal as principals are those named herein: that no officer, agent or employee of the City is personally interested, directly or indirectly, in this proposal; that his proposal is made without connection to any other individual, firm, or corporation making a bid for the same work and that this proposal is in all respects fair and without collusion or fraud.

Special Provisions

The selected Bidder (thereinafter to be known as the "Contractor") will be required to acknowledge, accept and agree to the following terms and conditions in addition to any terms and provisions included in the final Professional Service Agreement and/or attachments thereto.

1. **Contract Compliance Statement**

   The Contractor will agree to comply with all federal, state, and local laws, rules, and regulations. The Contractor must be aware that the entire contents of the RFP, proposal, all addenda, all of bidder's successful submittal, supplementary agreements, change orders, performance bonds, and any and all written agreements which alter, amend, or extend the agreement will be included and incorporated into the agreement (collectively the "Contract Documents").

2. **Offer Acceptance Period**

   All offers must be valid and firm for a minimum period of sixty (60) days from the date of the Proposal due date.

3. **Retention of Documents by the City**

   The Contractor understands that all information, documents, plans, drawings, records, or similar materials submitted to the City in response to this RFP will become and remain irrevocably the exclusive property of the City.

4. **Release of Information by Contractor**

The Contractor will agree not to release any information pertaining to this RFP or its award without prior written approval of the City. The successful Contractor will also agree not to release any advertising copy mentioning the City or quoting the opinion of any City employee without written approval by the City.

5. **Termination for Default**

Each of the terms and conditions of the agreement is to be considered material, and failure to comply with any of such conditions by the Contractor shall be deemed a material breach of the agreement. In the event that the Contractor fails or neglects to furnish any of the services listed herein at the prices named and at the times and places specified, or neglects to comply with the terms of the agreement, the City may, at its sole discretion thirty (30) days after written notice to the Contractor, terminate the agreement in its entirety, or terminate any and all items affected by such default and may, whether or not the agreement is terminated in whole or in part, procure services elsewhere without notice to the Contractor.

6. **Insurance and Indemnification:**

A. Indemnity: Contractor will agree to defend, indemnify, protect and hold City and its agents, officers, employees, attorneys and volunteers, and any parties with whom City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to Contractor's employees, agents or officers which arise from, or are connected with, or are caused or claimed to be caused by, the acts or omissions of Contractor and its agents, officers or employees, in performing the work or services herein, and all expenses of investigating and defending against same; provided, however, that Contractor's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligence or willful misconduct of City, its agents, officers or employees, or any parties with whom City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities. Contractor further agrees to pay all reasonable attorney and court costs in determining said sole negligence or willful misconduct of City, its agents, officers, employees, or any

parties with whom City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities. If it is ultimately determined that City is more than fifty percent (50%) at fault, City agrees to reimburse Contractor for the costs incurred in determining the City's fault. City shall be solely responsible to insure, or self-insure, all buildings and improvements without the right of subrogation.

B. City's Choice of Counsel: If the City is sued as a result of the alleged actions and conduct of the Contractor, the City will have the right to select legal counsel of its own choice to defend the interests of the City, and the reasonable costs and expenses for such legal counsel shall be paid by the Contractor on a quarterly basis as work is being performed by the legal counsel in defending the City.

C. Liability Insurance: Prior to the approval of the agreement by the City, the Contractor shall procure and pay for, the following insurance written by companies approved by the State of California and acceptable to the City. The insurance shall be evidenced by delivery to the City certificates of insurance executed by the insurer or its authorized agent stating coverage, limits, expiration dates and compliance with all applicable required provisions.

The Contractor shall obtain and maintain in full force and effect for the duration of the agreement and any extension hereof, at the Contractor's sole expense, insurance coverage in the following type(s) and amounts:

(1) Workers' Compensation with California statutory limits; Employers Liability with minimum limits for bodily injury: a) by accident, $1,000,000 per each accident b) by disease, $1,000,000 per employee with a per policy aggregate of $1,000,000. If any work is sublet, Contractor shall require the subcontractor to provide similar Worker's Compensation Insurance coverage, unless such subcontractor's employees are covered by Contractor's insurance. Contractor agrees to indemnify the City for any damage resulting from anyfailure of either Contractor or any subcontractor to take out or maintain such insurance.

(2) Business Automobile Liability Insurance covering all owned, hired, and non-owned vehicles, used by Contractor in connection with the worked performed under the agreement, excluding City-owned vehicles which the City

is required to insure, with a minimum combined bodily injury (including death) and property damage limit of $10,000,000 per occurrence.

(3) Broad Form Commercial General Liability Insurance including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Operators and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of $10,000,000 per occurrence and $10,000,000 general aggregate. Coverage shall be written on an "occurrence form" and be specifically endorsed to include coverage for contractual liability (as respects this Agreement), medical professional liability and civil rights coverage. Civil Rights coverage shall be interpreted encompass violations alleged under 42 USC Section 1983. The City shall be named as an additional insured using endorsement CG2026 or broader.

D. Endorsements: All insurance policies shall contain a Waiver of Subrogation of rights against the City. The City, its officers, employees, attorneys, and volunteers shall be named as additional insureds on the policy(ies) as to comprehensive general liability, civil rights liability, and. property damage coverages. Endorsements shall be executed on City's appropriate standard forms entitled "Additional Insured Endorsement."

E. Clauses: As appropriate, the policies of insurance shall contain the following clauses:

(1) Notice: Each policy shall provide that it shall not be cancelled, nor the coverage reduced until thirty (30) days after the City's Facility Representative shall have received written notice of such cancellation or reduction. The notice shall be deemed effective on the date delivered to the City's Facility Representative as evidenced by properly validated return receipt.

(2) Civil Rights Coverage: Insurance provided by Operator under Paragraph (C) of this Section 14, "Liability Insurance," must protect the City against civil rights actions by Inmates involving "conditions of confinement" wherein declaratory and injunctive relief are sought and/or monetary damages are sought.

(3) Separate Application: Subject to the Contractor's General Liability policy combined single limit, the insurance afforded applies separately to each insured, against whom claim is made, or suit is brought.

(4) Primary Insurance: The insurance provided by Contractor shall provide primary insurance to City to the exclusion of any other insurance or insurance program that City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.

F. Reassessment of Coverage: At the end of each contract year during the term of the agreement, the City reserves the right to review insurance coverage requirements and to require increased insurance requirements depending upon assessment of the risk of exposure, the Contractor's past experience, and the availability and affordability of increased liability insurance coverage.

G. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention with respect to the City, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

H. Certificates of Insurance and Cancellation: All insurance required by this Section shall be procured and maintained with financially sound insurance companies licensed to do business in the State of California and approved by the City. Such certificates of insurance shall contain a provision that the City shall receive written notice at least thirty (30) days prior to the cancellation of any of the coverage provided under the policies. In the event that any insurance described herein, or any portion thereof becomes commercially unavailable, the Contractor and the City shall cooperate in efforts to obtain such replacement insurance as may be available and the agreement shall be modified accordingly.

In the event that adequate insurance becomes commercially unavailable, the City or the Contractor may terminate the agreement upon thirty (30) days prior written notice as a Termination for Default.

7. **Waiver of Defenses:**

Neither the City nor the Contractor shall waive, release, or otherwise forfeit any possible defense the City or the Contractor may have regarding claims arising from or made in connection with, the operation of the Jail by the Contractor without the written consent of the other Party to the agreement. The City and the Contractor shall preserve all such available defenses and cooperate with each other to make such defenses available for each other's benefit to the maximum extent allowed by law. This provision shall include any defenses the City may have regarding litigation, losses, and costs resulting from claims or litigation pending at the time the agreement becomes effective or arising thereafter from occurrences prior to the effective date of the agreement.

8. **Sublet or Assign**

The Contractor shall give full attention to the faithful execution of the agreement and shall keep same under control. Assigning or subletting any part afterward of the agreement shall require prior approval in writing by the City. The Contractor shall not either legally or equitably assign any of the monies payable under the agreement or the Contractor's claims thereto, unless by and with prior written consent of the City. Nothing contained in the agreement shall create any contractual relationship between any subcontractor and the City.

9. **Contractors as an Independent Contractor**

It is expressly agreed and understood that the Contractor is in all respects an Independent Contractor as to the work, and that the Contractor is in no respect an agent, servant or employee of the City. The agreement specifies the work to be done by the Contractor, but the method utilized to accomplish the work shall be the responsibility of the Contractor.

10. **City Representative(s)**

Unless provided otherwise elsewhere in the agreement the City may authorize representatives to act on behalf of the City on all matters relating to the agreement and/or services being performed hereunder. The representative(s) shall decide all questions, which may arise as to the quantity, character and quality of services performed or to be performed pursuant to the agreement.

11. **Inspection of Work**

The Contractor shall furnish the City or authorized representative(s) with every reasonable opportunity to determine whether the work is performed in accordance with the requirements of the agreement. The City may appoint qualified persons to inspect the Contractor's operations and equipment and Contractor shall permit these authorized representatives to make such inspections at a reasonable time and place.

12. **Contractors Personnel**

An adequate number of trained and bonded personnel shall be assigned by the Contractor to perform the work described in these specifications. All Contractor's employees shall be subject to the review and approval by the City. The City reserves the right request the removal of an employee who is deemed unacceptable for any reason.

The Contractor shall be required to provide on-site supervisory personnel of a high professional caliber. The Contractor and all contract employees assigned to the agreement must pass a police background investigation prior to beginning work. At no time shall the Contractor schedule personnel in the facility that has not passed the background check. This rule shall apply even during times of short staffing on the part of the Contractor owing to holidays, illness, or vacations.

Furthermore, the Contractor shall provide verification that each contract employee assigned to the agreement has a legal right to work in the United States.

It shall be the responsibility of the Contractor to see that all his/her supervisory and crew personnel abide by the City's building security regulations and safety standards. The Contractor shall conduct his/her work operations in such a way as to safeguard the City's personnel, equipment and property.

All personnel assigned by the Contractor to perform work for the City shall not have an arrest record other than for minor traffic violations, must be physically capable of performing all duties assigned, and must present a physical appearance acceptable to the City. The final decision as to the acceptability of any individual performing work under any contract awarded as a result of these

specifications shall rest with the City. All work by Contractor personnel shall be performed in a professional and courteous manner. Discourtesy, rudeness, or the use of profanity will not be tolerated and shall be grounds for immediately removal of the offending employee from performing work under any contract with the City.

The Contractor shall have sole responsibility for determining and providing benefits for Contractor employees.

The Contractor shall ensure against discrimination in employment practice on the basis of race, color, national origin, ancestry, sex, or religion will also be required.

The City hereby affirmatively ensures that minority business enterprises will be afforded full opportunity to submit bids in response to this notice and will not be discriminated against on the basis of race, color, national origin, ancestry, sex or religion in any consideration leading to the award of contract.

If applicable, the Contractor will certify that it has sought out and considered minority business enterprises for those portions of the work to be subcontracted, and has fully documented, that said documentation is open to inspection, and that said actions will remain in effect for the life of any contract awarded hereunder. Furthermore, the Contractor will certify that all necessary steps will be taken to meet all equal employment opportunity requirements of the Contract Documents.

13. **Job Safety Compliance**

It shall be the responsibility of the Contractor to comply with all provisions applicable to the Occupational Safety and Health Act as enforced by the U.S. Department of Labor and to require all employees to comply with this law and all regulatory State or Local laws affecting job safety.

14. **Safety and Accident Provision**

It shall be the Contractor's responsibility to maintain throughout the job period a safety and accident prevention program, which meets the requirements of Federal, State and Local codes and all authorities having jurisdiction over this work.

In the event of any personal injury accident in connection with the work, the designated representative(s) of the City shall be immediately notified and given all known facts regarding the accident.

15. **Confidentiality**

The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public upon request.

If the Contractor believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Contractor's competitive position if disclosed, the Contractor shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. The Contractor may not designate its entire Proposal as confidential nor designate its Price Proposal as confidential.

16. **Conditions to Agreement**

The City's standard professional services agreement is attached, including insurance requirements. As part of the proposal, bidders shall indicate whether the standard agreement is acceptable or whether they would like to propose modifications to the standard agreement.

Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the standard professional services agreement for services unless the bidder includes with its proposal, in writing, any conditions or exceptions requested by the bidder to the proposed agreement.

ATTACHMENT 2

PROPOSAL

for the

Operation of the Montebello Police Department's Type 1 Jail Facility

Montebello City Jail Proposal

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Cover Letter

The GEO Group, Inc.®

Western Region Office
6100 Center Drive, Suite 825
Los Angeles, CA 90045

TEL: 310 348 3000
www.geogroup.com

January 17, 2020

Mr. Brad Keller
Chief of Police
Montebello Police Department
1600 West Beverly Boulevard
Montebello, CA 90640

Re: Operation of the Montebello Police Department's Type 1 Jail Facility

Dear Chief Keller:

The GEO Group, Inc. (hereinafter referred to as "GEO") is pleased to submit our response to the RFP for the management of the Montebello Police Department's Type 1 Jail Facility, as released by the City of Montebello.

Headquartered in Boca Raton, Florida, GEO is a world leader in the delivery of private correctional, detention and community residential reentry services to federal, state and local government agencies. We presently oversee the operation and management of approximately 96,000 beds in 130 secure facilities and processing centers.

GEO has enjoyed a professional partnership and sound working relationship with the State of California since 1987, when we began providing services to the California Department of Corrections and Rehabilitation. Since the acquisition of Cornell Companies in 2010, our services have expanded into providing detention services for seven City Jails in Los Angeles County, San Bernardino County and Orange County, respectively.

The seven city jails currently under operation by GEO have provided a platform for understanding the needs of the City and how our role contributes to the mission of the Police Department. Our goal is to ensure that a cohesive partnering relationship develops and thrives with the City and its affiliates, to include public officials, auditors, inspectors and visitors. We take pride in value-based services that maximize the efficiency of existing operations and minimize disruption to routine business.

Enclosed you will find our Proposal and required Bid Documents, along with attachments supporting our proposal. If operation of the Type 1 Jail Facility is awarded to GEO, the project will be managed by the Western Region Office.

In closing, we believe we have submitted a very competitive proposal for the operation of the Montebello Police Department's Type 1 Jail Facility. As requested in the RFP, the proposed pricing will be valid for a period of at least 180 days. GEO welcomes the opportunity to review any aspects of our proposal with the City, to include the pricing and scheduling details. Based on such review, we are prepared to adjust it in accordance with mutual understandings derived from our dialogue.

GEO appreciates the opportunity to respond to the RFP and looks forward to partnering with you on the operation of the City Jail.

Sincerely,

Paul Laird
for Vice President
Western Region

Bid Form

CITY JAIL OPERATIONS AND MANAGEMENT AGREEMENT
(The GEO Group, Inc. and The City of Montebello, CA)
BUDGET

YEAR ONE

July 1, 2020
to
June 30, 2021

Staffing (6 FTE)	**$**	**336,213**
Jail Administrator (1) Jail Officers (5) Jail Director (.125) Salaries, Overtime, Benefits, Taxes, Training, Recruitment, New Hire Costs		
Operating Costs	**$**	**42,866**
Incidental Expenses, Office Supplies, Food, Inmate Care Items		
Insurances	**$**	**18,759**
Direct Costs	**$**	**397,838**
Management Fee	**$**	**67,632**
TOTAL OPERATIONS COST BUDGETED	**$**	**465,470**

Notes:
Monthly billing will equal one twelfth (1/12) of the annual Total Operations Cost each month regardless of actual expenses.
If option years are exercised, a 3% annual escalator will be included for COLA adjustments

Jail Administrator salary = $65,000
Jailer starting rate = $15.00/hour

BID FORM – Page 2 of 2

General Terms:

1. The Respondent understands and agrees that it will be bound by its proposal as expressed on this Bid Form and its attachments and the proposal submitted if Respondent is selected and subsequently approved by the City.

2. The Request for Proposal, Bid Form and its attachments, the Response to the Request for Proposal and Addenda, if any, are made a part of the proposal submitted by the Respondent.

3. The Respondent acknowledges that it has received the following Addenda:

   Addenda # _____

   _____

4. The Respondent understands and agrees that the City reserves the right to reject any or all proposals or waive any informality or irregularity in the proposal process as set forth in the RFP

5. Respondents' quoted rates shall remain in effect for not less than ninety (90) days after the Open Date.

6. Terms and conditions for the lease of City properties are subject to negotiation.

Exceptions:

Any Respondent's exceptions to these terms or conditions or deviations from the written specifications shall be shown in writing and attached to bid form. However, such exceptions or deviations may result in bid rejection.

PAYMENT TERMS: NET 30

EXCEPTIONS OR DEVIATIONS: N/A

COMPANY NAME: The GEO Group, Inc.

ADDRESS: 6100 Center Drive, Ste. 825, Los Angeles, CA 90045

TELEPHONE: (310) 348-3000 E-MAIL: chill@geogroup.com

SUBMITTED BY: Paul Laird
Name

Vice President, Western Region
Title:

for
Signature

Company Description

The GEO Group, Inc. ®

WHO WE ARE

GEO provides complementary, turnkey solutions for numerous government partners worldwide across a spectrum of diversified correctional and community reentry services. From the development of state-of-the-art facilities and the provision of management services and evidence-based rehabilitation to the post-release reintegration and supervision of individuals in the community, GEO offers fully diversified, cost-effective services that deliver enhanced quality and improved outcomes.

GLOBAL LEADER IN EVIDENCE-BASED REHABILITATION

GEO is committed to providing leading, evidence-based rehabilitation programs to individuals while in-custody and post-release into the community through the "GEO Continuum of Care." GEO's diversified services platform provides unique capabilities for the delivery of educational and vocational programs, cognitive behavioral and substance abuse treatment and faith-based services across the entire corrections spectrum. The "GEO Continuum of Care" is enhanced in-prison offender rehabilitation programs including evidence-based treatment, integrated with post-release support services.

OUR VISION

GEO aspires to be the world's leading provider of evidence-based rehabilitation across a diversified spectrum of correctional and community reentry services.

OUR MISSION

GEO's mission is to develop innovative public-private partnerships with government agencies around the globe that deliver high quality, correctional, community reentry and electronic monitoring services while providing industry leading rehabilitation and community reintegration programs to the mend and women entrusted to our care.

OUR VALUES

Respecting Human Dignity and Rights

We believe that every human being should be treated with dignity and that his or her basic human rights should always be respected and preserved.

Providing Leading, Evidence-Based Rehabilitation Programs

We are committed to providing leading, evidence-based rehabilitation programs to the men and women entrusted to our care.

Imparting a Safe and Secure Environment

We are committed to establishing and maintaining a workplace that is safe, secure and humane, not only for our trained and experienced professionals, but for the men and women entrusted to our care.

Maintaining Quality Facilities

We are committed to maintaining facilities that are state-of-the-art and adhere to industry-leading standards.

GEO SECURE SERVICES

The GEO Secure Services division provides turnkey solutions including the design, build and finance/lease of state-of-the-art facilities, the intake and housing of offenders, industry leading in-custody evident based programs, as well as secure offender transportation services to government clients in the United States and Internationally. Worldwide, GEO Secure Services oversees the operation and management of approximately 96,000 beds in 130 secure facilities and processing centers.

GEO U.S. SECURE SERVICES

GEO's U.S. Secure Services division oversees the operation and management of approximately 76,000 beds in 68 secure facilities and processing centers. GEO's Secure Services division provides services on behalf of the Federal Bureau of Prisons, U.S. Marshals Service, and U.S. Immigration and Customs Enforcement, as well as 9 state correctional clients and various county and city jurisdictions.

The daily oversight of GEO's Secure Services facilities is coordinated from three regional offices located in Charlotte, North Carolina; San Antonio, Texas; and Los Angeles, California. Each regional operating structure is headed by a Regional Vice President who oversees approximately two dozen experts in security, medical, financial, human resources and other support services.

The regional operating structure enables GEO to implement superior quality controls, develop personalized professional relationships and ensure the delivery of a full complement of high-quality services, including:

* Secure Custody Services
* Food Services
* Rehabilitation Treatment
* Secure Transportation Services
* Correctional Health and Mental Health Care
* Academic and Vocational Programming
* Facility Maintenance

INTERNATIONAL SERVICES

GEO's International Services division provides secure services for government clients in the United Kingdom, Australia and South Africa managing seven secure facilities and processing centers encompassing approximately 8,000 beds. Through wholly-owned subsidiary and joint-venture companies, GEO's International Services division provides secure solutions that are fully customizable and tailored to each government customer's requirements and standards.

The GEO Group UK

Headquartered in London, England, The GEO Group UK provides correctional management, prisoner transportation, court custody and escort and other community-based services for government clients in the United Kingdom. GEO UK manages the 249-bed Dungavel House Immigration Removal Centre in England. Additionally, GEO's UK joint venture, GEOAmey PECS Ltd., contract with the Ministry of Justice for the provision of prison escort and custody series in England and Wales with oversight for close to 500 secure transportation vehicles and approximately 2,600 daily offender movements.

The GEO Group Australia

Headquartered in Sydney, Australia, The GEO Group Australia plays a key role in helping meet the need for correctional bed space in Australia. The GEO Group Australia provides management services at four correctional and remand centers with approximately 5,000 beds in the states of Ne South Wales, Queensland and Victoria.

South African Custodial Management

Headquartered in Johannesburg, South Africa, SACM provides secure correctional management services for the Department of Correctional Services and has played an integral role in helping the South African government meet its correctional needs. South African Custodial Management operates the 3,024-bed Kutama Sinthumule Correctional Centre.

GEO TRANSPORT, INC.

GEO's in-house transportation division, GEO Transport, Inc. (GTI) provides armed, secure transportation services to federal, state and local government agencies in the United States and internationally. With the flexibility and resources to provide both ground and air transfer services, GTI helps government customers met their increasing need for secure transportation. GEO Transport has over 400 special secure compliant vehicles and have successfully transported over 2 million passengers. GTI is authorized as a U.S. Department of Transportation regulated motor carrier. DOT License #1705757.

GTI's secure transportation operations are co-located with facilities operated by GEO, supporting the U.S. Immigration and Customs Enforcement, the U.S. Marshals Service and the Federal Bureau of Prisons. GTI operates within the strict regulatory compliance established by

law and various federal and state agencies to include the U.S. Department of Transportation, the Federal Motor Carrier Safety Administration and customer secure transportation standards. GTI has successfully passed every USDOT compliance inspection as well as federal and state fire arms certifications.

GTI operates a fleet of customized secure transport vehicles and provides unmatched support services, including:

- Special secure USDOT compliant vehicles
- Licensed and armed transportation officers
- Strategically located transportation centers nationwide
- Proprietary GPS satellite tracking software (GEOTrack)
- Two-way communications in-vehicle recording and continuous vehicle monitoring
- Constant communication link with all service vehicles
- Ground support to book and re-route vehicles in real time.

GEO CARE

The GEO Care division of The GEO Group provides enhanced in-custody offender rehabilitation programs and evidence-based treatment, integrated with post-release support services. Our full continuum of recidivism reduction programs is designed to help stabilize offenders in the community and support their successful reintegration. Our programs are rooted in the consistent delivery of programming and other evidence-based principles proven to change behavior. Our technology solutions enable community corrections officers to manage individuals using GPS, mobile or remote alcohol monitoring, radio frequency, biometric voice verification, data analytics and more.

For correctional agencies seeking flexible solutions that hold individuals accountable, enhance public safety and contain costs, GEO Care delivers comprehensive approaches to manage, rehabilitate and treat individuals inside secure setting and throughout the community.

GEO CONTINUUM OF CARE

The GEO Continuum of Care is enhanced in-custody offender rehabilitation programming, including cognitive behavioral treatment, integrated with post-release support services.

In-Custody Programming

Starting programming while individuals are in-custody and transitioning to community-based programs upon release, facilitates consistency in treatment and promotes effectiveness in reducing recidivism.

The goal of the in-custody evidence-based programming is to facilitate a successful transition to life at home, continue their treatment at a day reporting center and maximize the impact of programs delivered to reduce recidivism. After assessing risks and needs of inmates in the jail or

prison and initiating programming while in-0custody, the transition to a community-based program is seamless and behavior changes is expedited.

Post-Release Support Services

Through the GEO Continuum of Care, we offer a nationwide capability to treat and support culturally unique, vulnerable populations through intensive in-custody, residential and community-based treatment and support services. The GEO approach offers programs tailored to pretrial, parole, probation, in-custody populations and those involved in immigration proceedings. The programs vary from in-custody and intensive residential treatment, to community-based correctional services and day reporting centers.

GEO REENTRY SERVICES

GEO Care's Reentry Services division provides individuals, nearing the end of their sentence, with the resources necessary to productively transition back into society. Through residential reentry centers, GEO Care provides federal and state parolees and probationers with temporary housing, employment assistance, rehabilitation and substance abuse counseling, and vocational and education programs.

GEO Care is also able to offer additional reentry and supervision services through full-service evidence-based cognitive behavioral treatment programs at GEO's non-residential day reporting centers nationwide which serve parolees and probationers on behalf of state and local correctional agencies. Through these services, parolees and probationers are provided behavioral assessments, treatment, supervision and education.

Residential Reentry

GEO Reentry offers residential programs nationwide that deliver temporary housing, monitoring and transitional services for individuals.

Non-Residential Reentry

GEO has operated non-residential day reporting centers (DRCs) for sate and county correctional agencies since 1996, delivering structured reentry series and comprehensive programming for individuals released to the community.

ELECTRONIC MONITORING

Established in 1978, BI Incorporate is the largest provider of GPS, alcohol and RF technology and services in the United States. BI offers a full continuum of monitoring technologies and related supervision services for parolees, probationers, pretrial defendants and individuals involved in the immigration process. Our innovative products and services assist more than 1,000 agencies nationwide.

Electronic monitoring helps public agencies worldwide monitor individuals in a safe, cost-effective and efficient way. BI products assist supervising officers to monitor compliance for individuals released to community supervision and can be tailored to each individual's risks and needs.

YOUTH SERVICES

Abraxas Youth & Family Services operates a variety of residential, community-based, alternative education and shelter services across five states. Abraxas provides innovative and quality treatment services for youth who have experienced significant difficulty functioning in their homes, schools and communities. In a safe, nurturing and structured environment, we empower young men and women to make positive changes in their behavior, their attitude and their beliefs.

Abraxas offers proven expertise and specialized treatment options for youth with histories of delinquency, behavioral disorders, mental health and emotional disorders, substance abuse, fire-setting, sexually abusive behaviors, sexual exploitation and educational issues. Abraxas also provides a variety of substance abuse treatment options in both residential and community-based settings for adults.

Abraxas utilized evidence-based practices to foster personal growth and build the life skills and competencies necessary for individuals to become responsible and productive members of society. We provide a continuum of quality services in safe, culturally competent and gender appropriate environments. Our therapeutic and educational services are strength based, client centered, family oriented and trauma focused.

Experience & Qualifications

EXPERIENCE AND QUALIFICATIONS

Since our inception in 1984, GEO has developed into the second largest prison and jail contractor in the world. Worldwide, GEO Secure Services oversees the operation and management of approximately 130 secure and processing facilities with a total design capacity of approximately 96,000 beds.

GEO has provided government customers in the United States secure and processing services for over thirty-five years. GEO has the capability, integrity and reliability in the provision of services to our government customers.

Our first business venture in California started in 1987, when GEO partnered with the California Department of Corrections and Rehabilitation to operate a 200-bed facility in McFarland. Since that initial contract in 1987, GEO has conducted business in California with federal, state, and local governments. A copy of GEO's certificate to conduct business in the State of California is attached as part of our proposal demonstrating our qualifications. A copy of GEO's Articles of Incorporation is available upon request.

Jail operations are an integral component of GEO's business model. In California, we have operated the 700 bed Western Region Detention Facility, San Diego, under contract with the U.S. Marshal Service, since the year 2000. The merger with Cornell Companies in 2010 provided GEO the opportunity to serve cities in Los Angeles County, San Bernardino County, and Orange County through operations of their Type 1 or II Jail Facilities. Currently, GEO operates seven jails in the greater Los Angeles area.

We are very proud of our affiliations with the City Police Departments we serve and encourage you to contact each of the Jails for feedback on our high-quality operations and customer service. Jails we currently operate are as follows:

City of Alhambra
Contract State Date: 1996
Contact Liaison:
Lieutenant Gabriel Ponce
Gponce@alhambrapd.org
(626) 570-5130

City of Baldwin Park
Contract Start Date: 1996
Contact Liaison:
Captain Chris Hofford
chofford@baldwinpark.com
(626) 960-4011

City of Fontana
Contract Start Date: 2007
Contact Liaison:
Sergeant Jon VanTuinen
jvantuinen@fontana.org
(909) 356-3347

City of Ontario
Contract Start Date: 2006
Contact Liaison:
Lieutenant Pat Birkett
PBirkett@ontariopolice.org
(909) 408-1834

Sergeant Christine Galvez
cgalvez@ontariopolice.org
(909) 408-1950

City of Downey
Contract Start Date: 1996
Contact Liaisons:
Lieutenant Dave Zimmerman
Dzimmerman@Montebelloca.org
(562) 904-2371

City of Montebello
Contract Start Date: 1996
Contact Liaison:
Lieutenant William Molinari
Wmolinari@cityofmontebello.com
(323) 877-1231

City of Garden Grove
Contract Start Date: 2000
Contact Liaison:
Kenny Chism
kchism@ci.garden-grove.ca.us
(714) 741-5882

For 2019, our seven jails had a total of 28,189 bookings (see graph below). Services at these seven jails included similar operations and management services as described in the Request for Proposals for the City of Montebello Type 1 Jail Facility. That is, our experience at the seven jails includes receiving, processing, housing, monitoring, transporting and on releasing prisoners.

2019 GEO GROUP – CITY JAIL TOTAL BOOKINGS

Ontario	Garden Grove	Fontana	Montebello	Downey	Alhambra	Baldwin Park
5,798	7,567	5,370	1,436	3,749	2,582	1,687

GEO is privileged and honored to have had the opportunity to retain varied expertise and high caliber career individuals that the public and private correctional agencies have produced over the past thirty years. We believe the associations that have been built with our current GEO management teams will continue to be a positive asset to the mission and goals of the Montebello Police Department.

GEO insists that each of its facilities is a model of modern correctional management. We recruit the "best of the best" in corporate, regional and facility management staff to ensure our commitment to the mission, philosophy and goals of the customer and the company.

To that end, our commitment is demonstrated through the dedication and experience of our team of professionals that includes experts in corrections, law enforcement and other components of the correctional system. Our top quality corporate, regional and facility teams have been recruited from a vast array of the public and private sector to include local, county, state and federal correctional and law enforcement agencies.

GEO's Western Regional Office will provide strong oversight and technical assistance during the transition and ongoing management and operations. Our Region operations team has a combined total of over 165 years of experience in corrections and the criminal justice field. The following individuals will comprise the key management team for this project. Copes of key individuals' resumes are included at the end of this section.

At the direction of the Regional Vice President, Paul Laird, the Regional Office is comprised of regional directors and managers who provide technical oversight to the various operational disciplines at each regional facility.

- Paul Laird, Vice President
- Steve Lechuga, Director of Jail Operations
- Cheryl Nelson, Director of Operations
- Joe Moorhead, Director of Operations
- Linda Sanders, Director of Operations
- Chuck Hill, Director of Business Management
- Karen Broadwater, Director of Human Resources

Individually, the regional office team are subject-matter experts in their field. Collectively, they encompass the foundation of the core values, mission, and goals of the corporation, providing the leadership and resources necessary for each of the facilities within the Region to succeed and thrive independently.

The Regional Office staff will provide all support necessary to ensure the overall success of this project during ongoing operations. This support will include, in addition to the other services outlined, monitoring and auditing of all services performed at the facility to ensure ongoing contract compliance.

In closing discussion of this section, it is very important to point out the Western Regional Office is located in Los Angeles, 25 miles from the Montebello Police Department. Should you grant us the honor to serve you, we are committed to strong management oversight and presence. Our proximity to the Montebello Jail ensures our fast-onsite responsiveness to address any issues that may arise.

Scope of Work

SCOPE OF WORK

The role of GEO with respect to operation of the Type 1 Jail/Holding Facility is to partner with the Police Department and to ensure that a cohesive, seamless transition in operation of the Jail is achieved. We understand that our responsibility begins with receiving the detainee from the arresting officer and ends with transporting or releasing the detainee. In between the aforementioned duties, GEO will complete the booking process, monitor and supervise confinement, ensure the basic needs are being met, protect the detainee from harm, provide a safe, clean environment and work closely with the Police Department to ensure open and honest communication remains the foundation of our partnership.

Our ongoing mission and objectives are to satisfy the requirements with competent and motivated personnel, implement an effective self-monitoring program to ensure that a high level of performance remains a continuous variable and to partner with the City on the changing demands of the Jail. We believe that initial and subsequent training in all required areas is the foundation of operations; therefore, we provide the highest level of training possible for our personnel and ensure job-proficiency exists from inception of employment through advancement in roles and responsibilities.

COMPLIANCE

GEO will administer a comprehensive Quality Control Program (QCP) that ensures all requirements are achieved. We have designed our plan in accordance with Minimal Requirements and governing Jail Standards by regulatory agencies. All staff will utilize GEO's QCP on a scheduled basis to ensure high quality in all aspects of operations. The QCP identifies the scope of quality control for the Jail, to include responsibilities of staff, lines of authority, required documentation and interaction with City personnel. GEO QCP will be an integral part of operations of the City Jail.

At all times during the term of the Agreement, GEO will comply with all applicable federal, state, and local laws including, without limitation, Titles 15 and 24 of the California Code of Regulations, all applicable Minimum Standards specified by all Federal and State requirements, laws and statutes, Court orders, and the California Corrections Standards Authority applicable to Jail facilities. GEO has a business permit and business license to operate in California, and we will maintain all business license requirements.

ONGOING MONITORING

In addition to adherence to the GEO QCP designed for Jail operations, the Project Manager (Steve Lechuga) will ensure full compliance with all policies contained in the contract and will work directly with the Jail Superintendent to ensure a working application is employed. The Project Manager, through the Jail Superintendent will ensure accurate and timely daily, weekly, monthly and annual reports are provided to the City as required. The Project Manager will engage in weekly meetings with Jail staff and the City's Jail Supervisor liaison to ensure satisfaction is being achieved and the delivery of services is being accomplished in accordance

with requirements and expectations. The Project Manager will be responsible for responding to City requests in a prompt and efficient manner and for ensuring positive relationships are formulated.

Each month, the Project Manager will compile a list of audit activity and reports and assimilate them into a single report for submission to the City for review. The report will include summaries of inspection and audits from the most recent month as well as analysis of any identified deficiencies and corrective actions taken.

Attached are some of the checklists and audit tools we have formulated to implement at the City's Jail: Shift Change Jail Checklist, Weekly Jail Cleaning Matrix, Self Inspection Checklist, and QCP Audit Checklist.

Contract Compliance, Quality Control Programs, and exceeding client expectations is deeply rooted in GEO's business culture. We encourage you to contact any of our clients, and we are confident you will receive very positive feedback about our extraordinary services.

Notwithstanding the customer satisfaction you will undoubtedly hear from our clients, an objective measurable indicator of our company's performance at our seven area jails – and a solid predictor of our performance at the City of Montebello Jail – is the audit rating for each jail's most recent audit conducted by California Standards Authority officials. Audit results are as follows:

California Standards Authority Inspection

Jail	Date of Audit	Rating
Alhambra	January 2020	Compliant
Baldwin Park	October 2019	Compliant
Montebello	November 2019	Compliant
Garden Grove	N/A	Not inspected due to age of facility
Montebello	October 2019	Compliant
Fontana	June 2019	Compliant
Ontario	June 2019	Compliant

The California Corrections Standards Authority has used the same auditor to review our LA area jails as well as other jails operated by different vendors. The auditor's contact information is included below. We encourage you to contact the auditor to gain his insight and perspective concerning our operations and comparison to other vendors.

Steve Kiethley
BSCC Auditory
steve.keithley@bscc.ca.gov
(916) 323-2613

EMPLOYEE QUALIFICATIONS

GEO will ensure all employees assigned to the Montebello Police Department Jail Facility meet the qualifications requirements outlined in the RFP. All the recruitment, employment screening, and hiring for the Jail will be managed by the Western Regional Office's Human Resource Department in Los Angeles. Attracting high-caliber staff is a top priority for all GEO locations. In the Los Angeles area, GEO utilizes targeted recruitment strategies that include contacts with colleges, military separation centers, and law enforcement organizations.

Our Jail Administrators have, on average, over eleven (11) years of experience with our company, for the initiation of a new contract, and we will select from our current Jail Administrators to provide experienced leadership and direction. Additionally, our current Custody Officers, on average, have 3.5 years of experience working in our jails. We believe this illustrates our ability to recruit, hire, and retain capable jail staff committed to providing the best service possible. Additionally, within the first year of employment, all jail staff who do not already possess STC Certification will attend the Corrections Officer Core Course STC Certification as a condition of employment. We expect to hire the vast majority of staff with Core training credentials.

EMPLOYEE BACKGROUND CHECKS

Background investigation requirements are described very clearly in the Request for Proposals, and GEO will develop procedures to ensure all requirements are completed prior to any staff member's assignment to the Montebello Police Department City Jail. We understand we are obligated for all costs associated with background checks.

GEO's Western Regional Office located in Los Angeles will manage the background investigation program. All components of this important applicant screening program will be coordinated by the Region's Human Resource Department. The following is a summary of the GEO procedures for fulfilling background check requirements

GEO PROCEDURES FOR BACKGROUND CHECKS

Information Discovery Services, Fort Worth, TX

It is standard operating procedure for GEO to use this vendor to perform background checks for all candidates for employment with The GEO Group. The service allows us to select a la carte options in all the following areas.

Employment / Qualifications Verification

We will obtain a five (5) year employer background check to verify the applicant was not terminated for other than honorable circumstances. Any periods of unemployment will be verified.

Education Verification

We will conduct a review of all schools attended by the applicant to verify the completed educational level. If applicants claim an "Equivalency Test" to support high school level achievement, we will validate the referenced test.

Drugs

As is standard practice for all GEO employment, applicants will receive a drug screen test prior to employment. Additionally, in keeping with routine policy, GEO will conduct random drug screening at various time intervals during actual employment to verify non-usage of drugs.

GEO enforces a very strict policy concerning the use of drugs and alcohol.

Reference Checks

A minimum of three personal reference checks on each candidate for employment will be performed by The GEO Group.

DMV Check

GEO will provide the California Department of Motor Vehicles reports on all prospective employees to the City of Montebello for review. We understand the City establishes minimum driving requirements for any GEO employee who will be driving any City vehicle. We will emphasize to all GEO employee's complete compliance with all City regulations when using City vehicles.

Credit Check

GEO will conduct a standard credit check to determine the financial responsibility of all applicants. Negative reviews will be investigated to determine the cause of such a review. Financial integrity is an absolute requirement for employment with GEO.

Psychological Review

GEO will ensure the employment screening process includes a psychological review of each applicant for the City of Montebello Jail. Specifically, a Minnesota Multiphasic Personality and Intelligence Test (MMPI) will be conducted on each applicant to determine moral integrity and mental stability. GEO currently uses the following vendor to perform this service for the company:

Psychological Consulting Associates, Inc., Los Angeles, CA

This vendor includes a Clinical Psychologist who performs psychological reviews to ensure suitability. We trust our current vendor will be acceptable to the City.

Fingerprint Clearances

GEO understands the City will perform fingerprinting on each applicant for processing through Livescan for a California Department of Justice and NCIC/FBI clearance. Clearances must be received prior to an applicant working in the Montebello Police Department. GEO will pay all fees associated with fingerprint processing.

EMPLOYEE STAFFING REQUIREMENTS

Shift Lead Officers and Detention Officers will be at least 21 years of age and meet all the education guidelines, training requirements, background clearance standards, mental health and physical abilities, professional grooming standards and possess appropriate communication skills for successful performance of the job. Our goal when recruiting staff is to seek professionals who meet all the qualifications required for the position and who exhibit strong character, motivation and interest.

The Jail Superintendent will provide direct supervision of Detention officers and management oversight of day-to-day operations. The Jail Superintendent will be responsible for coordinating activities with the Police Department, providing training to Custody Officers on all shifts, maintaining accurate record keeping, conducting safety and equipment inspections, facilitating external reviews by regulatory entities and enforcing governing laws, policies and mandates.

GEO provides a background screening for all personnel employed by our organization to ensure individuals with integrity are hired for selected positions. We understand the screening requirements contained in the RFP and believe that our existing controls associated with this area are compatible with the mission of the City. All candidates recommended for hire will satisfy the background screening process and psychological review prior to being forwarded to the City for final approval. Our procedure for performing background screenings has been tested and proven solid for determining employment suitability.

STAFFING

Custody Officer services shall be provided seven-days per week, twenty-four hours per day and 365 days per year.

Staffing: (1) Jail Administrator and (5) Jailers

GEO values a diverse workforce and understands the operational needs of both genders in its jails. Our current LA area jails are comprised of 47 total jail officers, 20 of whom are females. We are committed to hiring a work group at Montebello that provides the gender diversity envisioned in the RFP.

An important point concerning our staffing plan for the City's Jail is that we will supplement the full-time staff with an additional Jail Facility Staffing List, which will include GEO staff from other LA area Jails, fully screened against all Montebello Police Department employment criteria and approved in advance by the City, who will be available to fill vacancies that may occur.

Finally, we want to emphasize the role of GEO's Western Regional Office, located in Los Angeles just 25 miles from the Montebello Police Department. As mentioned in the Section – Experience and Qualifications, the Regional Office is comprised of a Vice President, Mr. Paul Laird and seven Directors of specialized areas dedicated to assisting facility operations and ensuring total client satisfaction. Mr. Steve Lechuga, Director of Jail Operations, will be intimately involved in oversight of the City's Jail operations, should the City award the contract to GEO Mr. Lechuga will be present virtually full-time during the critical stage of transition in operations from the current service provider to GEO. Mr. Lechuga's visibility, oversight, and client contacts will continue on a weekly basis (or as often as desired by the City) beyond the transition phase. Other Regional resources are readily available for technical oversight and direct assistance, if needed.

UNIFORM REQUIREMENTS

GEO has longstanding relationships with several suppliers of uniforms and equipment for corrections professionals. GEO will supply all uniforms and equipment to Jail staff, to include utility belts, handcuff holders, keepers, key rings as well as any other uniform item deemed necessary. Absent specific preference stated by the City, GEO will evaluate and select desired

uniform options and present them to the City for concurrence. GEO recognizes that uniform choices must be mutually agreed upon prior to finalizing them as the Jail uniform.

HOURS OF OPERATION

GEO understands and agrees to staff and operate the City's Jail Facility in compliance with all policies and procedures in the Jail Bureau Manuals that would be provided.

INSPECTIONS

GEO welcomes unannounced or planned inspections of our operations at any time. All our facilities take great pride in their high standards of operations.

The best evidence of The GEO Group's ability to perform is to examine our history. The GEO Group subscribes to operational standards promulgated by several different certifying groups and opens its facilities to inspection and accreditation by these associations, commissions and councils. This accreditation serves as additional protection for the client agency against claims and litigation.

As a matter of corporate policy, all GEO Group facilities are designed and operated in general accordance with the recommendations of the following organizations:

- American Correctional Association (ACA)
- International Organization for Standardizations (ISO)
- National Commission on Correctional Health Care (NCCHC)
- The Joint Commission on the Accreditation of Health Organizations (JCAHO)
- Southern Association of Colleges & Schools (SACS)
- Correctional Education Association (CEA)
- The standards of the client agency

Our Quality Control plan for the City Jail will include not only regularly scheduled audits conducted by Contract Compliance staff, but regular inspections conducted by Mr. Lechuga, the Jail Superintendent, and all Detention Officers to include inspections that are completed and documented each shift. We truly believe in blending Quality Control inspections into routine operations at each of our facilities.

INVOICES

GEO would submit statements of service charges to be paid by the City to the Records and Jail Manager monthly, in a format approved by the Police Department. Each invoice would detail, with specificity, the identity of each jailer, the dates, times and number of hours worked by each employee during the monthly billing and the services for which the City is being charged.

Mr. Chuck Hill, Director of Business Management, would provide oversight and review of the invoice and operational payment procedure. Mr. Hill works in the Western Region's Los

Angeles Office and is readily available for discussion of any issues – including personal meetings with City officials – dependent on the preferences of the City.

E-VERIFY

GEO certifies we are enrolled in the U.S. Department of Homeland Security's E-Verify program. GEO's registration number is #315793.

Note: GEO is not aware of any conflicts of interest involving the company or its employees in providing services to City of Montebello Jail.

Training & Transition

TRAINING AND TRANSITION

GEO enthusiastically embraces all training requirements that would be requested by the City of Montebello Jail. The Jail Superintendent and Detention Officers will receive all training in accordance with the standards established by the Corrections Standards Authority, as set forth in the California Code of Regulations, Title 15, commonly referred to as the Standards and Training for Corrections Program (STC). GEO will hire individuals who possess the necessary training or will ensure all staff completes the Corrections Officer Core Course training within one year of the assignment to the City's Jail. We assure the City more than 50% of all staff assigned to the Jail will have completed the "Core Course."

As noted previously in this proposal, we have many highly trained, motivated staff currently working at our LA area jails who have expressed their desire for reassignment. Should we be offered the contract, we anticipate the possible transfer of some of our current jail staff – fully trained and recipients of all Title 15 certifications – to the City for review.

Each employee will not only receive (or possess) the initial STC program but will receive 24 hours of STC refresher training on an annual basis. GEO utilizes an external resource with appropriate certifications for providing the STC program competencies.

Orientation Training and On-the-Job Training are clearly described in the Proposal. Should the City of Montebello Jail state requirements for some Orientation Training to be completed concurrently with actual service, we prefer to conduct an 80-hour Orientation Training Program prior to beginning actual service. We envision an 80-hour Orientation Program in which **all** staff designated for assignment to the City's Jail would attend. The 80-hour program with all staff in attendance offers several benefits:

- ✓ High quality uniform training for all staff
- ✓ Opportunities to build cohesiveness and team work
- ✓ Offers an efficient approach in which instructors address specialty topics and capture all staff in one session
- ✓ Staff gain better understanding of the company's and City's expectations through exposure to questions and discussion
- ✓ Ultimately, training as "one team" results in better performance for the City Police Department

As part of the 80-hour Orientation program, GEO will ensure an approved vendor, endorsed by the American Red Cross or American Heart Association, conducts a Basic First Aid and CPR course and that all staff are certified in Basic First Aid/CPR during the Orientation.

All Orientation training participants will complete a minimum four (4) hour class on handling criminal offender record information. GEO acknowledges the City must conduct this training and upon contract award we would coordinate a training location, date, and time during the Orientation training that is convenient to the City's instructor.

GEO understands a general Fire and Life Safety training session, established by the Jail Bureau Manual, must be conducted as part of the 80-hour Orientation Program. GEO takes its responsibilities for Life Safety very seriously and with the City's permission, will supplement the Jail Bureau Manual training with course material we provide all staff in the company.

Specifically, GEO partners with Eastern Kentucky University so that every Fire Safety Officer in the company attends a one-week session at the college and is certified in the OSHA Correctional Safety Officer Certificate Program. Our Western Regional Director of Facilities Management, Mr. Kevin Shadduck, will conduct a training session during the 80-hour Orientation program on Life Safety using material from the Eastern Kentucky program.

GEO further understands and welcomes other requirements that would meet the City of Montebello Jail requirements. Moreover, we welcome any assistance the City wants to offer during the 80-hour Orientation (or later, in On-the-Job training or other training).

Upon contract award, our Director of Training for the Western Region, Regenia Graves, will meet with officials designated by the City to organize the details of the 80-hour Orientation program, including location at the Department, dates, and instructors from the City as well as time the City's instructors need for their sessions. The Orientation program will be a collaborative effort that facilitates a successful start on the contract performance period.

A copy of the proposed 80-hour Orientation program is attached. We are very flexible in adapting the schedule to meet the desires of the City. We do want to highlight that the Orientation program will include presentations by each of the Directors from GEO's Western Regional Office with the City of Montebello Jail oversight responsibility. The Region's Vice President, Mr. Paul Laird, will also address the staff in person to discuss the company's values, with particular emphasis on client relations and exceeding performance standards.

During the 80-hour Orientation Training program, we propose as part of a transition in services that City Jail representatives, Orientation class participants, and Mr. Steve Lechuga, Director of LA area Jails Operations, be permitted to participate together in a couple of sessions over a two-week period on-site at the Jail to gain exposure to the Jail work

processes. Again, we want to emphasize we are very experienced in services outlined in this Proposal due to our current operations at seven LA area jails. Due to this experience, along with the expertise of staff we would possibly transfer to Irvine from current jail operations (subject to the City's approval), we are very confident we could absorb the City's jail functions, including any requirements unique to Irvine, with little difficulty.

We believe the 80-hour Orientation Training program we have proposed, combined with our hiring of the best talent available, will provide a solid foundation for operating the City of Montebello Jail at the highest performance levels to ensure the City's satisfaction with our services. However, we recognize training does not stop once the contract service begins.

Philosophically, GEO believes we can retain our talented staff and achieve operational excellence if we continue to invest in training for our staff. To that end, GEO has developed an innovative "Field Training Officer" program in conjunction with the National Institute of Corrections in Boulder, Colorado. This program expands on classroom training and focuses on On-the-Job Training. Staff are expected to demonstrate the knowledge and the actual, hands-on skills to progress to a level in which they are certified as completely competent in all job tasks.

At the City's Jail, we plan to use Steve Lechuga, Director of LA area Jail Operations and the Jail Superintendent to provide OJT training using the Field Training Officer procedures. Staff will demonstrate skills in a variety of jail work procedures before they are certified as fully competent by GEO standards. We will complete the OJT training for all staff using the innovative Field Training Officer process within two weeks of the contract's service start date. Attached is a Training checklist that will be completed for each staff member to certify their competency in all Jail work responsibilities.

Beyond Orientation and On-the-Job Training, GEO will continue to meet all annual training requirements. Attached is a proposed training program to meet the requirement for 24 hours of annual training.

Moreover, in keeping with GEO's philosophy we will develop a career development plan for each of our staff assigned to the City's Jail to identify goals for each individual. We will also develop goals for the collective staff to foster the best performance possible.

TRANSITION

As noted in the description of how GEO will train its employees to operate the City of Montebello Jail facility, we hope the City would approve our proposal to include an on-site Jail orientation during the 80-hour Orientation Training program. All staff being assigned to the Montebello Jail would participate together in the Orientation program. We believe two short sessions during Orientation, perhaps each session about 2-4 hours in length of time, would provide adequate familiarization for a seamless transition. Please keep in mind we express this high level of confidence knowing we will possibly be assigning high-quality staff from currently operating jails (subject to the City's approval).

GEO will rely on very close partnering with the City Police Department to assist in matters involving shared information or support, to include:

- GEO requests Point of Contact for communicating issues affecting Jail operations
- GEO requests access to the Jail manual for areas requiring policy/procedural reliance
- GEO requests inclusion of Police Department activities affecting Jail operations
- GEO requests courtesy notification of pending audits/inspections/tours of the Jail
- GEO requests to access the Jail to inspect building, equipment & supplies upon award

GEO understand the City's concerns related to potential problems affiliated with possibly changing vendors. We want to point out GEO has extensive experience with many clients transitioning services due to new contract awards. When we have "lost" contracts on re-bids to competitors, we have treated the new vendor with professional attitudes to ensure services to clients were not disrupted. Conversely, when we have absorbed contracts from competitors, we have treated the outgoing vendor with respect, humility and integrity. We have always experienced successful transitions due to our humble approach and positive relationships with clients and outgoing vendors. We anticipate nothing but a seamless, successful transition, if the City honors us with the privilege to operate the City's Jail.

Training Outline

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THE GEO GROUP
CITY JAILS
TRAINING OUTLINE

ADULT FIRST-AID & CPR COURSE – 6 HOUR COURSE

- All jail staff need to attend this course every 2 years to be certified by the American Red Cross (Rio Hondo Chapter)

- Training covers all aspects of first-aid & CPR as required per title 15.

STC CORRECTIONAL OFFICER CORE COURSE – 200 HOUR COURSE

- All jail staff need to attend this training within the first year of employment. It is required by title 15 to have completed this course to maintain employment.

- Training covers topics specific to city and county jails. Training includes: Drug Awareness, Suicide Prevention, Gang Affiliation, Court Transportation, Food Management, Juvenile Detention, Sanitation, Public Visitation, Inmate Rights, Inmate and Staff Security, Emergency Evacuation, and Report Writing. There are 5 tests that test the staff on those topics. There is also a physical agility test that includes: 1.5 mile run, sit-ups, push-ups, dummy drag, pull-ups and agility test.

MANAGER AND ADMINISTRATOR CORE COURSE (MACC) – 80 HOUR COURSE

- All Jail Managers and Supervisors need to complete this course within 1 year of being assigned to a jail management position per Title 15.

- Training covers various management topics such as: Budget, Title 15, Time Management, Policy and Procedures, Litigation, Public and Private Contracts, Jail Inspection, etc…

JAIL STAFF REFRESHER TRAINING – (24 HOURS – TYPE 1 JAILS), (8 HOURS – TEMP HOLDING FACILITIES)

- All jail staff will complete 8 or 24 hours (depending on what type of jail they are assigned) every year after they have completed the STC Core Course.

- It is required by Title 15 that every jail employee be refreshed in any jail specific training.

- The training is broken up into 3 (8 hour) classes, with different topics being taught each day.

- Topics include but not limited to: Drug Awareness, Suicide Prevention, Gang Affiliation, Court Transportation, Food management, Juvenile Detention, Sanitation, Public Visitation, Inmate Rights, Inmate and Staff Security, Emergency Evacuation and Report Writing.

JAIL MANAGER AND SUPERVISOR REFRESHER TRAINING – (24 HOURS)

- All Jail Managers and Supervisors are required to have 24 hours of refresher training every year after completing the MACC Training.

- The training is 3 (8 hour) classes.

- Topics include: Budget, Title 15, Time Management, Policy and Procedures, Litigation, Public and Private Contract, Jail Inspections, etc…

2 WEEKS ON THE JOB TRAINING – (80 HOURS)

- Every jail staff will be trained on the job for the first 2 weeks of employment. The training will be given by the jail manager.

- All job duties and policies will be covered in the training for that specific jail.

- Documentation of all training topics will be kept in the employee file.

80-Hour Orientation

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THE CITY OF MONTEBELLO JAIL
80 HOUR ORIENTATION TRAINING

Monday	Class	Instructor
0800 – 1000	Welcome to GEO & The City of Montebello Jail	Regional Vice President & WRO Staff
1000 – 1200	Standards of Employee Conduct	Director of Operations
1300 – 1700	Department of Justice Criminal Offender Record Information	City Representative
Tuesday		
0800 – 1700	Montebello City Jail Bureau Policy Manual	City Technical Representative
Wednesday		
0800 – 1200	Fire and Life Safety (Jail Bureau Manual)	City Representative
1300 – 1400	GEO Fire and Life Safety Review	Regional Facilities Director
1400 – 1500	Sexual Harassment	GEO Director of Jails
1500 – 1700	Suicide Intervention / Prevention	GEO Jail Training Administrator
Thursday		
0800 – 1700	Red Cross CPR / First Aid	GEO Jail Training Administrator
Friday		
0800 – 1000	Universal Precautions / Blood Borne Pathogens	GEO Director of Jails
1000 – 1100	Personal Protective Equipment	GEO Jail Training Administrator
1100 – 1200	Prison Rape Elimination Act	GEO Jail Training Administrator
1300 – 1600	Cultural and Ethnic Sensitivity	GEO Director of Jails
1600 – 1700	Cross Gender Detainee Supervision	GEO Training Administrator

Monday	Class	Instructor
0800 – 1700	Communication Skills/Counseling Techniques	Regional Training Director
Tuesday		
0800 – 1700	Jail Familiarization: • Intake Booking & Release Procedures • Housing Policy, Property Storage • Equipment, Reporting Documentation	
Wednesday		
0800 – 1000	Security Threat Groups	GEO Director of Jails
1000 – 1200	Direct Supervision of Offenders	GEO Jail Training Administrator
1300 – 1500	Professionalism and Ethics	GEO Director of Jails
1500 – 1700	Contraband Control	GEO Jail Training Administrator
Thursday		
0800 – 1000	Detainee Rules and Regulations	GEO Director of Jails
1000 – 1200	Report Writing	GEO Jail Training Administrator
1300 – 1600	Searches and Shakedown Techniques	GEO Director of Jails
1600 – 1700	Detainee Property Procedures	GEO Jail Training Administrator
Friday		
0800 – 1200	Emergency Plans and Procedures	GEO Director of Jails
1300 – 1500	Use of Force	GEO Jail Training Administrator
1500 – 1600	Tool and Key Control	GEO Director of Jails
1500 – 1600	Counts GEO	GEO Jail Training Administrator

On-the-Job Training Checklist

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THE CITY OF MONTEBELLO JAIL
DETENTION OFFICER TRAINING CHECKLIST
JAIL/HOLDING FACILITY

Trainee's Name: _____
Last Name First Name

Training Officer: _____

After each item has been reviewed, both the Trainee and the Training Officer shall initial and date on the line provided for the subject module on this training record. Training will not be complete until all modules have been covered in their entirety.

GENERAL ADMINSTRATION

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Orientation to the City of Montebello Police Department			
2. Jail Operations			
3. Minimum Standards			
4. Reports and Date Entry			
5. Handling Confidential Information			

INTAKE

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Booking/Arrest Form			
2. Complete Enroute Booking			
3. Detox Form			
4. Facility Log Book			
5. Completion of Medical Form			
6. Telephone Calls			
7. Classification Form			
8. Add Charge Slip			

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Trainee Name: _____

Date: _____

SECURITY AND CONTROL

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Security and Control			
2. Inmate/Detainee Movement			
3. Inmate/Detainee Counts			
4. Tools & Equipment			
5. Key and Lock Control			
6. Emergency Response Plans			
7. Searches			

PROPERTY

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Arrestee Property Receipts			
2. Arrestee Property Storage			
3. Sealed Property			

MEDICAL PROCEDURES

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Medical Care			
2. Inmate Injury			
3. Summoning Medical Assistance			
4. Mental Problems			
5. Suicide and Deaths			

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Trainee Name: _____

Date: _____

BOOKING

- **Fingerprinting**

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Inmate			
2. Registrants			
3. Public			

- **Photographs**

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Mug Shots			
2. Registrants			
3. Public			
4. Tattoo Charts			
5. Crime Analysis			

EQUIPMENT

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Live Scan			
2. Camera			
3. Registrants			
4. Ink Platern			
5. Jail Van			
6. Local Access Computer			
7. Video Surveillance			
8. FAX			
9. Telephone System			
10. Emergency Lighting			
11. Jail Management System (JMS)			

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Trainee Name: _____

Date: _____

REPORTING

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Jail Accidents			
2. Jail Incidents			
3. Arrestee/Staff Injury Report			
4. Watch Commander Notification			
5. Use of Force			
6. To Jail Superintendent			
7. Daily Population			
8. Timesheet/Overtime			

SAFETY PROCEDURES

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Safety Checks			
2. Key Control			
3. Inmate Movement			
4. Facility Log Book			
5. Safety Cell			
6. No weapons in Jail			
7. Suicide Prevention			
8. Fire Safety			

JAIL EMERGENCIES

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Jail Alarm			
2. Paramedics			
3. Fire			
4. Escapes			
5. Evacuations			
6. Hostages			
7. First Aid Kits			
8. Power Failure			
9. Respirator (SCBA)			

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Trainee Name: _____

Date: _____

REPORTING

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Jail Accidents			
2. Jail Incidents			
3. Arrestee/Staff Injury Report			
4. Watch Commander Notification			
5. Use of Force			
6. To Jail Superintendent			
7. Daily Population			
8. Timesheet/Overtime			

RELEASE OF ARRESTEES

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. O. R. Sites			
2. 849 Releases			
3. Juvenile Sites			
4. Bail Bonds			
5. By Medical Personnel			

TRANPORTATION

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. To County Jail			
2. To/From Outside Agencies			
3. Restraints			

HOUSING

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Classification			
2. Segregation			
3. Telephones			
4. Cleaning and Sanitation			
5. Destruction of/Defacing Jail Property			

Secure Services™

Trainee Name: _____

Date: _____

FEMALE PROCESSING

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Search Only by Female			
2. Hygiene			
3. Pregnancy			
4. Lactating Females			

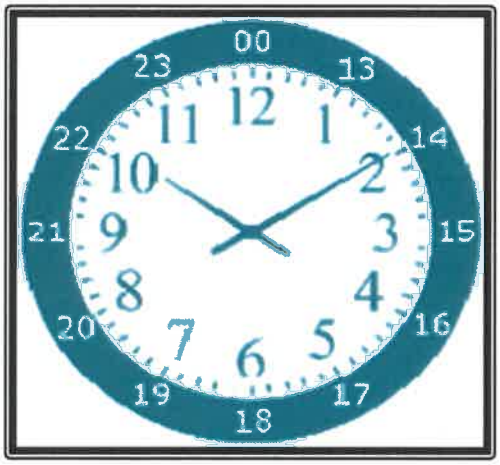
JUVENILE HOLDING

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Secure Detention			
2. Non-Secure Detention			
3. Six Hour Limit			
4. Juvenile Log			
5. Supervision			
6. 601/602/300 WIC			

PAPERWORK ROUTING

Procedure	Date Reviewed	Trainee's Initials	Trainer's Initials
1. Booking Paperwork			
2. Property Release Paperwork			

24-Hour Annual Training



Secure Services™

THE CITY OF MONTEBELLO JAIL
24 HOUR ANNUAL TRAINING PROGRAM

Each year, GEO would provide the Montebello Jailers 24 hours of in-service training that meets California Corrections Standard Authority Requirement. A curriculum for each year's training would be developed for the City's approval based on a current assessment of training needs. Topics in each year's 24-hour training program will be included from the following list:

Suicide Prevention and Crisis in the Jails Course

Course Summary
The Suicide Prevention and Crisis in the Jails course is based on the California Institute for Mental Health "On Your Watch – The Challenge of Jail Suicide" presentation. Through facilitated and group discussion, the participants will develop a working knowledge of effective suicide prevention techniques & be able to identify suicide risk factors and indicators.

Conflict Resolution

Course Summary
It's a rare leader who never has to address an issue of conflict in the workplace. Surveys show that managers spend about 25% of their valuable time handling conflicts between employees. Participants will assess their own behavior in conflict situations. This hard-hitting workshop will help you to get an upper hand on conflict in your organization.

Effective Report Writing Skills for Custodial Officers

Course Summary
Students learn how written communications are used in both civil and criminal areas of probation and corrections. Students will prepare written reports relative to sentencing reports of probationers. Custodial officers will learn effective ways in which to write more meaningful and effective special incident reports. The goal of this course is to make sure reports are consistently accurate, well written and reflect professionalism.

Emotionally Disturbed Persons

Course Summary
The subject of this course is the emotionally disturbed individual and the challenge he presents to you, the law enforcement officer. For a multitude of reasons, interactions between people with

serious mental illnesses and law enforcement officers are increasing. In this course, you will learn about developmental disability, psychotic and neurotic mental illnesses, and the early warning signs of potential violence from the seriously mentally ill. Included in this course are methods of assessment of people thought to have mental disorders, intervention techniques, and a discussion of involuntary psychiatric commitments. The objective is to keep you aware of the hazards presented by the potentially violent mentally ill person in order to increase your safety.

Ethics for Jail Staff

Course Summary
Ethical behavior by public employees is the foundation from every law enforcement or corrections organization. There is an increasing demand by both the public and law enforcement leaders for a strong and professional system that incorporates ethical considerations and behavior. As members of a public law enforcement agency, officers are expected to "talk the talk" and "walk the walk" of organizational integrity both in the performance of their duties and in their personal life. The public will not separate their personal life from their professional life. As such, they are highly visible role models.

Inherent Stresses and Risks of Being a Custodial Officer

Course Summary
Stress has often been defined as "a constraining or impelling force, which causes effort/demand upon physical or mental energy". Job stress can include scarce resources, salary and benefits issues, workplace restructuring, role stress and interpersonal conflicts. Burnout, another term used to describe stress, is prolonged exposure to external stress can lead to burnout which has severe impacts on the individual's physical, psychological, emotional and functional abilities. Custodial officers face a large amount of stress in their daily work activities. Custodial staff is subject to specialized challenges, which are unique to their work place environments. In common with many individuals working in the fields of justice administration, the armed forces, health care, emergency services, and mental health, corrections workers are also routinely exposed to incidents of first and second-hand trauma, violence and abuse.

Managing Stress in the Workplace

Course Summary
Recent studies have found a link between chronic job stress and metabolic syndrome, a cluster of health factors that increase the risk of developing heart disease, type 2 diabetes and other health conditions. The course will teach you what you can do to reduce work-related stress and stay healthier. Work stress is extremely prevalent in today's society and can impact happiness levels, health, and other important aspects of your life. This course will investigate the link between work stress and happiness, and find resources to have a healthier, happier life. Today, probation employees are receiving an increasing number of cases. Many officers are overwhelmed with the amount of cases they are burdened with. Actuary tables show that life expectancy levels for probation officers are lower than police officers. Most police officers average only five years of life after they retire. Stress is a silent killer that if left unchecked, will decimate the life of every probation officer in the State of California.

Street Gangs and Law Enforcement

Course Summary
Street gangs are in constant flux. Every law enforcement officer will encounter some aspect of this growing, dangerous phenomenon. Gang members, knowing the emphasis law enforcement and the courts place on them, will attempt to hide their active participation in these potentially violent groups. Often, probation officers are required to supervise active gang members of a gang.

Tactical Communication 4-hour Course

Course Summary
This class teaches participants the elements of effective communication. It explores participants own personalities and reaches them how to verbally resolve issues when they deal with difficult people, by using conflict resolution techniques, stress management and controlling feelings and anxiety. The participant will leave the class with an understanding of how to deal with people verbally, rather than physically.

References

ref·er·ence
referred, esp.,
person, committee,
connection; regard
directing of atten
work

REFERENCES

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Contractor & Subcontractor

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Fort Worth, Texas 76140
dmartinez@accuragebackground.com
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Career Builder Employment Screening
www.screen.careerbuilder.com
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Psych Evaluations: Psych Consults Assoc. Inc.
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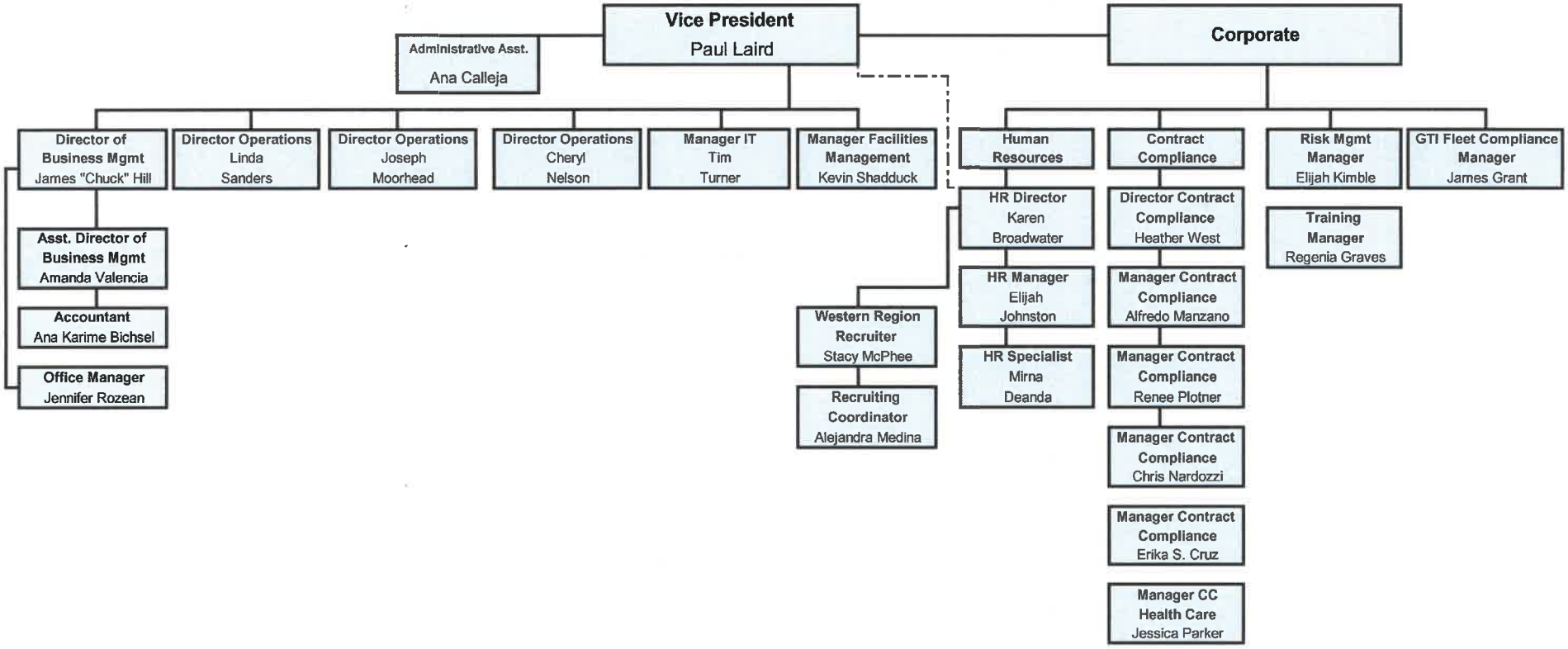
Additional Information

GEO Western Region & Jails Organizational Charts

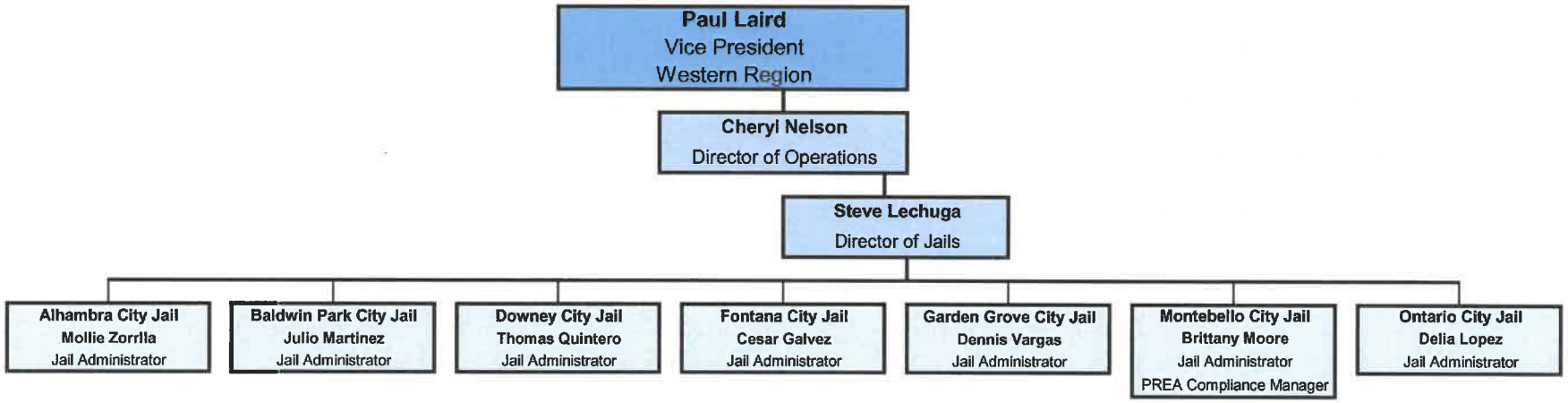
Western Region Office



Last Updated 1/8/2020 @ 1:45

Secure Services™

Western Region / Los Angeles City Jails Organizational Chart



Last Updated 1/8/2020 @ 8:57 AM

Audit Tools & Checklists

Audit Tool
The City of Montebello Jail

Location Name:	
Form Date:	
Manager (s):	
Auditor:	

MANAGEMENT - TRAINING

1	Review personnel files and ensure that all custodial personnel have completed the "Corrections Officer Core Course" as described in Section 179 of Title 1, CCR within one year of assignment.	Yes	No	N/A
2	All supervisory custodial personnel have completed the STC or POST supervisory training within one year of assignment.	Yes	No	N/A
3	All jail management personnel have completed either the STC or the POST management course specified in Section 182, Title 15, CCR within one year of assignment.	Yes	No	N/A
4	Review training files for all personnel who have worked for more than one year. All facility/system administrators, managers, supervisors and custody personnel completed the annual required training specified in Section 184, Title 15, CCR.	Yes	No	N/A

Comments:

STAFFING

1	There are sufficient personnel on duty at all times (whenever there is an inmate in custody) to ensure they are properly supervised and that all required programs and activities are provided.	Yes	No	N/A
2	There is a written plan that includes the documentation of hourly safety checks.	Yes	No	N/A
3	Randomly select 5 days during the past 30 days and verify safety checks are completed.	Yes	No	N/A
4	There is at least one employee on duty at all times and immediately available and accessible with the ability to respond to any inmate in an emergency.	Yes	No	N/A
5	Whenever one or more female inmates are in custody, there is at least one female employee immediately available and accessible	Yes	No	N/A
6	A staffing plan is available which indicates personnel and their duties.	Yes	No	N/A
7	There is a minimum of one staff member on duty at all times who meets the CSC training standards for general fire and life safety, and the life safety procedures specific to the facility.	Yes	No	N/A
7a	There is a fire suppression pre-plan that has been developed in consultation with the responsible fire authority. Review the pre-plan and ensure it contains an evacuation plan and a plan for housing of inmates in the event of a fire.	Yes	No	N/A
7b	Monthly fire and safety inspections by facility staff are being conducted and documentation is retained for a minimum of two years. (Review inspection documentation for the past 3 months and note any findings)	Yes	No	N/A

Comments:

POLICIES AND PROCEDURES

1	There is a written site-specific policy and procedure manual. Review the manual and verify it contains the following. 1. Table of organization, including channels of communication. 2. Inspections and operations reviews by the facility administrator/manager. 3. Use of Force and Use of Restraints. 4. Screening newly received inmates for release. 5. Security and control. 6. Counts 7. Searches 8. Contraband control 9. Key control.	Yes	No	N/A
2	The facility administrator reviews, evaluates and documents internal and external security measures annually.	Yes	No	N/A
3	Review Emergency Procedures and ensure they include: 1. Escape 2. Disturbances 3. Taking of hostages 4. Civil disturbance 5. Natural disasters 6. Periodic testing of emergency equipment 7. Storage, issue and use of weapons, ammunition, chemical agents 8. Suicide prevention 9. Segregation	Yes	No	N/A
4	Manuals are reviewed and updated at least every two years, and they are available to all employees.	Yes	No	N/A

Comments:

ADMINISTRATIVE

1	Accountability – The facility maintains an inmate demographics accounting system, which reflects the monthly average daily population of sentenced and unsentenced inmates by categories of male, female and juvenile.	Yes	No	N/A
2	Inmate Records – Review the policy and procedures. Do they address intake information, personal property receipts, commitment papers, court orders, reports of disciplinary action taken, medical orders issued by the responsible physician and staff response and non-medical information regarding disabilities and other limitations?	Yes	No	N/A
3	Incident Reports – Are procedures for the maintenance of written records of all incidents that result in physical harm, serious threat of physical harm, to an employee, inmate or other person. (Review a sample of records and ensure they include the names of persons involve, a description of the incident, action taken and date and time of the occurrence.)	Yes	No	N/A
4	Public Information Plan – There is a suitable plan for the dissemination of information to the public, government agencies and news media.	Yes	No	N/A
5	Death in Custody – There are written policies and established procedures to ensure there is a review of each in-custody death. The review team includes the facility administrator, and/or manager; the health administrator' there responsible physician; and other healthcare and supervision staff who are relevant to the incident.	Yes	No	N/A

Comments:

CLASSIFICATION

1	The facility has a written classification plan to properly assign inmates to housing units and activities.	Yes	No	N/A
2	Receiving screening is performed by trained personnel	Yes	No	N/A
2a	Obtain a booking packet if possible, observe the screening process. A record for each inmate is generated and all required documentation for classification level, hosing restriction and housing assignment are completed and verified by staff signature.	Yes	No	N/A
2b	During processing, in the absence of medically trained personnel, an inquiry is made to determine if the inmate has or had any communicable diseases or has observable symptoms of communicable diseases including but not limited to tuberculosis or other airborne diseases, or special medical problems identified by the health authority.	Yes	No	N/A
2c	Inmate's response is noted on booking form and/or screening device.	Yes	No	N/A
2d	Mentally Disordered Inmates – Are identified and evaluated within 24 hours or at the next daily sick call, whichever is earliest.	Yes	No	N/A
2e	There are written procedures for the identification and evaluation of all developmentally disabled inmates. A contact to the regional center occurs within 24 hours when an inmate is suspected or confirmed to be developmentally disabled.	Yes	No	N/A

CLASSIFICATION continued

1	Segregation may be used if necessary, to protect the safety of the inmate or others. If applicable, review supporting documentation and ensure proper procedures were followed for inmate placement into segregation.	Yes	No	N/A
2	There are provisions made for transfer of such inmates to a medical facility for diagnosis, treatment, and evaluation of suspected mental disorder pursuant to Section 1209, Title 15, CCR.	Yes	No	N/A

Comments:

SERVICES

1	Visiting – Review written policies and procedures for inmate visiting and review supporting documentation.	Yes	No	N/A
1a	Sentenced inmates are allowed at least two visits totaling at least one hour per week.	Yes	No	N/A
1b	Include provisions for visitation of minor children of the inmate.	Yes	No	N/A
2	Correspondence – The facility administrator has developed written policies and procedures for inmate correspondence. Review policy.	Yes	No	N/A
2a	There are no limitations placed on the volume of mail an inmate may send or receive.	Yes	No	N/A
2b	Mail may be read where there is a valid security reason and the facility administrator or designee provides approval.	Yes	No	N/A
2c	Staff does not review inmate correspondence with the facility administrator and/or manager is permitted.	Yes	No	N/A
2d	Confidential correspondence with the facility administrator and/or manager is permitted.	Yes	No	N/A
2e	Inmates without funds are permitted at least two postage paid letters each week to family and friends, and unlimited correspondence with his/her attorney and courts. (Review supporting documentation and ensure facility has a system for tracking and monitoring issuance of postage.)	Yes	No	N/A
3	Exercise and Recreation – Table games and/or television are available to inmates.	Yes	No	N/A
4	Publications – English/Non-English materials are available for inmates.	Yes	No	N/A
5	Access to Telephones – Reasonable access to a telephone beyond those telephone calls required by Section 851.5 PC are provided (Review supporting documentation)	Yes	No	N/A
6	Access to Courts – Review written policy and procedures and supporting documentation. Ensure inmates have access to courts, unlimited mail and confidential consultation with attorneys.	Yes	No	N/A
7	Inmate Orientation – Newly received non-sentenced inmates are provided orientation at the time of placement in a living area. Review written orientation information and ensure it covers: Rules and disciplinary proceedings, Visiting rules, Availability of personal care items, Availability of reading and recreational materials, and Medical/Mental health procedures.	Yes	No	N/A
8	Voting (Applicable to sentenced inmate workers) – Facilities holding sentenced inmate workers have policies and procedures whereby the county registrar allows qualified voters to vote in local, state, and federal elections pursuant to the election codes.	Yes	No	N/A
9	Religious Services – Review written policies and procedures. Opportunities for inmates to participate in religious services and counseling on a voluntary basis are provided.	Yes	No	N/A
10	Inmate Grievance Procedure (Applicable to facilities having inmate workers and/or prisoner s who are held for "safekeeping"). Review written policies and procedures and ensure they address the following: 1. How to obtain a grievance form and instructions for registering a grievance. 2. Resolution process at the lowest appropriate staff level. 3. Provisions for resolving questions of jurisdiction within the facility. 4. Provisions for appeal to next level of review. 5. Written reason for denial at each level of review. 6. Provisions for response in a reasonable time limit.	Yes	No	N/A

Comments:

USE OF CELLS

1	Sobering Cell – The sobering cell, specified in Title 24, Part II, Section 1231 2.4 is used only for holding inmates who are a threat to their own safety or the safety of others due to their state of intoxication and pursuant to written policies and procedures. Does the facility have a designated sobering cell.	Yes	No	N/A
2	Intermittent direct visual observation of inmates in sobering cells is conducted no less than every half hour. (If applicable review supporting documentation).	Yes	No	N/A
3	Inmates placed into sobering cells are removed when they are able to continue with processing.	Yes	No	N/A

Comments:

USE OF RESTRAINTS

1	Review written policies and procedures for the use of restraint devices that include: Restraints are not used as discipline or as a substitute for treatment. They identify acceptable restraint devises; signs and symptoms which should result in immediate medical/mental health referral; availability of CPR equipment; protective housing of restrained persons; provisions for hydration and sanitation needs; and exercising of extremities.	Yes	No	N/A
2	Restraints are used only to hold inmates who display behavior that results in the destruction or property or reveals intent to cause physical harm to self or others.	Yes	No	N/A
3	Inmates are placed in restraints only with approval of facility manager, watch commander, or the designated physician.	Yes	No	N/A
4	All inmates in restraints are housed alone or in specified area for restrained inmates and direct visual observation is conducted and documented at least twice every 30 minutes.	Yes	No	N/A
5	Continue retention in such restraints is reviewed every two hours and a medical opinion on placement and retention shall be secured as soon as possible but no later than four hours from the time of placement. (If applicable, review supporting documentation).	Yes	No	N/A
6	Medical review for continued retention in restraint devices occurs at a minimum of every six hours.	Yes	No	N/A
7	A mental health consultation is secured as soon as possible, but no later than either hours from time of placement. (If applicable, review supporting documentation).	Yes	No	N/A

Comments:

COLLECTION OF DNA SPECIMENS, SAMPLES, IMPRESSIONS

1	Review policy and procedures. The use of reasonable force to collect blood specimens, saliva samples, or thumb/palm print impressions form individuals who are required to provide such and refuse written or oral requests to do so are followed. (Reference PC 296)	Yes	No	N/A
2	The use of reasonable force is preceded by documented efforts to secure voluntary compliance, including advisement of legal obligation to provide the specimen, sample or impression and the consequences of failing to do so.	Yes	No	N/A
3	Supervisory authorization is obtained prior to use of reasonable force.	Yes	No	N/A
4	If the use of reasonable force includes cell extraction, the extraction is audio and videotaped and retained by the department, as required by statute.	Yes	No	N/A

Comments:

Self Inspection Checklist

Secure Services™

THE CITY OF MONTEBELLO JAIL
SELF INSPECTION CHECKLIST

1. Custody logs for a accuracy / completeness / up to date

   _____

2. Detention logs for accuracy / completeness / up to date

   _____

3. Training requirements (Up to date on STC requirements)

   _____

4. Security checks, half hour checks are up to date and completed

   _____

5. Jail count accurate

   _____

6. Visiting area (both sides) general cleanliness

   _____

7. Booking area, general cleanliness or orderly

   _____

8. Posting of mandated signage

   _____

9. First Aid Kits (properly stocked and within expiration dates)

   _____

10. Suicide kits

    _____

11. Breast pump

    _____

12. Lice Solution

_____

13. Kitchen area:
    a) Food expiration dates
    b) Cleanliness of service counter, microwave (and under microwave) and serving cart
    c) Cleanliness of freezer, refrigerator, floors
    d) Check rubber seals of freezer / refrigerator
    e) Utensils put away
    f) No cleaning material in the kitchen area
    g) Check the temperature of the fridge/freezer daily

_____
_____
_____

14. Cleanliness of cells:
    a) Calcium buildup in sinks, toilets and showers
    b) Mold / rust in shower areas
    c) Bunk bed areas, dust and dirt buildup
    d) Ventilation areas clean of buildup
    e) Cleanliness of floors
    f) Condition of mattresses
    g) Dust buildup in TV compartments

_____
_____
_____

15. Breathing apparatus, not expired, fully charged

_____

16. Fire extinguishers, not expired, fully charged

_____

17. Laundry area
    a) Overall cleanliness, floors clean, room organized
    b) Lint traps of dryer, lint in the area
    c) Soap buildup on washing machine
    d) Water temp on washing machine / weekly log of temp check
    e) Inventory of cleaning supplies
    f) Hair clippers (property marked and stored)
    g) Linens properly cleaned and stored
    h) MSDS Forms for cleaning supplies

_____
_____
_____

18. Check pipe rooms for leaks

_____

19. Duress alarm test

_____

20. Juvenile holding area:
    a) General cleanliness
    b) Restroom

_____
_____
_____

Inspected by: _____ Date: _____

Inspected by: _____ Date: _____

Inspected by: _____ Date: _____

Shift Change Jail Checklist

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THE CITY OF MONTEBELLO JAIL
SHIFT CHANGE JAIL CHECKLIST

	1st Shift	2nd Shift	3rd Shift	Signature
Check count of inmates				
Ensure all doors are locked and secure				
All keys accounted for				
Make sure security check is done				
Check log book for accuracy				
Check status of inmates/bookings or to be released				
Check what needs to be cleaned/laundry/trash				
Make sure all property is put away and secure				
Make sure equipment is working properly				
Check back emergency exit door				

	1st Shift	2nd Shift	3rd Shift	Signature
Check count of inmates				
Ensure all doors are locked and secure				
All keys accounted for				
Make sure security check is done				
Check log book for accuracy				
Check status of inmates/bookings or to be released				
Check what needs to be cleaned/laundry/trash				
Make sure all property is put away and secure				
Make sure equipment is working properly				
Check back emergency exit door				

Weekly Jail Cleaning Matrix

Secure Services™

THE CITY OF MONTEBELLO JAIL
TYPE 1 JAIL FACILITY
WEEKLY JAIL CLEANING MATRIX

AREA	SUN	MON	TUES	WED	THURS	FRI	SAT
KITCHEN: Floors Walls Cooking Appliances Freezer Refrigerator Microwaves	**X Day**	**X Swing**		**X Swing**		**X Grave**	
LAUNDRY ROOM: Washer (top) Dryer (top) Floor Storage Areas	**X Day**				**X Grave**		
EMPLOYEE RESTROOM: Toilet, Sink, Floor			**X Day**			**X Swing**	
LIVE SCAN AREA AND MUG PHOTO AREA		**X Swing**			**X Grave**		
MAIN CONTROL PANEL AREA Floor, Counters, Panel	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**
EMPLOYEE LOCKER ROOM	**X Swing**			**X Day**			
ALL CELLS AND HOLDING AREAS Mattresses, Floors, Walls, Vents	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**
CELL TOILETS Flushed Daily and Showers Rinsed	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**	**Daily**
MAIL HALLWAY Sweep and Mop			**X Day**				**X Grave**

Instructions: Each area is assigned a day where a full inspection is performed. All necessary cleaning and maintenance shall be performed on the day selected by the required shift. Any lighting, electrical, plumbing, safety, or security deficiencies identified that is outside the scope or responsibility of the jailer shall be brought to the attention of the Jail Manager.

Standards of Employee Conduct

Secure Services™

	CORPORATE POLICY MANUAL CHAPTER: Human Resources TITLE: Standards of Employee Conduct	NUMBER: 3.2.2 SUPERSEDES: 03/29/10 EFFECTIVE: 4/1/13

POLICY

All employees shall conduct themselves professionally in the execution of their job responsibilities. This policy provides the standard of expected behavior.

GUIDELINES

A. GEO employees shall:

1. Conduct themselves in a manner that creates and maintains respect for themselves as well as GEO in all their activities, personal and official, they should always be mindful of the high standards of behavior expected of them;

2. Avoid any action(s) which might result in, or create the appearance of, adversely affecting the confidence of the public in the integrity of the facility and the company;

3. Discuss with their supervisor and/or supervisors any problems arising in connection with matters within the scope of this policy.

B. It is essential to the orderly running of a facility that employees conduct themselves in a professional manner. In the section below dealing with Personal Conduct are several types of behavior that cannot and will not be tolerated within the work environment:

1. Conduct towards those monitored or in the care, custody or control of GEO

   a. Employees shall not show favoritism or partiality toward those monitored or in the care, custody or control of GEO, or become emotionally, romantically, physically, or financially involved with those monitored or in the care, custody or control of GEO. This includes those convicted of a felony and serving terms or under parole, probation, halfway house, home-monitoring or other supervision. This refers to those individuals housed in any GEO, GEO Care, or other privately contracted facility as well as any local, county, state, or federal facility.

   b. Sexual harassment of those monitored or in the care, custody or control of GEO by employees is strictly prohibited. This includes but is not limited to sexual advances, requests for sexual favors and other verbal or physical contact of a sexual nature.

CONFIDENTIAL AND PROPRIETARY INFORMATION OF THE GEO GROUP

c. An employee shall not offer or give those currently or formerly monitored or in the care, custody or control of GEO any article, favor, or service, in the performance of the employee's duties. Neither shall an employee accept any gift, personal service or favor from those currently or formerly monitored or in the care, custody or control of GEO.

d. An employee who becomes involved in a set of circumstances as described above (or any situation that gives the appearance of improper involvement with those monitored or in the care, custody or control of GEO) should consult with the Facility Administrator. The employee will then be instructed as to the appropriate course of action.

e. Brutality, physical violence, or intimidation of those monitored or in the care, custody or control of GEO by employees shall not be permitted. Only the minimum amount of force necessary to subdue or restrain is permitted.

f. Use of obscene or verbally abusive language by employees when communicating with those monitored or in the care, custody or control of GEO will not be tolerated. Employees will conduct themselves in a manner which will not be demeaning to those monitored or in the care, custody or control of GEO, their families or friends.

2. Responsiveness

a. Inattention to duty in a secure environment can result in escapes or elopements, assaults and other incidents. Therefore, employees are required to remain fully alert and attentive during duty hours.

b. It is the policy of GEO to routinely/randomly search its employees and/or their property (including vehicles). When the Facility Administrator has a reasonable belief that an employee is in possession of contraband items, which, if introduced, could endanger the institution, the Facility Administrator may authorize a special search of an employee or his/her personal property. Special searches may also be authorized where the Facility Administrator has a reasonable belief that an employee is removing contraband from the facility.

c. During the course of an official investigation, employees are to cooperate fully by providing all pertinent information they may have. During an investigation, failure by any employee to answer any inquiry fully and to the best of their knowledge will be grounds for taking disciplinary action. Any attempt to obstruct an investigation will subject the person to immediate disciplinary action, up to and including termination.

CONFIDENTIAL AND PROPRIETARY INFORMATION OF THE GEO GROUP

3. Confidentiality

Employees of GEO have access to official information such as personal data concerning staff, those monitored or in the care, custody or control of GEO and clients/governmental agencies. Official information may be disclosed or released only as required in the performance of an employee's duties or upon specific authorization from someone with the delegated authority to release official information.

THE FACILITY ADMINISTRATOR AND ASSISTANT FACILITY ADMINISTRATOR ARE THE ONLY PERSONS AUTHORIZED TO RELEASE OFFICIAL INFORMATION. SEE POLICY NO. 1.1.6, PUBLIC RELATIONS PROGRAM.

4. Property and Authority

   a. All GEO property, such as vehicles, supplies, equipment, and facilities are to be used for official purposes only. Loss, misplacement, theft or destruction of GEO property must be reported to their supervisor immediately. Abuse of the above may subject the employee to disciplinary action. Use of electronic communications equipment must conform with Policy 6.1.4 and 6.1.4-A.

   b. GEO credentials, identification card or badges will not be used to coerce, intimidate, or deceive others or to obtain any privileges or articles not otherwise authorized in the performance of official duties.

5. Outside Employment

   a. Any employee wishing to engage in employment outside the facility (including volunteer and self-employment) must seek approval in writing from the Facility Administrator. In cases where a clear conflict of interest between facility position and outside employment exists or when the outside employment would bring disrespect to GEO or the client, the Facility Administrator will determine, following a meeting with the concerned employee, GEO's position on the matter, and will take appropriate action to resolve the matter.

   b. An employee shall not have a direct or indirect financial interest that conflicts with their GEO duties and responsibilities.

6. Staff/Staff Relations

   a. At all times, the relationship between staff members will be mutually respectful and professional.

b. Supervisors will not show partiality to individuals or groups of subordinates in connection with matters of employment, i.e., post assignments, evaluations, days off assignment, shift assignment, or other matters of employment within the supervisors' control. Equal and impartial treatment in all employment matters is required of all supervisors.

c. Supervisors will neither accept from or offer to subordinates any article, favor or service which is not authorized in the performance of supervisor and subordinate duties.

7. Illegal Activities

Illegal activities on the part of any employee, in addition to being unlawful, reflects on the integrity of the organization and betrays the trust and confidence placed in it by the public. It is expected that employees will obey not only the letter of the law but the spirit of the law while engaged in personal or official activities. Should an employee be arrested for, charged with, or convicted of any felony or misdemeanor, or be required to appear as a defendant in criminal court, that employee must immediately inform and provide a written report to the Facility Administrator. Employee involvement in illegal activities renders the employee subject to disciplinary action up to and including termination. The employee will be suspended without pay pending the results of the criminal prosecution.

8. Introduction to Contraband

The introduction of contraband into or upon the grounds of a secure GEO facility, or taking or attempting to take anything whatsoever from the grounds or a facility without the knowledge and consent of the Facility Administrator is prohibited. Contraband is defined as any unauthorized article and includes, but is not limited to, the following: letters, stamps, tools, weapons, paper, food, writing material, messages, instruments, alcoholic beverages and drugs.

9. Reporting Violations

Every employee is required to report any violation or attempted violation of any law or regulation to management immediately. This includes any act or omission by any person which has resulted in a breach of facility security.

CONFIDENTIAL AND PROPRIETARY INFORMATION OF THE GEO GROUP

10. Solicitations *(this section does not apply to materials regarding conditions of employment or nonemployee materials about organizing)*

    a. It is GEO's policy that unauthorized solicitation of any kind upon the Corporation or client's premises, or in the work areas for personal gain is strictly prohibited.
    b. Solicitation for any purposes by an employee is prohibited while either the person soliciting or the person being solicited should be performing job duties.

    c. Distribution of any unauthorized materials for any purpose by an employee is prohibited at all times in a facility.

    d. Solicitation or distribution of any materials for any purpose by non-employees is prohibited at all times.

11. Housekeeping

GEO employees are to leave their work areas clean and orderly. This is not only important to the image of GEO, but contributes to a healthful and safe working environment.

12. Safety

Safety rules are for the benefit and protection of all. Accidents cause pain, inconvenience, and loss of work time. It is the responsibility of every employee to abide by the safety rules covering the job to which they are assigned. If an accident occurs while on the job, even though it may seem insignificant, the employee involved should report it to their supervisor immediately and at the latest, within 24 hours of the incident. Employees should watch for safety hazards and dangerous conditions. If such conditions are suspected, they should be reported to the supervisor.

13. Appearance Standards

    a. Personnel must be neatly dressed and well groomed in a manner that will maintain the professional image of GEO.

    b. Uniformed personnel shall be neat in appearance while on duty and shall wear only the complete uniform as prescribed.

    c. Facial hair, a neatly trimmed mustache which does not extend beyond the width of the mouth and lower lip is permitted. Neatly trimmed side burns that do not extend beyond the lower part of the ear lobe are also permitted.

CONFIDENTIAL AND PROPRIETARY INFORMATION OF THE GEO GROUP

d. For those employees not required to wear uniforms, business-like apparel appropriate for the job performed is expected.

14. Duties

Employees are selected and placed in their assignment after having met certain requirements necessary to perform their duties. A supervisor will instruct each employee as to what their work and responsibilities are. Employees should follow their duties and look to their supervisor for guidance. Their supervisor will answer any questions concerning their job.

The policy established here is applicable to all employees at the facilities at all levels.

For Facility Administrators, any references to "supervisor" shall refer to the Director of Operations for that facility, the Regional Vice President and/or the President of The GEO Group, Inc. The Facility Administrators understand and accept the application of all parts of this policy to their conduct

APPROVED: _____
Corporate Policy Director

EFFECTIVE: 4/1/13

POLICY OWNER: Christopher Ryan, Director, Employee and Labor Relations

REFERENCES: ACA Standards 4-4056, 4-4063, 4-4069, 4-ALDF-7C-01, 4-ALDF-7C-02, 4-ACRS-7C-02, and 4-ACRS-7E-04; GEO Corporate Policies 3.2.10 Sexual and Workplace Harassment, 3.2.6 Drug Free Workplace, 1.1.6 Public Information/Media, 4.1.3 Electronic Communications, 3.2.4 Absenteeism and Tardiness, 3.2.8 Progressive Discipline

CONFIDENTIAL AND PROPRIETARY INFORMATION OF THE GEO GROUP

GEO Business Certificate

A0605428

State of California

OFFICE OF THE SECRETARY OF STATE

SECRETARY OF STATE

I, *Kevin Shelley*, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

DEC 22 2003

THE GREAT SEAL OF THE STATE OF CALIFORNIA

Kevin Shelley

Secretary of State

Sec/State Form CE-107 (rev. 1/03)

OSP 03 80510

A0605428

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

DEC 15 2003

KEVIN SHELLEY
Secretary of State

AMENDED STATEMENT BY FOREIGN CORPORATION

THE GEO GROUP, INC. which will do business in California as
(Name of Corporation)

GEO CALIFORNIA, INC., a corporation organized

and existing under the laws of Florida, and which is presently
(State or Place of Incorporation)

qualified for the transaction of intrastate business in the State of California, makes the following statement:

That the name of the corporation has been changed to that hereinabove set forth and that the name relinquished at the time of such change was

WACKENHUT CORRECTIONS CORPORATION

The Geo Group, Inc. which will do business in California as Geo California, Inc.
(Name of Corporation)

(Signature of Corporate Officer)

John J. Bulfin, Secretary & General Counsel
(Typed Name and Title of Officer Signing)

OFFICE OF THE SECRETARY OF STATE

Secretary of State Form
ASDC (01/2003)

Sample Agreement

SAMPLE AGREEMENT

We have carefully reviewed the Sample Agreement. We are requesting the following modifications:

Please insert the word "negligent" on p. 19 (sample agreement) and 20 (RFP):

> which arise from, or are connected with, or are caused or claimed to be caused by, the negligent acts or omissions of the Contractor and its agents, officers or employees

p. 1/29, RECITALS

WHEREAS, the Contractor provides correctional and detention services to local, state, and federal law enforcement agencies throughout the country and Contractor represents that it has the degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and preform the services contemplated herein; and

Comment: New clause added.

GOVERNMENT CODE - GOV
TITLE 4. GOVERNMENT OF CITIES [34000 - 45345] (Title 4 added by Stats. 1949, Ch. 79.)
DIVISION 3. OFFICERS [36501 - 41805] (Division 3 added by Stats. 1949, Ch. 79.
PART 2. LEGISLATIVE BODY [36801 - 40592] (Part 2 added by Stats. 1949, Ch. 79.)

CHAPTER 3. General Powers [37100 - 37200] (Chapter 3 added by Stats. 1949, Ch. 79.)

37103.
The legislative body may contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters.

It may pay such compensation to these experts as it deems proper.

(Amended by Stats. 1949, Ch. 354.)

p. 20/29, SECTION 15. INDEMNIFICATION AND INSURANCE, SUBSECTION C, PARAGRAPH 1. WORKERS' COMPENSATION
Workers' Compensation with California statutory limits; Employers Liability with minimum limits for bodily injury: a) by accident, one million dollars and 00/100 cents ($1,000,000) per each accident b) by disease, one million dollars and 00/100 cents ($1,000,000) per employee with a per policy aggregate of one million dollars and 00/100 cents ($1,000,0000).

Comment: Typo on amount, needs to be corrected in final contract. Currently numeric value is listed as $10,000,000, it should be one million $1,000,000.

p. 22/29, SECTION 16. CONTRACTOR'S CORPORATE OBLIGATIONS, PARAGRAPH E. RIGHT TO AUDIT

E. Right to Audit: The City shall, subject to limitations provided by law with respect to rights of privacy, have the right to examine all records of the Contractor related to the Jail, including without limitation, all financial books and records, maintenance records, employee records, and inmate records generated by the Contractor, its subcontractors or any other related parties in connection with performance of this Agreement. The Contractor shall make the same available for inspection by the City or the City's auditors at any time during normal business hours after reasonable notice during the term hereof and for a period of three (3) years thereafter.

Comment: New requirement to retain records for three (3) years.

AGREEMENT NO. _____
PROFESSIONAL SERVICE AGREEMENT BETWEEN
THE CITY OF MONTEBELLO AND_____FOR JAIL SERVICES
(RFP NO. 19-55)

This Professional Services Agreement for Jail Services ("Agreement") is dated as of _____ 2019 ("Effective Date"), entered by and between the City of Montebello, California municipal corporation (the "City') and _____ (the "Contractor"). The City and the Contractor are sometimes referred to herein individually as the "Party," and jointly as the "Parties."

RECITALS

WHEREAS, the City owns existing jail and detention facilities which houses and cares for prisoners and/or inmates; and

WHEREAS, on_____2019, the City issued Request for Proposal No. 19-XX ("RFP No. 19-XX") for Jail Services and Contractor was selected from among the proposals received by the City; and

WHEREAS, the Contractor provides correctional and detention services to local, state, and federal law enforcement agencies throughout the country and Contractor represents that it has the degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and preform the services contemplated herein; and

WHEREAS, the City proposes to utilize the services of the Contractor as an independent contractor whereby the Contractor will provide to the City professional, uniformed jail custodial personnel to operate the City's jail and detention facilities (the "Project") further described in RFP No. 19-XX attached herein as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties desire to set forth their rights, duties and liabilities in connection with the services to be performed hereto as follows:

AGREEMENT

SECTION 1. DEFINITIONS

In addition to those terms specifically defined elsewhere in this Agreement, the following terms shall have the meanings set forth in this Section:

Commented [LK1]: *GOVERNMENT CODE - GOV*
TITLE 4. GOVERNMENT OF CITIES [34000 - 45345]
(Title 4 added by Stats. 1949, Ch. 79.)

DIVISION 3. OFFICERS [36501 - 41805]
(Division 3 added by Stats 1949, Ch. 79.)

PART 2. LEGISLATIVE BODY [36801 - 40592]
(Part 2 added by Stats. 1949, Ch. 79.)

CHAPTER 3. General Powers [37100 - 37200]
(Chapter 3 added by Stats. 1949, Ch. 79.)

37103.
The legislative body may contract with any specially trained and experienced person, firm, or corporation for special services and advice in financial, economic, accounting, engineering, legal, or administrative matters.
It may pay such compensation to these experts as it deems proper.
(Amended by Stats. 1949, Ch. 354.)

A. "ACA" shall mean the American Correctional Association, whose headquarters are presently located at 206 North Washington Street, Suite 200, Alexandria, Virginia 22314, or its designated successor.

B. "ACA Standards" shall mean the Standards for Adult Local Detention Facilities (Fourth Edition, 2004, as heretofore supplemented and as same may be modified, amended, supplemented, or supplanted in the future) published by ACA.

C. "Assigning Agency" shall mean any federal, state or local agency which may lawfully assign an Inmate to the Jail and which has executed an Intergovernmental Service Agreement.

D. "Board" shall mean the State of California Board of Corrections.

E. "Board Standards" shall mean the California Department of Corrections and Rehabilitation Adult Institutions, Programs, and Parole Operations Manual (dated July 1, 2012, as heretofore supplementation and as same may be modified, amended, supplemented, or supplanted in the future) published by the California Department of Corrections and Rehabilitation.

F. "Certification Date" shall mean the date upon which the Jail is certified by the Board to receive Inmates.

G. "Chief of Police" shall mean the Chief of Police of the City Montebello.

H. "City's Facility Representative" shall mean and refer to the Chief of Police or his authorized designee, who shall serve as the official liaison between the City and the Contractor on all matters pertaining to the operation and management of the Jail.

I. "Custody Criteria" shall mean those criteria used to determine an Inmate's Custody Level and shall normally include, to the extent known to the Contractor, the Inmate's offense history, present offense, escape history, history of violence, drug use or addiction, alcohol use or addiction, psychological status, and present behavior.

J. "Custody Level" shall mean a custody designation of either Minimum Custody or Medium Custody which describes appropriate and adequate supervision and housing assignments commensurate with the on-going needs and requirements of the Inmate during his incarceration, as based on the Custody Criteria.

K. "Day" shall mean a twenty-four (24) hour time period beginning with twelve o'clock midnight and ending twenty-four (24) hours later.

L. "Department" shall mean the State of California Department of Corrections.

M. "Facility Revenue" shall mean all income or other receipts as described in Section 11.

N. "Fiscal Year" shall mean the City's fiscal year commencing on July 1st, and ending as of June 30th, the following year.

O. "Fixed Annual Fee" shall, except as expressly provided otherwise herein, be the sole and exclusive compensation due Contractor for providing services to the City under this Agreement, as such Fixed Annual Fee is further described in Section 6, "Compensation."

P. "For cause" shall mean a material failure by either Party to meet the provision of this Agreement, or the failure of the Contractor to meet the applicable Minimum Standards.

Q. "Force Majeure" shall mean the failure of performance of any of the terms and conditions of this Agreement resulting-from acts of God.

R. "Inmate" shall mean any arrestee who is to be lawfully held at the Jail by the City or pursuant to an Intergovernmental Service Agreement, and who is classified as Minimum Custody or Medium Custody.

S. "Intergovernmental Service Agreement" shall mean an agreement between the City and any Assigning Agency whereby the City and the Assigning Agency agree to the terms and conditions whereby the Assigning Agency's Inmates shall be booked and held in custody at the Jail.

T. "Jail" shall mean the facility located in the Montebello Police Department Building which houses Inmates.

U. "Medium Custody" shall mean that Custody Level appropriate to an Inmate who is classified as eligible to be assigned to the Jail but who is not eligible to be assigned to the least secure housing in the Jail and may not work outside of the Jail's area.

V. "Minimum Custody" shall mean that Custody Level appropriate to an Inmate who is classified as eligible to be assigned to the Jail and is eligible to be assigned to the least secure housing in the Jail, but may work outside of the Jail's area.

W. "Minimum Standards" shall mean the applicable federal, state, and City requirements, laws, and statutes, applicable court orders, Board Standards, and ACA Standards, whether now in effect or hereafter effected or implemented, as applicable to the operation, maintenance, and management of the Jail. Where a conflict exists between any such requirements, laws, statutes, and applicable court orders, Board and ACA Standards, the more stringent requirements shall apply.

X. "On-Duty Watch Commander" shall mean and refer to the representative of the Montebello Police Department that oversees the operation of the Jail at any given time.

Y. "Perishables" shall mean those items that are easily destroyed or spoiled.

Z. "Police Department Building" shall mean the Montebello Police Department building located at 1600 West Beverly Boulevard, Montebello, CA 90640, in which the Jail is located.

AA."Service Commencement Date" shall mean the date upon which the Contractor commences the provision of operational and management services for the Jail under the terms of this Agreement.

SECTION 2. RECITALS

The above-referenced Recitals constitute a material part hereof, and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of preference, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

A. This Agreement, including any and all addenda or supplemental agreements.

B. RFP No. 19-XX.

C. CONTRACTOR's Response to RFP No. 19-XX dated_____2019.

D. All other documents, including but not limited to all required bonds, insurance, certificates, permits, notices, schedules, forms, certifications, and affidavits and also including any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

These documents shall be collectively referred herein as the "Contract Documents". In the event of a conflict among the Contract Documents, the order of precedence shall be as set forth above.

SECTION 3. TERM OF THE AGREEMENT

A. Initial Term. The "Initial Term" of this Agreement for the operation and management of the Jail shall be for the three (3) years commencing on the Effective Date and terminating on a date exactly three (3) thereafter.

B. Renewal Option(s). Following the Initial Term, this Agreement shall be automatically extended for two (2) additional -two (2) year terms (each a "Renewal Term").

C. Cancellation. The City may cancel this Agreement at any time as provided in Section 14, "Default and Termination."

SECTION 4. GRANT OF OPERATING RIGHTS

The City hereby grants to the Contractor the sole and exclusive right to operate the Jail for the Term of this Agreement (as defined in Section 3 above), and Contractor agrees to provide all labor, equipment, and materials necessary for Contractor to perform operations at the Jail for the Term hereof in accordance with the terms and conditions herein specified.

SECTION 5. SCOPE OF WORK.

A. General Duties and Obligations; Standards: Contractor shall provide the services necessary to operate, maintain, and manage the Jail in compliance with the applicable Minimum Standards.

B. Field Policies and Operations Manual:

1. The Contractor shall develop a written comprehensive "Field Policies and Operations Manual" ("Operations Manual") covering all aspects of Jail operations, and specifically including but not limited to the procedures that will be utilized to facilitate monitoring of the Jail. The Contractor shall submit the Operations Manual to City's Facility Representative for approval thirty (30) calendar days following the Effective Date. Upon receipt of the Operations Manual, the City's Facility Representative will notify the Contractor in writing, within ten (10) calendar days, of the City's approval or required changes. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within five (5) calendar days. Once the Operations Manual has received final approval from the City's Facilities Representative, any and all subsequent proposed additions, deletions, or modifications to such Operations Manual must be approved in writing by the City's Facilities Representative prior to implementation.

2. On or before each year anniversary of the Effective Date throughout the Term of this Agreement, inclusive of any Renewal Term(s), the Contractor shall submit proposed updates and revisions to the Operations Manual to the City's Facility Representative for consideration ("Annual Update(s)"). Such Annual Update(s) shall take into consideration any changes and/or developments in the Minimum Standards applicable to the Jail and Contractor's operation and maintenance thereof, and incorporate the same into the Operations Manual. Upon receipt of an Annual Update, the City's Facility Representative will notify the Contractor in writing, within ten (10) calendar days, of the City's approval or required changes thereto. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within five (5) calendar days. Annual Update(s) shall be incorporated into the Operations Manual and implemented by the Contractor upon final approval by the City's Facility Representative.

3. The cost of the preparation of the Operations Manual and Annual Update(s) shall be borne by the Contractor and included in the Fixed Annual Fee, unless such are provided to and materially utilized by a subsequent private operator of the Jail, in which case Contractor shall be reimbursed for the reasonable expenses incurred in preparing the same.

4. The Contractor shall be responsible for ensuring its employees and personnel are trained and familiar with the contents the Operations Manual, and that such comply with the terms of the Operations Manual in the operation and maintenance of the Jail.

C. Use of Force Manual:

1. In addition to the Operations Manual described in Paragraph (B) of this Section, the Contractor shall develop and maintain a use of force policy ("Use of Force Manual"). The Contractor shall submit the Use of Force Manual to City's Facility Representative for approval thirty (30) calendar days following the Effective Date. Upon receipt of the Use of Force Manual, City's Facility Representative will notify the Contractor in writing, within ten (10) calendar days, of the City's approval or required changes. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within twenty (20) calendar days. Once the Use of Force Manual has received final approval from the City's Facilities Representative, any and all subsequent proposed additions, deletions, or modifications to such Use of Force Manual must be approved in writing by the City's Facilities Representative prior to implementation.

2. On or before each year anniversary of the Effective Date throughout the Term of this Agreement, inclusive of any Renewal Term(s), the Contractor shall submit proposed updates and revisions to the Use of Force Manual to the City's Facility Representative for consideration ("Annual Update(s)"). Such Annual Update(s) shall take into consideration and changes and/or developments in the Minimum Standards applicable to the Jail and the conduct of Contractor's personnel, and incorporate the same into the Use of Force Manual. Upon receipt of an Annual Update, the City's Facility Representative will notify the Contractor in writing, within thirty (30) calendar days, of City's approval or required changes thereto. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within twenty (20) calendar days. Annual Update(s) shall be incorporated into the Use of Force Manual and implemented by the Contractor upon final approval by the City's Facility Representative.

3. The cost of the preparation of the Use of Force Manual and Annual Update(s) thereto borne by the Contractor and included in the Fixed Annual Fee, unless such are provided to and materially utilized by a subsequent private operator of the Jail, in

which case the Contractor shall be reimbursed for the reasonable expenses incurred in preparing the same.

4. The Contractor shall be responsible for ensuring its personnel are trained and familiar with the contents the Use of Force Manual, and that such personnel comply with its terms in the operation of the Jail.

D. Specified Duties and Obligations: In general, the Contractor's duties and obligations under this Agreement shall include, but are not limited to, the performance of the services set forth below in accordance with the applicable Minimum Standards.

1. **Intake and Release Processing**: The Contractor shall provide intake and release processing which shall include: review of Inmate's documents, Inmate search as permitted by law, inventory and storage of Inmate's personal property and funds, entry of Inmate data into Contractor's data processing system, acceptance of Inmate custody, generation of intake and release documents and records, photographing and fingerprinting of Inmate, initiation of Inmate health and well-being screening, classification and housing assignment of Inmate, review of court release documents, return of Inmate personal property and funds upon release, completion of internal release documentation and ascertainment of Inmate identification confirmation prior to release, transportation as described in this Agreement, and any and all such other duties as may be required by applicable Minimum Standards, statute, or rule.

2. **Staffing**: The Contactor shall staff and operate the Jail in compliance with the applicable Minimum Standards. At a minimum, the Contractor shall staff the Jail as follows:

a. Jail Administrator: The Contractor shall provide one (1) Jail Administrator for the Jail during standard Jail business hours (8:00 a.m. to 5:00 p.m.), Monday through Friday (hereinafter "Standard Business Hours"), and provide additional staff if needed to cover in the absence of Jail administrator during holiday's.

b. Jail Officer: The Contractor shall provide at least one (1) Jail Officer for the Jail at all times.

c. Additional Jail Officer: The Contractor shall provide at least one (1) additional Jail Administrator and/or Jail Officer for the Jail, in addition to the Contractor staff set forth in subsections (a) and (b) immediately above, for at least eight (8) hours per day during "Peak Times." Peak Times shall be each Thursday, Friday, and Saturday evening.

d. Additional Billable Hours: The City's Facility Representative may request the Contractor provide additional staffing then that set forth in subsections (a)

through (c) immediately above, at the rate of ($_) per hour per staff member. Such Additional Billable Hours shall be subject to prior written authorization from the City's Facility Representative. Except as expressly set forth herein pertaining to Additional Billable Hours, the City shall not be liable or responsible for the payment of any overtime that is not approved in advance by the City's Facility Representative.

3. **Food Service**: The Contractor shall provide food service for all Inmates in compliance with the applicable Minimum Standards.

4. **Health Services:** The Contractor will not provide health services in the facility. Any medical concerns will be directed to the On-Duty Watch Commander for the Police Department to make determination as to necessary medical treatment.

5. **Laundry and Inmate Clothing:** The Contractor shall provide Inmate laundry services and Inmate clothing in compliance with the applicable Minimum Standards. The Contractor shall maintain said clothing in a clean and sanitary condition.

6. **Transportation:** (i) Except as otherwise expressly provided herein, the Contractor shall provide transportation services for Inmates in the Jail to arraignment and to Los Angeles County jail facility(ies) in a vehicle provided by and owned by the City. The Contractor shall arrange to transport released Inmates to a location providing adequate public transportation as directed by City. The Contractor shall not be required to provide transportation services for the purpose of Inmate transfer to state facilities, in-state prisoner retrieval, or extradition. In the event transportation runs fall outside Standard Business Hours, the City shall be required to either perform the transportation run or authorize the use of Additional Billable Hours, (ii) the City hereby allows the Contractor to utilize City-owned vehicle(s) and Contractor agrees to only utilize City-owned vehicles in connection with and in furtherance of the Contractor's transportation responsibilities outlined herein. The City agrees to ensure such vehicle(s) are properly maintained. The Contractor shall not be responsible for any physical damage caused to such vehicle(s) not caused by the Contractor.

7. **Telecommunications:** The City shall provide all telecommunications and data equipment adequate for the operation of the Jail. Such telecommunications and data equipment shall meet City's Police Department's requirements for booking Inmates into the Los Angeles County jail(s) as they may exist from time to time.

8. **Legal:** The Contractor shall provide the Jail Inmates with access to their legal counsel in accordance with the applicable Minimum Standards, and to the extent, if any, required by the applicable Minimum Standards, access to a law library.

9. **Visitation:** The City shall provide all necessary furniture and equipment, and the Contractor shall provide all supervision necessary to implement a visitation program that meets the applicable Minimum Standards with respect to Inmate visitation.

10. **Essentials:** The Contractor shall provide all facility supplies, including hygiene items, clothing, office supplies, support items, and Inmate quarters, including but not limited to mattresses, pillows, sheets, and pillowcases necessary to meet the applicable Minimum Standards.

11. **Safety:** The Contractor shall operate and provide routine maintenance for the Jail in compliance with the applicable Minimum Standards relative to safety.

12. **Security:** The Contractor shall be responsible for providing security for all Inmates in accordance with the applicable Minimum Standards while they are inside the Jail and when they are being transported by the Contractor. While any Inmate is in the custody of City, an Assigning Agency, the Sheriff, other custodial entity, or a bailiff, the Contractor shall not be responsible for providing security for such Inmate, and such security shall be the responsibility of such custodial entity or officer.

13. **Disciplinary Rules and Regulations:** The Contractor shall impose discipline through rules, regulations, and orders pursuant to a disciplinary system meeting or exceeding the applicable Minimum Standards.

14. **Records:** The Contractor shall generate and maintain all Inmate records in accordance with established procedures of the applicable Judicial Council and the applicable Minimum Standards. The Contractor shall make available for examination by the City all data and records with respect to matters covered by this Agreement and shall permit the City to audit, examine and make excerpts or transcripts from such data and records, and to make audits of all invoices, materials, payrolls, personnel records and other data relating to all matters covered by the agreement. The Contractor shall maintain such data and records in an accessible location for a period of three (3) years following termination of this Agreement.

15. **Vehicle Maintenance/Insurance/Operation:** The City shall be responsible for procuring, insuring, and maintaining all City-owned vehicles used by the Contractor. All Contractor staff using any vehicle in connection with the services provided under this Agreement shall have a valid California Driver's License, which shall be available for inspection by the City.

16. **Uniforms:** The Contractor shall establish a policy prescribing a standard uniform for its corrections officers including shirts, pants, belts, jackets, and associated uniform articles of clothing that are normally and routinely issued to corrections officers. The Contractor shall provide such uniform items to the corrections officers either directly

or through a uniform allowance. The City shall give its approval before final uniform type/color is approved.

E. Investigations/Allegations of Misconduct

1. **Notification of Allegations of Misconduct:** The Contractor shall immediately notify the On-Duty Watch Commander and City's Facility Representative concerning all allegations of misconduct occurring at the Jail, specifically including but not limited to allegations concerning sexual abuse, sexual harassment, and use of force.

2. **City Participation in Sexual Misconduct Investigations:** The Contractor shall conduct and be responsible for investigations into and/or incident reviews concerning allegations of sexual misconduct and/or abuse occurring at the Jail involving the Contractor's personnel. The City's Facility Representative shall have the right to participate and be included in any such investigations and/or reviews, and the Contractor shall keep the City's Facility Representative informed as to the status of any such investigations and/or reviews. The Contractor shall develop, maintain, and follow specific procedures for completing investigations into allegations of such misconduct occurring at the Jail, and shall provide the City's Facility Representative with a copy of such procedures. Such procedures shall be subject to review by the City. The City shall have the exclusive right to delegate and/or determine which investigative agency will handle criminal investigations involving allegations of sexual misconduct and/or abuse occurring at the Jail.

3. **Use of Force Investigations:** The Contractor shall conduct and be responsible for investigations into and/or incident reviews concerning use of force incidents occurring at the Jail involving the Contractor's personnel. The Contractor shall keep the City's Facility Representative informed as to the status of any such investigations and/or reviews. The Contractor shall develop, maintain, and follow specific procedures for completing investigations into allegations of such misconduct occurring at the Jail, and shall provide City's Facility Representative with a copy of such procedures. Such procedures shall be subject to review by the City.

4. **Medical Expenses:** The Contractor shall be liable and responsible for paying (including by way of indemnifying the City) for any and all Inmate injuries and/or medical expenses arising out of use of force incidents involving the Contractor's personnel.

SECTION 6. COMPENSATION

In consideration for all services provided and obligations undertaken by the Contractor pursuant to this Agreement, the City shall pay the Contractor on a monthly basis, within thirty (30) days receipt of invoice, as follows:

A. For each twelve (12) month period during the Term of this Agreement, the City shall pay the Contractor a Fixed Annual Fee of $_____as consideration for the services provided by the Contractor to the City hereunder.

B. Payment of the Fixed Annual Fee shall be made by the City to the Contractor in equal monthly installments of $_____each, due on or before the fifth (5th) day of each month during the Term of this Agreement.

C. Except as expressly provided otherwise in this Agreement, the Fixed Annual Fee shall be the sole compensation due to the Contractor by the City under this Agreement. The Parties agree that the Fixed Annual Fee shall be subject to a percentage increase equal to the average Consumer Price Index for the Los Angeles County region for the preceding fiscal year on each anniversary date of the Agreement, including any renewal periods, provided that the annual increase shall not exceed three percent (3%) in any given year.

SECTION 7. RIGHT OF ENTRY

A. City's Right of Entry: The Contractor hereby agrees that representatives of the City, as designated by the Chief of Police, shall, at all times, have the right to enter all areas and facilities pertaining to the Jail and inspect them to determine compliance with each and every term and condition of this Agreement, and specifically including but not limited to the applicable Minimum Standards. Where practical, as determined in the sole and absolute discretion of the City, this right of entry shall be exercised with advance notice to the Contractor to avoid adverse impacts to security.

B. Locks and Keys: In order to perform its obligations under this Agreement, Contractor shall at all times receive from City and have the right to retain and use keys to all gate and fence locks upon and about the Jail. The City shall have the right to use such keys and any and all other means which the City may, in its sole and absolute discretion, reasonably deem proper to open any lock upon or about the Jail in order to obtain entry in an emergency.

C. Liability of City: The City shall have no liability to the Contractor for any exercise of City's rights under this Section 5, "Right of Entry," except for: (a) City's failure to exercise due care for the Contractor's property; (b) City's damage to facilities which the Contractor is otherwise required to maintain or repair under this Agreement; or (c) City's failure to exercise due care for the security, care, and custody of Inmates under the Contractor's supervision. Except as provided in this Paragraph (C) of this Section 5, "Liability of City," the Contractor hereby expressly waives any claims for damages against the City for any injury or inconvenience to the Contractor or interference with the Contractor's business, or any loss occasioned thereby.

SECTION 8. UTILITIES AND MAINTENANCE

A. Specified Duties and Obligations: The Parties' respective duties and obligations with respect to utilities and maintenance are as set forth below.

1. **Utilities**: The City shall be responsible for the provision of all utilities except as provided in Paragraph (A)(2) of this Section 8, "Telephone Services."

2. **Telephone Services**: The City shall be responsible for the provision of and payment for all pay telephone services at the Jail. The City shall be responsible for the provision of and payment for in-house telephone services. However, calls made by the Contractor and its employees which are personal or corporate in nature shall be placed through pay telephones or billed to personal or corporate credit cards at the sole and exclusive expense of the Contractor and its employees.

B. Maintenance: The Contractor will be responsible for maintaining the cleanliness of the facility at all times and notify the On-Duty Watch Commander of any damages or repairs needed.

a. **Damage to Jail**: Promptly after the occurrence of any damage to or loss of the Jail that materially affects the continued operation of the Jail, the Parties shall notify each other of such loss or damage. As soon as practicable and desirable thereafter, the City shall determine whether to rebuild, repair or restore such damage or loss to the Jail, or else to terminate this Agreement as provided in Paragraph (F) of Section 14, "Termination for Damage." If the City determines not to rebuild, repair or restore the Jail, then this Agreement shall terminate with respect to the Jail thirty (30) days after notice of such determination.

SECTION 9. EMPLOYEES

A. Background Investigation, Orientation and Training: The Contractor's duties and obligations with respect to background investigations, orientation and training are set forth below.

1. **Background Investigation**: A background and psychological evaluation investigation shall be made by the Contractor of the Jail manager, supervisor, and all prospective employees prior to being hired by the Contractor for assignment to the Jail, the results of which investigation shall be made available to the City. The Contractor shall maintain two (2) completed fingerprint cards on each employee on file for each employee. Contactor shall also provide background investigation reports on any Jail employee when requested by the City.

2. **Orientation and Training**: The Contractor shall provide an orientation program for all employees as well as initial and recurring training in compliance with the applicable Minimum Standards. Upon request by the City, the Contractor shall

provide records evidencing compliance with the orientation and recurring training requirements set forth in this section for each and every Contractor employee. All training shall be conducted as close to the Jail as possible. Any and all costs of training, including necessary indirect costs (i.e. transportation, housing, and meals) shall be the responsibility of the Contractor.

3. **Court Appearances**: The Contractor shall pay all costs associated with court appearances made by the Contractor-employees arising out of services provided under this Agreement.

SECTION 10. CITY'S RESPONSIBILITIES

A. Cooperation: The City shall cooperate with the Contractor in all matters of law enforcement, security and communication.

B. Training: The City shall assist the Contractor in the initial orientation training of Contractor's employees to operate the Jail. All other training shall be the responsibility of the Contractor.

C. Information: The City's Police Department shall assist and cooperate with the Contractor in providing information requested and needed by the Contractor in the screening of candidates for employment to the extent legally permitted. No liability shall attach to the City for such assistance, however, and the Contractor agrees to fully indemnify and hold harmless the City for providing such assistance.

D. City Policies and Applicable Court Orders: The City shall provide the Contractor with copies of all the City's policies applicable to the City's booking and custodial procedures and with any applicable court orders.

E. Utilization: The City and the Contractor agree that it shall be to their mutual benefit and interest that the Jail be fully utilized by maintaining the maximum Inmate population. To this end, and throughout the term of this Agreement, the City and the Contractor agree to use their best efforts to ensure that such Inmate population is obtained from Assigning Agencies.

F. Booking Supplies: The City shall provide required booking supplies.

G. Transportation Vehicle(s): The City shall provide a City-owned vehicle(s) necessary for the Contractor to complete its transportation responsibilities under this Agreement.

SECTION 11. FACILITY REVENUE

Facility Revenue is revenue due to or received by the City or the Contractor from any source whatsoever which results from Jail operations, including, without limitation, payments received

for Inmate housing, self-pay, detention, transportation, payphone usage, and canteen services, and telephone services.

SECTION 12. JAIL FUND

A. Administration: All Facility Revenue shall be deposited into the Jail fund (the "Fund"). The Fund shall be administered by the City and signatories designated by the City shall be the only authorized signatories for disbursement of monies from the Fund. Neither the City nor the Contractor shall be obligated to contribute any monies to the Fund except as provided in Paragraph (E) of Section 14, "Termination for Convenience," or as they may subsequently agree in an amendment to this Agreement.

B. Accounting: Facility Revenue will be collected by the City.

C. Billing and Collections: If the Contractor receives any Facility Revenue, the Contractor shall immediately transmit the same to the City.

D. Audit: The City shall have the right to examine all books, documents, and records maintained by the Contractor related to management of the Jail pursuant to this Agreement.

E. Maintenance of Records: In order to enable the Parties to verify compliance with this Section, the Contractor shall keep and maintain any financial statements, records, bills, invoices, and the like in connection that come into Contractor's possession during performance of this Agreement. The Contactor shall retain such records as described in this Section 12(E) up to three (3) years after termination or expiration of this Agreement.

SECTION 13. INDEPENDENT CONTRACTOR; SUBCONTRACTS

A. Independent Contractor. The Contractor is associated with City only for the purposes and to the extent set forth in this Agreement, and with respect to its performance of the Services pursuant to this Agreement. The Contractor is and shall be an independent contractor and, subject to the terms of this Agreement, shall have the sole right to supervise, manage, operate, control and direct the performance of the details incident to its duties under this Agreement—subject to the applicable Minimum Standards. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create the relationships of an employer•employee or principal-agent or to otherwise create any liability whatsoever for either Party with respect to the indebtedness, liabilities, and obligations of the other Party. The Contractor shall be solely responsible for (and the City shall have no obligation with respect to) payment of all Federal Income, FICA, and other taxes owed or claimed to be owed by the Contractor, arising out of Contractor's association with the City pursuant to this Agreement, and the Contractor shall indemnify and hold City harmless from and against,

and shall defend City against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses otherwise with respect to any such taxes.

B. Subcontracts: The Contractor may subcontract for the performance of any of its responsibilities under this Agreement; provided, however, that no subcontract is valued at more than $5,000 per year, except for food services, or requiring more than $5,000 in payments by Contractor to any subcontractor in any twelve (12) month period, may be entered into without the prior written approval of the City's Facility Representative, which approval or disapproval shall be given within five (5) working days. No contractual relationship shall exist between the City and any subcontractor and the City shall accept no responsibility whatsoever for the conduct, actions, or omissions of any subcontractor selected by the Contractor. The Contractor shall be responsible for the management of the subcontractors in the performance of their work; it being understood that the Contractor's responsibilities hereunder shall be considered non-delegable.

C. The City reserves the right to require the Contractor to exclude any employee or subcontractor of the Contractor from performing services on the City's premises. The City also reserves the right to remove any employee or subcontractor of the Contractor from any City property, at any time, for any reason either with or without cause.

SECTION 14. DEFAULT AND TERMINATION

A. Notice of Deficiency: In the event the City determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities in conformance to the specifications identified in this Agreement, the City shall notify the Contractor of the specific nature of the deficiency. Upon receipt of such notice, the Contractor will be allowed twenty (20) calendar days to cure the deficiency. If the Contractor determines it cannot cure the deficiency within the twenty (20) calendar day period, the Contractor must submit, in writing, a plan for curing the deficiency to the City, which plan shall show in detail by what means the Contractor proposes to cure the deficiency. Upon receipt of any such plan, the City shall promptly review such plan and, at its sole and absolute discretion, may allow or not allow the Contractor to pursue such plan of cure. The City agrees that it will not exercise its remedies hereunder with respect to contract default for so long as the Contractor diligently, conscientiously, and timely undertakes to cure the deficiency in accordance with the approved plan. If the City does not allow the Contractor an extension of the cure period, the twenty-day (20-day) time period shall be suspended during the period of time the Contractor's request for an extension of the cure period is pending before the City.

B. Termination for Default. The City may terminate the Contractor's operations and management services whenever the City determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities in conformance to the specifications identified in this Agreement, and is unable to remedy such failure in

accordance with Paragraph (A) of this Section 14, "Notice of Deficiency." Such termination shall be referred to herein as "Termination for Default." This Agreement may then be Terminated for Default by the City upon service of ten (10) day's written notice to the Contractor.

1. **City's Costs**: In the event of Termination for Default, the City may procure, upon such terms and in such manner as the City may deem appropriate, supplies or services similar to those terminated. The Contractor shall be liable to the City for all reasonable administrative and legal costs incurred by the City in terminating this Agreement and procuring such similar services.

2. **Contractor Compensation Upon Default**: In the event of Termination for Default, the Contractor shall be entitled to recover only that portion of the Fixed Annual Fee attributable to services satisfactorily completed.

3. **Further Rights**: The rights and remedies of the Parties provided in this Paragraph (B) of this Section 14, "Termination for Default," shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

4. **Erroneous Termination**: If, after Notice of Termination for Default, it is determined by City or a court that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control and without the error or negligence of the Contractor, the notice of termination shall be deemed to have been issued as a Termination for the Convenience of City and the rights and obligations of the parties shall be governed solely by Paragraph (E) of this Section 14, "Termination for Convenience."

C. Termination for Contractor Bankruptcy: In the event of the filing of a petition of bankruptcy by or against the Contractor, the City shall have the right to terminate the Agreement without penalty upon the same terms and conditions as a Termination for Default.

D. Termination for Unavailability of Funds: The City agrees to submit, if necessary, a request each year to the City Council of the City of Montebello requesting the amount of funds determined to be necessary to continue the services under this Agreement and any related agreements for the next Fiscal Year of the then current contract term. In the event that City funds for this Agreement become unavailable, the City shall have the right to terminate this Agreement without penalty and upon the same terms and conditions as a Termination for Convenience, pursuant to Paragraph (E) of this Section 14.

    1. **Limitations on Funds**: The Contractor understands and agrees that state constitutional limitations and general law limitations on municipal authority preclude the City from incurring a financial obligation which exceeds the

amount of funds presently available for commitment to such any obligation. Therefore, it is mutually agreed and understood that, at any time during the term of this Agreement, funds may not be available for the payment of additional services and other payments otherwise required under this Agreement. The City does, however, agree to use its best efforts to obtain funds throughout the term of this Agreement which funds may be committed to the obligations contained herein. In the event such funds are not allocated by the City Council to the payments required under this Agreement, the City will provide notice of its inability to continue to make payments under this contract at such time as the City becomes aware of the non-appropriation of funds. In the event of such unavailability of funds, if the City exercises its right to terminate this Agreement, the City shall not be responsible for damages or costs of any kind or nature incurred by the Contractor as a result of such termination.

2. **City's Sole Discretion**: Availability of funds will be determined at the sole and absolute discretion of the City.

E. Termination for Convenience: Either Party, by written notice of not less than one hundred twenty (120) days, may terminate this Agreement whenever, and for any reason or for no reason whatsoever. Such termination shall be referred to herein as "Termination for Convenience."

1. **Contractor Compensation Upon Termination for Convenience**: In the event of Termination for Convenience, the Contractor shall be entitled to recover that portion of the Fixed Annual Fee properly earned up to and the date of termination.

F. Termination for Damage: Either Party may terminate this Agreement as provided in Paragraph (B)(a) of Section 8, "Damage to Jail," by giving thirty (30) days' notice of its intention not to rebuild, repair or restore the affected premises. Such termination shall be referred to herein as "Termination for Damage."

1. **Contractor Compensation Upon Termination for Damage**: In the event of Termination for Damage, both Parties shall be entitled to recover the portion of the Fix Annual Fee properly earned up to the date of termination.

G. Procedures for Termination: Upon delivery to the Contractor of a Notice of Termination specifying the nature of the termination under Section 14(B), 14(C), 14(D), or 14(E), or upon delivery to either party of a Notice of Termination specifying a termination under Section 14(F), the extent to which performance of work under the Agreement is terminated, and the date upon which such termination becomes effective, the Contractor shall:

1. **Stop Work**: Stop work under this Agreement on the date and to the extent specified in the Notice of Termination.

2. **Cease Orders**: Place no further orders for materials or services except as may be necessary for completion of such portion of the work under the Agreement as is not terminated.

3. **Terminate Orders**: Terminate all orders to the extent that they relate to the performance or work terminated by the Notice of Termination.

4. **Assign Rights**: Assign to the City in the manner and to the extent directed by the City's Facility Representative, all of the rights, title, and interest of the Contractor under the orders so terminated, in which case the City shall have the right, in its sole and absolute discretion, to settle or pay any or all claims arising out of the termination of such orders. The City shall indemnify the Contractor against third-party claims relating to any rights assigned to the City, but the City shall be deemed assigned any such third-party claims and may enforce them against the Contractor directly or through offset against any interest or claims the Contractor may have against the City.

5. **Resolve Claims**: With the approval or ratification of the City's Facility Representative, settle all outstanding liabilities and all claims arising out of such termination of orders, the cost of which would be reimbursable in whole or in part, in accordance with the provisions stated in this Agreement.

6. **Transfer of Documents**: At the times, and to the extent directed by the City's Facility Representative, all files, and all computer software, data, manuals or documentation, in any form, that relate to Services performed by the Contractor under this Agreement shall be transferred to the City.

7. **Complete Performance**: Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.

8. **Take Necessary Actions**: Take such other action as may be necessary, or as the City's Facility Representative may reasonably direct, for the protection and preservation of the property related to this Agreement which is in the possession of the Contractor and in which the City has or may acquire an interest.

9. **Non-Delay**: The contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of the Fixed Annual Fee due and payable under this Agreement.

H. Pro-Rated Compensation Upon Termination: In the event this Agreement is terminated as provided under this Section, the amount of the Fixed Annual Fee due to the Contractor shall be prorated and calculated as of the effective date of termination, such that the Contractor is compensated for only that period of time in which the Contractor performed satisfactory services hereunder this Agreement.

SECTION 15. INDEMNIFICATION AND INSURANCE

A. Indemnification and Hold Harmless: The Contractor agrees to defend, indemnify, protect and hold the City and its agents, officers, employees, attorneys and volunteers, and any parties with whom the City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to Contractor's employees, agents or officers which arise from, or are connected with, or are caused or claimed to be caused by, the acts or omissions of the Contractor and its agents, officers or employees, in performing the work or services herein, and all expenses of investigating and defending against same; provided, however, that the Contractor's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligent or willful misconduct of the City, its agents, officers or employees, or any parties with whom the City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities. The Contractor agrees to pay all reasonable attorney and court costs in determining said sole negligence or willful misconduct of the City, its agents, officers, employees, or any parties with whom the City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities. If it is determined that the City is more than fifty percent (50%) at fault, the City agrees to reimburse the Contractor for the costs incurred in determining the City's fault. The City shall be solely responsible to insure, or self-insure, all buildings and improvements without the right of subrogation.

Commented [LK2]: From Legal, add the word "negligent" before "acts". To read "...caused by, the negligent acts or omissions"

B. City's Choice of Counsel: If the City is sued as a result of the alleged actions and conduct of the Contractor, the City will have the right to select legal counsel of its own choice to defend the interests of the City, and the reasonable costs and expenses for such legal counsel shall be paid by the Contractor on a quarterly basis as work is being performed by the legal counsel in defending the City.

C. Liability Insurance: Prior to the approval of this Agreement by the City, the Contractor shall procure and pay for, the following insurance written by companies approved by the State of California and acceptable to the City. The insurance shall be evidenced by delivery to the City certificates of insurance executed by the insurer or its authorized agent stating coverage, limits, expiration dates and compliance with all applicable required provisions. The Contractor shall obtain and maintain in full force and effect for the duration of this Agreement and any extension hereof, at the Contractor's sole expense, insurance coverage in the following type(s) and amounts:

1. **Workers' Compensation** with California statutory limits; Employers Liability with minimum limits for bodily injury: a) by accident, one million dollars and 00/100 cents ($1,000,000) per each accident b) by disease, one million dollars and 00/100 cents ($1,000,000) per employee with a per policy aggregate of one million dollars and 00/100 cents ($1,000,0000. If any work is sublet, the Contractor shall require the subcontractor to provide similar Worker's Compensation Insurance coverage, unless such subcontractor's employees are covered by the Contractor's insurance. The Contractor agrees to indemnify the City for any damage resulting from any failure of either the Contractor or any subcontractor to take out or maintain such insurance.

Commented [LK3]: Comment: Typo on amount, needs to be corrected in final contract. Currently numeric value is listed as $10,000,000, it should be one million $1,000,000.

2. **Business Automobile Liability Insurance** covering all owned, hired, and non-owned vehicles, used by the Contractor in connection with the worked performed under this Agreement, excluding the City owned vehicles which the City is required to insure, with a minimum combined bodily injury (including death) and property damage limit of ten million dollars and 00/100 cents ($10,000,000) per occurrence.

3. **Broad Form Commercial General Liability Insurance** including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Operators and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of ten million dollars and 00/100 cents ($10,000,000) per occurrence and ten million dollars and 00/100 cents ($10,000,000) general aggregate. Coverage shall be written on an "occurrence form" and be specifically endorsed to include coverage for contractual liability (as respects this Agreement), medical professional liability and civil rights coverage. Civil Rights coverage shall be interpreted encompass violations alleged under 42 USC Section 1983. The City shall be named as an additional insured using endorsement CG2026 or broader.

D. Endorsements: All insurance policies shall contain a Waiver of Subrogation of rights against the City. The City, its officers, employees, attorneys, and volunteers shall be named as additional insureds on the policy(ies) as to comprehensive general liability, civil rights liability, and property damage coverages. Endorsements shall be executed on the City's appropriate standard forms entitled "Additional Insured Endorsement."

E. Clauses: As appropriate, the policies of insurance shall contain the following clauses:

1. **Notice**: Each policy shall provide that it shall not be cancelled nor the coverage reduced until thirty (30) days after the City's Facility Representative shall have received written notice of such cancellation or reduction. The notice shall be deemed effective on the date delivered to the City's Facility Representative as evidenced by properly validated return receipt.

2. **Civil Rights Coverage**: Insurance provided by the Contractor under Paragraph (C) of this Section 15, "Liability Insurance," must protect the City against civil rights actions by Inmates involving "conditions of confinement" wherein declaratory and injunctive relief are sought and/or monetary damages are sought.

3. **Separate Application**: Subject to the Contractor's General Liability policy combined single limit, the insurance afforded applies separately to each insured, against whom claim is made, or suit is brought.

4. **Primary Insurance**: The insurance provided by the Contractor shall provide primary insurance to the City to the exclusion of any other insurance or insurance program that the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.

F. Reassessment of Coverage: At the end of each contract year during the term of this Agreement, the City reserves the right to review insurance coverage requirements and to require increased insurance requirements depending upon assessment of the risk of exposure, the Contractor's past experience, and the availability and affordability of increased liability insurance coverage.

G. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention with respect to the City, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

H. Certificates of Insurance and Cancellation: All insurance required by this Section shall be procured and maintained with financially sound insurance companies licensed to do business in the State of California and approved by the City. Such certificates of insurance shall contain a provision that the City shall receive written notice at least thirty (30) days prior to the cancellation of any of the coverage provided under the policies. In the event that any insurance described herein, or any portion thereof becomes commercially unavailable, the Contractor and City shall cooperate in efforts to obtain such replacement insurance as may be available and this Agreement shall be modified accordingly. In the event that adequate insurance becomes commercially unavailable, the City or the Contractor may terminate this Agreement upon thirty (30) days prior written notice as a Termination for Default, and the Contractor shall comply with Paragraph (G) of Section 14, "Procedures for Termination."

I. Waiver of Defenses: Neither the City nor the Contractor shall waive, release, or otherwise forfeit any possible defense the City or the Contractor may have regarding claims arising from or made in connection with, the operation of the Jail by the

Contractor without the written consent of the other Party to this Agreement. The City and the Contractor shall preserve all such available defenses and cooperate with each other to make such defenses available for each other's benefit to the maximum extent allowed by law. This provision shall include any defenses the City may have regarding litigation, losses, and costs resulting from claims or litigation pending at the time this Agreement becomes effective or arising thereafter from occurrences prior to the effective date of this Agreement.

SECTION 16. CONTRACTOR'S CORPORATE OBLIGATIONS

A. Maintenance of Corporate Existence and Business: The Contractor shall, at all times, maintain its corporate existence and authority to transact business and good standing in its jurisdiction of incorporation and California. The Contractor shall maintain all licenses, permits, and franchises necessary for its businesses where the failure to so maintain might have material adverse effect on the Contractor's ability to perform its obligations under this Agreement.

B. Non-Discrimination: The Contractor shall not discriminate as to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation, in the performance of its services and duties pursuant to this Agreement, and will comply with any rules and regulations of the City relating thereto.

C. Taxes, Liens and Assessments: The Contractor shall; (i) not create or cause to be created any lien or charge upon the Jail or any part thereof; (ii) pay or cause to be discharged, within sixty (60) days after the same shall come into force, any lien or charge upon the Jail or any part thereof and all lawful claims or demand for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon the Police Department Building, the Jail, or any part thereof.

D. City's Facility Representative: The City's Facility Representative shall work for and be paid by City, and will be the official liaison between the City and the Contractor on all matters pertaining to this Agreement and the services provided hereunder. In the event the City's Facility Representative is other than the Chief of Police, the appointed City employee shall be deemed to be acting on the City's behalf and shall exercise all rights and perform all duties of the City's Facility Representative under this Agreement.

E. Right to Audit: The City shall, subject to limitations provided by law with respect to rights of privacy, have the right to examine all records of the Contractor related to the Jail, including without limitation, all financial books and records, maintenance records, employee records, and inmate records generated by the Contractor, its subcontractors or any other related parties in connection with performance of this Agreement. The

Contractor shall make the same available for inspection by the City or the City's auditors at any time during normal business hours after reasonable notice during the term hereof and for a period of three (3) years thereafter.

Commented [LK4]: Comment: New requirement to retain records for three (3) years.

F. Self-Monitoring: As part of the Operations Manual described in Section 5, the Contractor shall develop and submit to the City for its approval, a detailed plan illustrating how the Contractor intends to monitor operations of the Jail to ensure compliance with this Agreement.

G. Monitoring by City: The City may, in its sole and absolute discretion and in coordination with the City's Facility Representative, devise its own checklist or lists for monitoring the quality of the Contractor's performance of and compliance with this Agreement and the applicable Minimum Standards and Montebello Police Department Policies, and the Contractor shall cooperate fully with the City and City's Facility Representative in obtaining the requisite information needed to complete such checklists and to assess the quality of the Contractor's performance. Such monitoring by City shall not relieve the Contractor of any of its obligations under this Agreement.

SECTION 17. REPRESENTATIONS AND WARRANTIES

A. Representations of Contractor: The Contractor, to the best of Contractor's knowledge at the time of executing this Agreement, represents and warrants to and for the benefit of the City with the intent that the City will rely thereon for purposes of entering into this Agreement, as follows:

1. **Organization and Qualification:** The Contractor has been duly incorporated and is lawfully existing as a corporation in good standing under the laws of the State of California with power and authority to own its properties and conduct its business as presently conducted and as proposed to be conducted pursuant to this Agreement.

2. **Authorization**: This Agreement has been duly authorized, executed, and delivered by the Contractor and, assuming due execution and delivery by the City, constitutes a legal, valid, and binding agreement enforceable against the Contractor in accordance with its terms.

3. **No Violation of Agreements, Articles of Incorporation or Bylaws**: The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not conflict with, or result in a breach of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease, loan agreement, license, security agreement, contract, governmental license or permit, or other agreement or instrument to which the Contractor is a party or by which its properties are bound, or any order, rule, or regulation of any court or any regulatory body, administrative agency, or other

governmental body applicable to the Contractor or any of its properties, except any such conflict, breach, or default which would not materially and adversely affect the Contractor's ability to perform 'its obligations under this Agreement, and will not conflict with, or result in a breach of any of the terms and provisions of, or constitute a default under, the Articles of Incorporation {or other corresponding charter document) or Bylaws of the Contractor.

4. **No Defaults Under Agreements**: The Contractor is not in default, nor is there any event in existence which, with notice or the passage·of time or both, would constitute a default by the Contractor, under any indenture, mortgage, deed of trust, lease, loan agreement, license, security agreement, contract, governmental license or permit, or other agreement or instrument to which it is a party or by which any of its properties are bound and which default would materially and adversely affect the Contractor's ability to perform its obligations under this Agreement.

5. **Compliance with Laws**: Neither the Contractor nor its officers and directors purporting to act on behalf of the Contractor have been advised, and have no reason to believe, that the Contractor or such officers and directors have not been conducting business in compliance with all applicable laws, rules and regulations of the jurisdictions in which the Contractor is conducting business including all safety laws and laws with respect to discrimination in hiring, promotion or pay of employees or other laws affecting employees generally, except where failure to be so in compliance would not materially and adversely affect the Contractor's ability to perform its Obligations under this Agreement.

6. **No Litigation**: There is not now pending or, to the knowledge of the Contractor, threatened, any action, suit, or proceeding to which the Contractor is a party, before or by any court or governmental agency or body, which might result in any material adverse change in the Contractor's ability to perform its obligations under this Agreement, or any such action, suit, or proceeding related to environmental or civil rights matters; and no labor disturbance by the employees of the Contractor exists or is imminent which might be expected to materially and adversely affect the Contractor's ability to perform its obligations under this Agreement.

7. **Taxes**: The Contractor has filed all necessary federal, state, and foreign income and franchise tax returns and has paid all taxes as shown to be due thereon, and the Contractor has no knowledge of any tax deficiency which has been or might be asserted against the Contractor which would materially and adversely affect the Contractor's ability to perform it obligations under this Agreement.

8. **Financial Statements**: The Contractor has delivered to the City true and correct copies of its financial statements or other financial records which fairly present the current financial position of the Contractor.

9. **No Adverse Change**: Since the date of the Contractor's most recent financial records provided to the City, there has not been any material adverse change in the Contractor's business or condition, nor has there been any change in the assets or liabilities or financial condition of the Contractor from that reflected in such financial records, which is material to the Contractor's ability to perform its obligations under this Agreement.

10. **Disclosure**: There is no material fact which materially and adversely affects or in the future will (so far as the Contractor can now reasonably foresee) materially and adversely affect the Contractor's ability to perform its obligations under this Agreement which has not been accurately set forth in this Agreement or otherwise accurately disclosed in writing to the City by the Contractor preceding the date hereof.

B. Representations of City: The City represents and warrants to and for the benefit of the Contractor with the intent that the Contractor will rely thereon for purposes of entering into this Agreement as follows:

1. **Authorization**: The City has the requisite power to enter into this Agreement and perform its obligations hereunder and by proper action has duly authorized the execution, delivery, and performance hereof.

2. **No Violation of Agreement**: The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not conflict with, or result in a breach of any of their terms and provisions, or constitute a default under any indenture, mortgage, deed of trust, lease, loan agreement, security agreement, contract, or other agreement or instrument to which the City is a party or by which its properties are bound, or any order, rule or regulation or any court or any regulatory body, administrative agency or other governmental body applicable to the Contractor or any of its properties, except any such contract, breach, or default which would not materially and adversely affect the City's ability to perform its obligations under this Agreement.

3. **No Litigation**: There is not now pending, or to the knowledge of the City, threatened, any action, suit or proceeding to which the City is a party, before or by any court or governmental agency or body, which might result in any material adverse change in the City's ability to perform it obligations under this Agreement.

4. **Disclosure**: There is no material fact which materially and adversely affects or in the future will (so far as the City can now reasonably foresee) materially and adversely affect the City's ability to perform its obligations under this Agreement or which might require changes in or additions to the Contractor and Management Services that would increase the cost to the Contractor of providing such services,

which has not been accurately set forth in this Agreement or otherwise accurately disclosed in writing to the Contractor by the City prior to the date hereof.

SECTION 18. CONDITIONS

A. Insurance: As a condition precedent to the effectiveness of this Agreement, the Contractor shall provide, to the City, endorsements of insurance, binders or other proof of insurance, acceptable to the City in its sole discretion, evidencing all insurance coverage required by Section 15, "Insurance."

B. Service Agreement: The Parties intend to concurrently enter into a service agreement, similar in form and substance to an Intergovernmental Service Agreement, setting forth the terms and conditions upon which the City's Inmates shall be booked and held in custody at the Jail. This Agreement shall be void and of no force or effect unless such a service agreement is concurrently approved and signed by City and the Contractor.

SECTION 19. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the Contractor's regular business hours or by facsimile before or during the Contractor's regular business hours; or (b) on the third (3rd) business day following deposit in the United States mail, postage prepaid, to the addresses heretofore set forth in the Agreement, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section.

To City:	Chief of Police Montebello Police Department 1600 West Beverly Boulevard Montebello, California 90640 Fax: (213) 887-1317
To Contractor:	[INSERT INFO]

SECTION 20. MISCELLANEOUS PROVISIONS

A. Binding Nature: This Agreement shall not be binding upon the Parties until it is approved and executed by both Parties. This Agreement after properly approved and executed by the Parties, shall inure to the benefit of the City and the Contractor and shall be binding upon the City and the Contractor and their respective successors and

assigns, subject to the limitations set forth in Paragraph (D) of Section, "Prohibition Against Assignment," and elsewhere in this Agreement.

B. Invalidity and Severability: In the event that any provision of this Agreement shall be deemed null and void, the validity of the remaining provisions of this Agreement shall not in any way be affected thereby.

C. Terminology and Definitions: All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural and the plural shall include the singular.

D. Prohibition Against Assignment: It is hereby agreed by the Parties that there will be no assignment or transfer of this Agreement or any interest in this Agreement without the written agreement of both Parties, which may be withheld for any reason or for no reason whatsoever.

E. Jurisdiction: Any and all suits for any and every breach of this Agreement shall be instituted and maintained in any court of competent jurisdiction in the County of Los Angeles, State of California.

F. Attorney's Fees: In the event that either Party to this Agreement commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing Party in any such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees, expert expenses, and court costs.

G. Law of California: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

H. Entire Agreement: Except as provided in Paragraph (B) of Section 18, "Service Agreement," this Agreement incorporates all the agreements, covenants, and understanding between the parties hereto, concerning the subject matter hereof, and all such covenants, agreements and understanding have been merged into this written Agreement. No other prior agreement or understandings, verbal or otherwise, of the Parties or their agents shall be valid or enforceable unless embodied in this Agreement.

I. Amendment: No changes to this Agreement shall be made except upon written agreement of both Parties.

J. Headings: The headings used herein are for convenience of reference only and shall not constitute a part hereof or effect the construction or interpretation of this Agreement.

K. Waiver: No failure on the Party of any Party to exercise, and no delay in exercising, and no course of dealing with respect to any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other

or further exercise thereof or in the exercise or any other right. The remedies provided in this Agreement are cumulative and non-exclusive of any remedies provided by law or in equity, except as expressly set forth herein.

L. Counterparts: This Agreement may be executed in any number of, and by the different Parties hereto, on separate counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

M. Survival: The Parties' obligations under Paragraph (C) of Section 7 (Liability of City); Paragraph (E) of Section 12 (Maintenance of Records); and Section 15 (Indemnification and Insurance) will survive the Termination and Expiration, of this Agreement.

Commented [LK5]: Comment: New section.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed and entered into this Agreement as of the date first set forth above.

CITY OF MONTEBELLO
"CITY"
BY: _____
Jack Hadjinian, Mayor

DATE: _____

ATTEST:

BY: _____
Irma Barajas, City Clerk

APPROVED AS TO FORM:

BY: _____
Arnold M. Alvarez-Glasman,
City Attorney

[INSERT NAME]
"CONTRACTOR"
BY: _____

_____
Name, Title

DATE: _____

ATTACHMENT 3

AGREEMENT NO. _____
PROFESSIONAL SERVICE AGREEMENT BETWEEN
THE CITY OF MONTEBELLO AND _____ FOR JAIL SERVICES
(RFP NO. 19-55)

This Professional Services Agreement for Jail Services ("Agreement") is dated as of _____ 2019 ("Effective Date"), entered by and between the City of Montebello, California municipal corporation (the "City') and _____ (the "Contractor"). The City and the Contractor are sometimes referred to herein individually as the "Party," and jointly as the "Parties."

RECITALS

WHEREAS, the City owns existing jail and detention facilities which houses and cares for prisoners and/or inmates; and

WHEREAS, on _____ 2019, the City issued Request for Proposal No. 19-XX ("RFP No. 19-XX") for Jail Services and Contractor was selected from among the proposals received by the City; and

WHEREAS, the Contractor provides correctional and detention services to local, state, and federal law enforcement agencies throughout the country and Contractor represents that it has the degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and preform the services contemplated herein; and

WHEREAS, the City proposes to utilize the services of the Contractor as an independent contractor whereby the Contractor will provide to the City professional, uniformed jail custodial personnel to operate the City's jail and detention facilities (the "Project") further described in RFP No. 19-XX attached herein as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties desire to set forth their rights, duties and liabilities in connection with the services to be performed hereto as follows:

AGREEMENT

SECTION 1. DEFINITIONS

In addition to those terms specifically defined elsewhere in this Agreement, the following terms shall have the meanings set forth in this Section:

SAMPLE

A. "ACA" shall mean the American Correctional Association, whose headquarters are presently located at 206 North Washington Street, Suite 200, Alexandria, Virginia 22314, or its designated successor.

B. "ACA Standards" shall mean the Standards for Adult Local Detention Facilities (Fourth Edition, 2004, as heretofore supplemented and as same may be modified, amended, supplemented, or supplanted in the future) published by ACA.

C. "Assigning Agency" shall mean any federal, state or local agency which may lawfully assign an Inmate to the Jail and which has executed an Intergovernmental Service Agreement.

D. "Board" shall mean the State of California Board of Corrections.

E. "Board Standards" shall mean the California Department of Corrections and Rehabilitation Adult Institutions, Programs, and Parole Operations Manual (dated July 1, 2012, as heretofore supplementation and as same may be modified, amended, supplemented, or supplanted in the future) published by the California Department of Corrections and Rehabilitation.

F. "Certification Date" shall mean the date upon which the Jail is certified by the Board to receive Inmates.

G. "Chief of Police" shall mean the Chief of Police of the City Montebello.

H. "City's Facility Representative" shall mean and refer to the Chief of Police or his authorized designee, who shall serve as the official liaison between the City and the Contractor on all matters pertaining to the operation and management of the Jail.

I. "Custody Criteria" shall mean those criteria used to determine an Inmate's Custody Level and shall normally include, to the extent known to the Contractor, the Inmate's offense history, present offense, escape history, history of violence, drug use or addiction, alcohol use or addiction, psychological status, and present behavior.

J. "Custody Level" shall mean a custody designation of either Minimum Custody or Medium Custody which describes appropriate and adequate supervision and housing assignments commensurate with the on-going needs and requirements of the Inmate during his incarceration, as based on the Custody Criteria.

K. "Day" shall mean a twenty-four (24) hour time period beginning with twelve o'clock midnight and ending twenty-four (24) hours later.

L. "Department" shall mean the State of California Department of Corrections.

SAMPLE

M. "Facility Revenue" shall mean all income or other receipts as described in Section 11.

N. "Fiscal Year" shall mean the City's fiscal year commencing on July 1st, and ending as of June 30th, the following year.

O. “Fixed Annual Fee" shall, except as expressly provided otherwise herein, be the sole and exclusive compensation due Contractor for providing services to the City under this Agreement, as such Fixed Annual Fee is further described in Section 6, “Compensation."

P. "For cause" shall mean a material failure by either Party to meet the provision of this Agreement, or the failure of the Contractor to meet the applicable Minimum Standards.

Q. "Force Majeure" shall mean the failure of performance of any of the terms and conditions of this Agreement resulting-from acts of God.

R. "Inmate" shall mean any arrestee who is to be lawfully held at the Jail by the City or pursuant to an Intergovernmental Service Agreement, and who is classified as Minimum Custody or Medium Custody.

S. "Intergovernmental Service Agreement" shall mean an agreement between the City and any Assigning Agency whereby the City and the Assigning Agency agree to the terms and conditions whereby the Assigning Agency's Inmates shall be booked and held in custody at the Jail.

T. "Jail" shall mean the facility located in the Montebello Police Department Building which houses Inmates.

U. "Medium Custody" shall mean that Custody Level appropriate to an Inmate who is classified as eligible to be assigned to the Jail but who is not eligible to be assigned to the least secure housing in the Jail and may not work outside of the Jail's area.

V. "Minimum Custody" shall mean that Custody Level appropriate to an Inmate who is classified as eligible to be assigned to the Jail and is eligible to be assigned to the least secure housing in the Jail, but may work outside of the Jail's area.

W. "Minimum Standards" shall mean the applicable federal, state, and City requirements, laws, and statutes, applicable court orders, Board Standards, and ACA Standards, whether now in effect or hereafter effected or implemented, as applicable to the operation, maintenance, and management of the Jail. Where a conflict exists between any such requirements, laws, statutes, and applicable court orders, Board and ACA Standards, the more stringent requirements shall apply.

X. "On-Duty Watch Commander" shall mean and refer to the representative of the Montebello Police Department that oversees the operation of the Jail at any given time.

SAMPLE

Y. "Perishables" shall mean those items that are easily destroyed or spoiled.

Z. "Police Department Building" shall mean the Montebello Police Department building located at 1600 West Beverly Boulevard, Montebello, CA 90640, in which the Jail is located.

AA. "Service Commencement Date" shall mean the date upon which the Contractor commences the provision of operational and management services for the Jail under the terms of this Agreement.

SECTION 2. RECITALS

The above-referenced Recitals constitute a material part hereof, and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of preference, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

A. This Agreement, including any and all addenda or supplemental agreements.

B. RFP No. 19-XX.

C. CONTRACTOR's Response to RFP No. 19-XX dated _____ 2019.

D. All other documents, including but not limited to all required bonds, insurance, certificates, permits, notices, schedules, forms, certifications, and affidavits and also including any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

These documents shall be collectively referred herein as the "Contract Documents". In the event of a conflict among the Contract Documents, the order of precedence shall be as set forth above.

SECTION 3. TERM OF THE AGREEMENT

A. Initial Term. The "Initial Term" of this Agreement for the operation and management of the Jail shall be for the three (3) years commencing on the Effective Date, and terminating on a date exactly three (3) thereafter.

B. Renewal Option(s). Following the Initial Term, this Agreement shall be automatically extended for two (2) additional -two (2) year terms (each a "Renewal Term").

C. Cancellation. The City may cancel this Agreement at any time as provided in Section 14, "Default and Termination."

SAMPLE

SECTION 4. GRANT OF OPERATING RIGHTS

The City hereby grants to the Contractor the sole and exclusive right to operate the Jail for the Term of this Agreement (as defined in Section 3 above), and Contractor agrees to provide all labor, equipment, and materials necessary for Contractor to perform operations at the Jail for the Term hereof in accordance with the terms and conditions herein specified.

SECTION 5. SCOPE OF WORK.

A. General Duties and Obligations; Standards: Contractor shall provide the services necessary to operate, maintain, and manage the Jail in compliance with the applicable Minimum Standards.

B. Field Policies and Operations Manual:

1. The Contractor shall develop a written comprehensive "Field Policies and Operations Manual" ("Operations Manual") covering all aspects of Jail operations, and specifically including but not limited to the procedures that will be utilized to facilitate monitoring of the Jail. The Contractor shall submit the Operations Manual to City's Facility Representative for approval thirty (30) calendar days following the Effective Date. Upon receipt of the Operations Manual, the City's Facility Representative will notify the Contractor in writing, within ten (10) calendar days, of the City's approval or required changes. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within five (5) calendar days. Once the Operations Manual has received final approval from the City's Facilities Representative, any and all subsequent proposed additions, deletions, or modifications to such Operations Manual must be approved in writing by the City's Facilities Representative prior to implementation.

2. On or before each year anniversary of the Effective Date throughout the Term of this Agreement, inclusive of any Renewal Term(s), the Contractor shall submit proposed updates and revisions to the Operations Manual to the City's Facility Representative for consideration ("Annual Update(s)"). Such Annual Update(s) shall take into consideration any changes and/or developments in the Minimum Standards applicable to the Jail and Contractor's operation and maintenance thereof, and incorporate the same into the Operations Manual. Upon receipt of an Annual Update, the City's Facility Representative will notify the Contractor in writing, within ten (10) calendar days, of the City's approval or required changes thereto. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within five (5) calendar days. Annual Update(s) shall be incorporated into the Operations Manual and implemented by the Contractor upon final approval by the City's Facility Representative.

SAMPLE

3. The cost of the preparation of the Operations Manual and Annual Update(s) shall be borne by the Contractor and included in the Fixed Annual Fee, unless such are provided to and materially utilized by a subsequent private operator of the Jail, in which case Contractor shall be reimbursed for the reasonable expenses incurred in preparing the same.

4. The Contractor shall be responsible for ensuring its employees and personnel are trained and familiar with the contents the Operations Manual, and that such comply with the terms of the Operations Manual in the operation and maintenance of the Jail.

C. Use of Force Manual:

1. In addition to the Operations Manual described in Paragraph (B) of this Section, the Contractor shall develop and maintain a use of force policy ("Use of Force Manual"). The Contractor shall submit the Use of Force Manual to City's Facility Representative for approval thirty (30) calendar days following the Effective Date. Upon receipt of the Use of Force Manual, City's Facility Representative will notify the Contractor in writing, within ten (10) calendar days, of the City's approval or required changes. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within twenty (20) calendar days. Once the Use of Force Manual has received final approval from the City's Facilities Representative, any and all subsequent proposed additions, deletions, or modifications to such Use of Force Manual must be approved in writing by the City's Facilities Representative prior to implementation.

2. On or before each year anniversary of the Effective Date throughout the Term of this Agreement, inclusive of any Renewal Term(s), the Contractor shall submit proposed updates and revisions to the Use of Force Manual to the City's Facility Representative for consideration ("Annual Update(s)"). Such Annual Update(s) shall take into consideration and changes and/or developments in the Minimum Standards applicable to the Jail and the conduct of Contractor's personnel, and incorporate the same into the Use of Force Manual. Upon receipt of an Annual Update, the City's Facility Representative will notify the Contractor in writing, within thirty (30) calendar days, of City's approval or required changes thereto. Upon receipt of any required changes, the Contractor shall submit completed corrections to the City's Facilities Representative, in writing, within twenty (20) calendar days. Annual Update(s) shall be incorporated into the Use of Force Manual and implemented by the Contractor upon final approval by the City's Facility Representative.

3. The cost of the preparation of the Use of Force Manual and Annual Update(s) thereto borne by the Contractor and included in the Fixed Annual Fee, unless such are provided to and materially utilized by a subsequent private operator of the Jail, in

SAMPLE

which case the Contractor shall be reimbursed for the reasonable expenses incurred in preparing the same.

4. The Contractor shall be responsible for ensuring its personnel are trained and familiar with the contents the Use of Force Manual, and that such personnel comply with its terms in the operation of the Jail.

D. Specified Duties and Obligations: In general, the Contractor's duties and obligations under this Agreement shall include, but are not limited to, the performance of the services set forth below in accordance with the applicable Minimum Standards.

1. **Intake and Release Processing**: The Contractor shall provide intake and release processing which shall include: review of Inmate's documents, Inmate search as permitted by law, inventory and storage of Inmate's personal property and funds, entry of Inmate data into Contractor's data processing system, acceptance of Inmate custody, generation of intake and release documents and records, photographing and fingerprinting of Inmate, initiation of Inmate health and well-being screening, classification and housing assignment of Inmate, review of court release documents, return of Inmate personal property and funds upon release, completion of internal release documentation and ascertainment of Inmate identification confirmation prior to release, transportation as described in this Agreement, and any and all such other duties as may be required by applicable Minimum Standards, statute, or rule.

2. **Staffing**: The Contactor shall staff and operate the Jail in compliance with the applicable Minimum Standards. At a minimum, the Contractor shall staff the Jail as follows:

a. Jail Administrator: The Contractor shall provide one (1) Jail Administrator for the Jail during standard Jail business hours (8:00 a.m. to 5:00 p.m.), Monday through Friday (hereinafter "Standard Business Hours"), and provide additional staff if needed to cover in the absence of Jail administrator during holiday's .

b. Jail Officer: The Contractor shall provide at least one (1) Jail Officer for the Jail at all times.

c. Additional Jail Officer: The Contractor shall provide at least one (1) additional Jail Administrator and/or Jail Officer for the Jail, in addition to the Contractor staff set forth in subsections (a) and (b) immediately above, for at least eight (8) hours per day during "Peak Times." Peak Times shall be each Thursday, Friday, and Saturday evening.

d. Additional Billable Hours: The City's Facility Representative may request the Contractor provide additional staffing then that set forth in subsections (a)

SAMPLE

through (c) immediately above, at the rate of ($_____) per hour per staff member. Such Additional Billable Hours shall be subject to prior written authorization from the City's Facility Representative. Except as expressly set forth herein pertaining to Additional Billable Hours, the City shall not be liable or responsible for the payment of any overtime that is not approved in advance by the City's Facility Representative.

3. **Food Service**: The Contractor shall provide food service for all Inmates in compliance with the applicable Minimum Standards.

4. **Health Services:** The Contractor will not provide health services in the facility. Any medical concerns will be directed to the On-Duty Watch Commander for the Police Department to make determination as to necessary medical treatment.

5. **Laundry and Inmate Clothing:** The Contractor shall provide Inmate laundry services and Inmate clothing in compliance with the applicable Minimum Standards. The Contractor shall maintain said clothing in a clean and sanitary condition.

6. **Transportation:** (i) Except as otherwise expressly provided herein, the Contractor shall provide transportation services for Inmates in the Jail to arraignment and to Los Angeles County jail facility(ies) in a vehicle provided by and owned by the City. The Contractor shall arrange to transport released Inmates·to a location providing adequate public transportation as directed by City. The Contractor shall not be required to provide transportation services for the purpose of Inmate transfer to state facilities, in-state prisoner retrieval, or extradition. In the event transportation runs fall outside Standard Business Hours, the City shall be required to either perform the transportation run or authorize the use of Additional Billable Hours, (ii) the City hereby allows the Contractor to utilize City-owned vehicle(s) and Contractor agrees to only utilize City-owned vehicles in connection with and in furtherance of the Contractor's transportation responsibilities outlined herein. The City agrees to ensure such vehicle(s) are properly maintained. The Contractor shall not be responsible for any physical damage caused to such vehicle(s) not caused by the Contractor.

7. **Telecommunications:** The City shall provide all telecommunications and data equipment adequate for the operation of the Jail. Such telecommunications and data equipment shall meet City's Police Department's requirements for booking Inmates into the Los Angeles County jail(s) as they may exist from time to time.

8. **Legal:** The Contractor shall provide the Jail Inmates with access to their legal counsel in accordance with the applicable Minimum Standards, and to the extent, if any, required by the applicable Minimum Standards, access to a law library.

SAMPLE

9. **Visitation:** The City shall provide all necessary furniture and equipment, and the Contractor shall provide all supervision necessary to implement a visitation program that meets the applicable Minimum Standards with respect to Inmate visitation.

10. **Essentials:** The Contractor shall provide all facility supplies, including hygiene items, clothing, office supplies, support items, and Inmate quarters, including but not limited to mattresses, pillows, sheets, and pillowcases necessary to meet the applicable Minimum Standards.

11. **Safety:** The Contractor shall operate and provide routine maintenance for the Jail in compliance with the applicable Minimum Standards relative to safety.

12. **Security:** The Contractor shall be responsible for providing security for all Inmates in accordance with the applicable Minimum Standards while they are inside the Jail and when they are being transported by the Contractor. While any Inmate is in the custody of City, an Assigning Agency, the Sheriff, other custodial entity, or a bailiff, the Contractor shall not be responsible for providing security for such Inmate, and such security shall be the responsibility of such custodial entity or officer.

13. **Disciplinary Rules and Regulations:** The Contractor shall impose discipline through rules, regulations, and orders pursuant to a disciplinary system meeting or exceeding the applicable Minimum Standards.

14. **Records:** The Contractor shall generate and maintain all Inmate records in accordance with established procedures of the applicable Judicial Council and the applicable Minimum Standards. The Contractor shall make available for examination by the City all data and records with respect to matters covered by this Agreement and shall permit the City to audit, examine and make excerpts or transcripts from such data and records, and to make audits of all invoices, materials, payrolls, personnel records and other data relating to all matters covered by the agreement. The Contractor shall maintain such data and records in an accessible location for a period of three (3) years following termination of this Agreement.

15. **Vehicle Maintenance/Insurance/Operation:** The City shall be responsible for procuring, insuring, and maintaining all City-owned vehicles used by the Contractor. All Contractor staff using any vehicle in connection with the services provided under this Agreement shall have a valid California Driver's License, which shall be available for inspection by the City.

16. **Uniforms:** The Contractor shall establish a policy prescribing a standard uniform for its corrections officers including shirts, pants, belts, jackets, and associated uniform articles of clothing that are normally and routinely issued to corrections officers. The Contractor shall provide such uniform items to the corrections officers either directly

SAMPLE

or through a uniform allowance. The City shall give its approval before final uniform type/color is approved.

E. Investigations/Allegations of Misconduct

1. **Notification of Allegations of Misconduct:** The Contractor shall immediately notify the On-Duty Watch Commander and City's Facility Representative concerning all allegations of misconduct occurring at the Jail, specifically including but not limited to allegations concerning sexual abuse, sexual harassment, and use of force.

2. **City Participation in Sexual Misconduct Investigations:** The Contractor shall conduct and be responsible for investigations into and/or incident reviews concerning allegations of sexual misconduct and/or abuse occurring at the Jail involving the Contractor's personnel. The City's Facility Representative shall have the right to participate and be included in any such investigations and/or reviews, and the Contractor shall keep the City's Facility Representative informed as to the status of any such investigations and/or reviews. The Contractor shall develop, maintain, and follow specific procedures for completing investigations into allegations of such misconduct occurring at the Jail, and shall provide the City's Facility Representative with a copy of such procedures. Such procedures shall be subject to review by the City. The City shall have the exclusive right to delegate and/or determine which investigative agency will handle criminal investigations involving allegations of sexual misconduct and/or abuse occurring at the Jail.

3. **Use of Force Investigations:** The Contractor shall conduct and be responsible for investigations into and/or incident reviews concerning use of force incidents occurring at the Jail involving the Contractor's personnel. The Contractor shall keep the City's Facility Representative informed as to the status of any such investigations and/or reviews. The Contractor shall develop, maintain, and follow specific procedures for completing investigations into allegations of such misconduct occurring at the Jail, and shall provide City's Facility Representative with a copy of such procedures. Such procedures shall be subject to review by the City.

4. **Medical Expenses:** The Contractor shall be liable and responsible for paying (including by way of indemnifying the City) for any and all Inmate injuries and/or medical expenses arising out of use of force incidents involving the Contractor's personnel.

SECTION 6. COMPENSATION

In consideration for all services provided and obligations undertaken by the Contractor pursuant to this Agreement, the City shall pay the Contractor on a monthly basis, within thirty (30) days receipt of invoice, as follows:

SAMPLE

A. For each twelve (12) month period during the Term of this Agreement, the City shall pay the Contractor a Fixed Annual Fee of $_____ as consideration for the services provided by the Contractor to the City hereunder.

B. Payment of the Fixed Annual Fee shall be made by the City to the Contractor in equal monthly installments of $_____ each, due on or before the fifth (5th) day of each month during the Term of this Agreement.

C. Except as expressly provided otherwise in this Agreement, the Fixed Annual Fee shall be the sole compensation due to the Contractor by the City under this Agreement. The Parties agree that the Fixed Annual Fee shall be subject to a percentage increase equal to the average Consumer Price Index for the Los Angeles County region for the preceding fiscal year on each anniversary date of the Agreement, including any renewal periods, provided that the annual increase shall not exceed three percent (3%) in any given year.

SECTION 7. RIGHT OF ENTRY

A. City's Right of Entry: The Contractor hereby agrees that representatives of the City, as designated by the Chief of Police, shall, at all times, have the right to enter all areas and facilities pertaining to the Jail and inspect them to determine compliance with each and every term and condition of this Agreement, and specifically including but not limited to the applicable Minimum Standards. Where practical, as determined in the sole and absolute discretion of the City, this right of entry shall be exercised with advance notice to the Contractor to avoid adverse impacts to security.

B. Locks and Keys: In order to perform its obligations under this Agreement, Contractor shall at all times receive from City and have the right to retain and use keys to all gate and fence locks upon and about the Jail. The City shall have the right to use such keys and any and all other means which the City may, in its sole and absolute discretion, reasonably deem proper to open any lock upon or about the Jail in order to obtain entry in an emergency.

C. Liability of City: The City shall have no liability to the Contractor for any exercise of City's rights under this Section 5, "Right of Entry," except for: (a) City's failure to exercise due care for the Contractor's property; (b) City's damage to facilities which the Contractor is otherwise required to maintain or repair under this Agreement; or (c) City's failure to exercise due care for the security, care, and custody of Inmates under the Contractor's supervision. Except as provided in this Paragraph (C) of this Section 5, "Liability of City," the Contractor hereby expressly waives any claims for damages against the City for any injury or inconvenience to the Contractor or interference with the Contractor's business, or any loss occasioned thereby.

SECTION 8. UTILITIES AND MAINTENANCE

SAMPLE

A. Specified Duties and Obligations: The Parties' respective duties and obligations with respect to utilities and maintenance are as set forth below.

1. **Utilities**: The City shall be responsible for the provision of all utilities except as provided in Paragraph (A)(2) of this Section 8, "Telephone Services."

2. **Telephone Services**: The City shall be responsible for the provision of and payment for all pay telephone services at the Jail. The City shall be responsible for the provision of and payment for in-house telephone services. However, calls made by the Contractor and its employees which are personal or corporate in nature shall be placed through pay telephones or billed to personal or corporate credit cards at the sole and exclusive expense of the Contractor and its employees.

B. Maintenance: The Contractor will be responsible for maintaining the cleanliness of the facility at all times and notify the On-Duty Watch Commander of any damages or repairs needed.

a. **Damage to Jail**: Promptly after the occurrence of any damage to or loss of the Jail that materially affects the continued operation of the Jail, the Parties shall notify each other of such loss or damage. As soon as practicable and desirable thereafter, the City shall determine whether to rebuild, repair or restore such damage or loss to the Jail, or else to terminate this Agreement as provided in Paragraph (F) of Section 14, "Termination for Damage." If the City determines not to rebuild, repair or restore the Jail, then this Agreement shall terminate with respect to the Jail thirty (30) days after notice of such determination.

SECTION 9. EMPLOYEES

A. Background Investigation, Orientation and Training: The Contractor's duties and obligations with respect to background investigations, orientation and training are set forth below.

1. **Background Investigation**: A background and psychological evaluation investigation shall be made by the Contractor of the Jail manager, supervisor, and all prospective employees prior to being hired by the Contractor for assignment to the Jail, the results of which investigation shall be made available to the City. The Contractor shall maintain two (2) completed fingerprint cards on each employee on file for each employee. Contactor shall also provide background investigation reports on any Jail employee when requested by the City.

2. **Orientation and Training**: The Contractor shall provide an orientation program for all employees as well as initial and recurring training in compliance with the applicable Minimum Standards. Upon request by the City, the Contractor shall

SAMPLE

provide records evidencing compliance with the orientation and recurring training requirements set forth in this section for each and every Contractor employee. All training shall be conducted as close to the Jail as possible. Any and all costs of training, including necessary indirect costs (i.e. transportation, housing, and meals) shall be the responsibility of the Contractor.

3. **Court Appearances**: The Contractor shall pay all costs associated with court appearances made by the Contractor-employees arising out of services provided under this Agreement.

SECTION 10. CITY'S RESPONSIBILITIES

A. Cooperation: The City shall cooperate with the Contractor in all matters of law enforcement, security and communication.

B. Training: The City shall assist the Contractor in the initial orientation training of Contractor's employees to operate the Jail. All other training shall be the responsibility of the Contractor.

C. Information: The City's Police Department shall assist and cooperate with the Contractor in providing information requested and needed by the Contractor in the screening of candidates for employment to the extent legally permitted. No liability shall attach to the City for such assistance, however, and the Contractor agrees to fully indemnify and hold harmless the City for providing such assistance.

D. City Policies and Applicable Court Orders: The City shall provide the Contractor with copies of all the City's policies applicable to the City's booking and custodial procedures and with any applicable court orders.

E. Utilization: The City and the Contractor agree that it shall be to their mutual benefit and interest that the Jail be fully utilized by maintaining the maximum Inmate population. To this end, and throughout the term of this Agreement, the City and the Contractor agree to use their best efforts to ensure that such Inmate population is obtained from Assigning Agencies.

F. Booking Supplies: The City shall provide required booking supplies.

G. Transportation Vehicle(s): The City shall provide a City-owned vehicle{s) necessary for the Contractor to complete its transportation responsibilities under this Agreement.

SECTION 11. FACILITY REVENUE

Facility Revenue is revenue due to or received by the City or the Contractor from any source whatsoever which results from Jail operations, including, without limitation, payments received

SAMPLE

for Inmate housing, self-pay, detention, transportation, payphone usage, and canteen services, and telephone services.

SECTION 12. JAIL FUND

A. Administration: All Facility Revenue shall be deposited into the Jail fund (the "Fund"). The Fund shall be administered by the City and signatories designated by the City shall be the only authorized signatories for disbursement of monies from the Fund. Neither the City nor the Contractor shall be obligated to contribute any monies to the Fund except as provided in Paragraph (E) of Section 14, "Termination for Convenience," or as they may subsequently agree in an amendment to this Agreement.

B. Accounting: Facility Revenue will be collected by the City.

C. Billing and Collections: If the Contractor receives any Facility Revenue, the Contractor shall immediately transmit the same to the City.

D. Audit: The City shall have the right to examine all books, documents, and records maintained by the Contractor related to management of the Jail pursuant to this Agreement.

E. Maintenance of Records: In order to enable the Parties to verify compliance with this Section, the Contractor shall keep and maintain any financial statements, records, bills, invoices, and the like in connection that come into Contractor's possession during performance of this Agreement. The Contactor shall retain such records as described in this Section 12(E) up to three (3) years after termination or expiration of this Agreement.

SECTION 13. INDEPENDENT CONTRACTOR; SUBCONTRACTS

A. Independent Contractor. The Contractor is associated with City only for the purposes and to the extent set forth in this Agreement, and with respect to its performance of the Services pursuant to this Agreement. The Contractor is and shall be an independent contractor and, subject to the terms of this Agreement, shall have the sole right to supervise, manage, operate, control and direct the performance of the details incident to its duties under this Agreement—subject to the applicable Minimum Standards. Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture, to create the relationships of an employer-employee or principal-agent or to otherwise create any liability whatsoever for either Party with respect to the indebtedness, liabilities, and obligations of the other Party. The Contractor shall be solely responsible for (and the City shall have no obligation with respect to) payment of all Federal Income, FICA, and other taxes owed or claimed to be owed by the Contractor, arising out of Contractor's association with the City pursuant to this Agreement, and the Contractor shall indemnify and hold City harmless from and against,

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and shall defend City against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses otherwise with respect to any such taxes.

B. Subcontracts: The Contractor may subcontract for the performance of any of its responsibilities under this Agreement; provided, however, that no subcontract is valued at more than $5,000 per year, except for food services, or requiring more than $5,000 in payments by Contractor to any subcontractor in any twelve (12) month period, may be entered into without the prior written approval of the City's Facility Representative, which approval or disapproval shall be given within five (5) working days. No contractual relationship shall exist between the City and any subcontractor and the City shall accept no responsibility whatsoever for the conduct, actions, or omissions of any subcontractor selected by the Contractor. The Contractor shall be responsible for the management of the subcontractors in the performance of their work; it being understood that the Contractor's responsibilities hereunder shall be considered non-delegable.

C. The City reserves the right to require the Contractor to exclude any employee or subcontractor of the Contractor from performing services on the City's premises. The City also reserves the right to remove any employee or subcontractor of the Contractor from any City property, at any time, for any reason either with or without cause.

SECTION 14. DEFAULT AND TERMINATION

A. Notice of Deficiency: In the event the City determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities in conformance to the specifications identified in this Agreement, the City shall notify the Contractor of the specific nature of the deficiency. Upon receipt of such notice, the Contractor will be allowed twenty (20) calendar days to cure the deficiency. If the Contractor determines it cannot cure the deficiency within the twenty (20) calendar day period, the Contractor must submit, in writing, a plan for curing the deficiency to the City, which plan shall show in detail by what means the Contractor proposes to cure the deficiency. Upon receipt of any such plan, the City shall promptly review such plan and, at its sole and absolute discretion, may allow or not allow the Contractor to pursue such plan of cure. The City agrees that it will not exercise its remedies hereunder with respect to contract default for so long as the Contractor diligently, conscientiously, and timely undertakes to cure the deficiency in accordance with the approved plan. If the City does not allow the Contractor an extension of the cure period, the twenty-day (20-day) time period shall be suspended during the period of time the Contractor's request for an extension of the cure period is pending before the City.

B. Termination for Default. The City may terminate the Contractor's operations and management services whenever the City determines that the Contractor has failed to satisfactorily perform its contracted duties and responsibilities in conformance to the specifications identified in this Agreement, and is unable to remedy such failure in

SAMPLE

accordance with Paragraph (A) of this Section 14, "Notice of Deficiency." Such termination shall be referred to herein as "Termination for Default." This Agreement may then be Terminated for Default by the City upon service of ten (10) day's written notice to the Contractor.

1. **City's Costs**: In the event of Termination for Default, the City may procure, upon such terms and in such manner as the City may deem appropriate, supplies or services similar to those terminated. The Contractor shall be liable to the City for all reasonable administrative and legal costs incurred by the City in terminating this Agreement and procuring such similar services.

2. **Contractor Compensation Upon Default**: In the event of Termination for Default, the Contractor shall be entitled to recover only that portion of the Fixed Annual Fee attributable to services satisfactorily completed.

3. **Further Rights**: The rights and remedies of the Parties provided in this Paragraph (B) of this Section 14, "Termination for Default," shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

4. **Erroneous Termination**: If, after Notice of Termination for Default, it is determined by City or a court that the Contractor was not in default or that the Contractor's failure to perform or make progress in performance was due to causes beyond the control and without the error or negligence of the Contractor, the notice of termination shall be deemed to have been issued as a Termination for the Convenience of City and the rights and obligations of the parties shall be governed solely by Paragraph (E) of this Section 14, "Termination for Convenience."

C. Termination for Contractor Bankruptcy: In the event of the filing of a petition of bankruptcy by or against the Contractor, the City shall have the right to terminate the Agreement without penalty upon the same terms and conditions as a Termination for Default.

D. Termination for Unavailability of Funds: The City agrees to submit, if necessary, a request each year to the City Council of the City of Montebello requesting the amount of funds determined to be necessary to continue the services under this Agreement and any related agreements for the next Fiscal Year of the then current contract term. In the event that City funds for this Agreement become unavailable, the City shall have the right to terminate this Agreement without penalty and upon the same terms and conditions as a Termination for Convenience, pursuant to Paragraph (E) of this Section 14.

1. **Limitations on Funds**: The Contractor understands and agrees that state constitutional limitations and general law limitations on municipal authority preclude the City from incurring a financial obligation which exceeds the

SAMPLE

amount of funds presently available for commitment to such any obligation. Therefore, it is mutually agreed and understood that, at any time during the term of this Agreement, funds may not be available for the payment of additional services and other payments otherwise required under this Agreement. The City does, however, agree to use its best efforts to obtain funds throughout the term of this Agreement which funds may be committed to the obligations contained herein. In the event such funds are not allocated by the City Council to the payments required under this Agreement, the City will provide notice of its inability to continue to make payments under this contract at such time as the City becomes aware of the non-appropriation of funds. In the event of such unavailability of funds, if the City exercises its right to terminate this Agreement, the City shall not be responsible for damages or costs of any kind or nature incurred by the Contractor as a result of such termination.

2. **City's Sole Discretion**: Availability of funds will be determined at the sole and absolute discretion of the City.

E. Termination for Convenience: Either Party, by written notice of not less than one hundred twenty (120) days, may terminate this Agreement whenever, and for any reason or for no reason whatsoever. Such termination shall be referred to herein as "Termination for Convenience."

1. **Contractor Compensation Upon Termination for Convenience**: In the event of Termination for Convenience, the Contractor shall be entitled to recover that portion of the Fixed Annual Fee properly earned up to and the date of termination.

F. Termination for Damage: Either Party may terminate this Agreement as provided in Paragraph (B)(a) of Section 8, "Damage to Jail," by giving thirty (30) days' notice of its intention not to rebuild, repair or restore the affected premises. Such termination shall be referred to herein as "Termination for Damage."

1. **Contractor Compensation Upon Termination for Damage**: In the event of Termination for Damage, both Parties shall be entitled to recover the portion of the Fix Annual Fee properly earned up to the date of termination.

G. Procedures for Termination: Upon delivery to the Contractor of a Notice of Termination specifying the nature of the termination under Section 14(B), 14(C), 14(D), or 14(E), or upon delivery to either party of a Notice of Termination specifying a termination under Section 14(F), the extent to which performance of work under the Agreement is terminated, and the date upon which such termination becomes effective, the Contractor shall:

SAMPLE

1. **Stop Work**: Stop work under this Agreement on the date and to the extent specified in the Notice of Termination.

2. **Cease Orders**: Place no further orders for materials or services except as may be necessary for completion of such portion of the work under the Agreement as is not terminated.

3. **Terminate Orders**: Terminate all orders to the extent that they relate to the performance or work terminated by the Notice of Termination.

4. **Assign Rights**: Assign to the City in the manner and to the extent directed by the City's Facility Representative, all of the rights, title, and interest of the Contractor under the orders so terminated, in which case the City shall have the right, in its sole and absolute discretion, to settle or pay any or all claims arising out of the termination of such orders. The City shall indemnify the Contractor against third-party claims relating to any rights assigned to the City, but the City shall be deemed assigned any such third-party claims and may enforce them against the Contractor directly or through offset against any interest or claims the Contractor may have against the City.

5. **Resolve Claims**: With the approval or ratification of the City's Facility Representative, settle all outstanding liabilities and all claims arising out of such termination of orders, the cost of which would be reimbursable in whole or in part, in accordance with the provisions stated in this Agreement.

6. **Transfer of Documents**: At the times, and to the extent directed by the City's Facility Representative, all files, and all computer software, data, manuals or documentation, in any form, that relate to Services performed by the Contractor under this Agreement shall be transferred to the City.

7. **Complete Performance**: Complete the performance of such part of the work as shall not have been terminated by the Notice of Termination.

8. **Take Necessary Actions**: Take such other action as may be necessary, or as the City's Facility Representative may reasonably direct, for the protection and preservation of the property related to this Agreement which is in the possession of the Contractor and in which the City has or may acquire an interest.

9. **Non-Delay**: The contractor shall proceed immediately with the performance of the above obligations notwithstanding any delay in determining or adjusting the amount of the Fixed Annual Fee due and payable under this Agreement.

SAMPLE

H. Pro-Rated Compensation Upon Termination: In the event this Agreement is terminated as provided under this Section, the amount of the Fixed Annual Fee due to the Contractor shall be prorated and calculated as of the effective date of termination, such that the Contractor is compensated for only that period of time in which the Contractor performed satisfactory services hereunder this Agreement.

SECTION 15. INDEMNIFICATION AND INSURANCE

A. Indemnification and Hold Harmless: The Contractor agrees to defend, indemnify, protect and hold the City and its agents, officers, employees, attorneys and volunteers, and any parties with whom the City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to Contractor's employees, agents or officers which arise from, or are connected with, or are caused or claimed to be caused by, the acts or omissions of the Contractor and its agents, officers or employees, in performing the work or services herein, and all expenses of investigating and defending against same; provided, however, that the Contractor's duty to indemnify and hold harmless shall not include any claims or liability arising from the negligent or willful misconduct of the City, its agents, officers or employees, or any parties with whom the City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities. The Contractor agrees to pay all reasonable attorney and court costs in determining said sole negligence or willful misconduct of the City, its agents, officers, employees, or any parties with whom the City has entered into an Intergovernmental Agency Agreement for the supply of detainees to the City's facilities. If it is determined that the City is more than fifty percent (50%) at fault, the City agrees to reimburse the Contractor for the costs incurred in determining the City's fault. The City shall be solely responsible to insure, or self-insure, all buildings and improvements without the right of subrogation.

B. City's Choice of Counsel: If the City is sued as a result of the alleged actions and conduct of the Contractor, the City will have the right to select legal counsel of its own choice to defend the interests of the City, and the reasonable costs and expenses for such legal counsel shall be paid by the Contractor on a quarterly basis as work is being performed by the legal counsel in defending the City.

C. Liability Insurance: Prior to the approval of this Agreement by the City, the Contractor shall procure and pay for, the following insurance written by companies approved by the State of California and acceptable to the City. The insurance shall be evidenced by delivery to the City certificates of insurance executed by the insurer or its authorized agent stating coverage, limits, expiration dates and compliance with all applicable required provisions. The Contractor shall obtain and maintain in full force and effect for the duration of this Agreement and any extension hereof, at the Contractor's sole expense, insurance coverage in the following type(s) and amounts:

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1. **Workers' Compensation** with California statutory limits; Employers Liability with minimum limits for bodily injury: a) by accident, one million dollars and 00/100 cents ($1,000,000) per each accident b) by disease, one million dollars and 00/100 cents ($1,000,000) per employee with a per policy aggregate of one million dollars and 00/100 cents ($1,000,0000. If any work is sublet, the Contractor shall require the subcontractor to provide similar Worker's Compensation Insurance coverage, unless such subcontractor's employees are covered by the Contractor's insurance. The Contractor agrees to indemnify the City for any damage resulting from any failure of either the Contractor or any subcontractor to take out or maintain such insurance.

2. **Business Automobile Liability Insurance** covering all owned, hired, and non-owned vehicles, used by the Contractor in connection with the worked performed under this Agreement, excluding the City owned vehicles which the City is required to insure, with a minimum combined bodily injury (including death) and property damage limit of ten million dollars and 00/100 cents ($10,000,000) per occurrence.

3. **Broad Form Commercial General Liability Insurance** including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Operators and Contractual Liability with minimum combined bodily injury (including death) and property damage limits of ten million dollars and 00/100 cents ($10,000,000) per occurrence and ten million dollars and 00/100 cents ($10,000,000) general aggregate. Coverage shall be written on an "occurrence form" and be specifically endorsed to include coverage for contractual liability (as respects this Agreement), medical professional liability and civil rights coverage. Civil Rights coverage shall be interpreted encompass violations alleged under 42 USC Section 1983. The City shall be named as an additional insured using endorsement CG2026 or broader.

D. Endorsements: All insurance policies shall contain a Waiver of Subrogation of rights against the City. The City, its officers, employees, attorneys, and volunteers shall be named as additional insureds on the policy(ies) as to comprehensive general liability, civil rights liability, and property damage coverages. Endorsements shall be executed on the City's appropriate standard forms entitled "Additional Insured Endorsement."

E. Clauses: As appropriate, the policies of insurance shall contain the following clauses:

1. **Notice**: Each policy shall provide that it shall not be cancelled nor the coverage reduced until thirty (30) days after the City's Facility Representative shall have received written notice of such cancellation or reduction. The notice shall be deemed effective on the date delivered to the City's Facility Representative as evidenced by properly validated return receipt.

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2. **Civil Rights Coverage**: Insurance provided by the Contractor under Paragraph (C) of this Section 15, "Liability Insurance," must protect the City against civil rights actions by Inmates involving "conditions of confinement" wherein declaratory and injunctive relief are sought and/or monetary damages are sought.

3. **Separate Application**: Subject to the Contractor's General Liability policy combined single limit, the insurance afforded applies separately to each insured, against whom claim is made, or suit is brought.

4. **Primary Insurance**: The insurance provided by the Contractor shall provide primary insurance to the City to the exclusion of any other insurance or insurance program that the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.

F. Reassessment of Coverage: At the end of each contract year during the term of this Agreement, the City reserves the right to review insurance coverage requirements and to require increased insurance requirements depending upon assessment of the risk of exposure, the Contractor's past experience, and the availability and affordability of increased liability insurance coverage.

G. Deductibles and Self-Insured Retention: Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention with respect to the City, its officers, officials, employees and volunteers; or the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

H. Certificates of Insurance and Cancellation: All insurance required by this Section shall be procured and maintained with financially sound insurance companies licensed to do business in the State of California and approved by the City. Such certificates of insurance shall contain a provision that the City shall receive written notice at least thirty (30) days prior to the cancellation of any of the coverage provided under the policies. In the event that any insurance described herein, or any portion thereof becomes commercially unavailable, the Contractor and City shall cooperate in efforts to obtain such replacement insurance as may be available and this Agreement shall be modified accordingly. In the event that adequate insurance becomes commercially unavailable, the City or the Contractor may terminate this Agreement upon thirty (30) days prior written notice as a Termination for Default, and the Contractor shall comply with Paragraph (G) of Section 14, "Procedures for Termination."

I. Waiver of Defenses: Neither the City nor the Contractor shall waive, release, or otherwise forfeit any possible defense the City or the Contractor may have regarding claims arising from or made in connection with, the operation of the Jail by the

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Contractor without the written consent of the other Party to this Agreement. The City and the Contractor shall preserve all such available defenses and cooperate with each other to make such defenses available for each other's benefit to the maximum extent allowed by law. This provision shall include any defenses the City may have regarding litigation, losses, and costs resulting from claims or litigation pending at the time this Agreement becomes effective or arising thereafter from occurrences prior to the effective date of this Agreement.

SECTION 16. CONTRACTOR'S CORPORATE OBLIGATIONS

A. Maintenance of Corporate Existence and Business: The Contractor shall, at all times, maintain its corporate existence and authority to transact business and good standing in its jurisdiction of incorporation and California. The Contractor shall maintain all licenses, permits, and franchises necessary for its businesses where the failure to so maintain might have material adverse effect on the Contractor's ability to perform its obligations under this Agreement.

B. Non-Discrimination: The Contractor shall not discriminate as to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation, in the performance of its services and duties pursuant to this Agreement, and will comply with any rules and regulations of the City relating thereto.

C. Taxes, Liens and Assessments: The Contractor shall; (i) not create or cause to be created any lien or charge upon the Jail or any part thereof; (ii) pay or cause to be discharged, within sixty (60) days after the same shall come into force, any lien or charge upon the Jail or any part thereof and all lawful claims or demand for labor, materials, supplies or other charges which, if unpaid, might be or become a lien upon the Police Department Building, the Jail, or any part thereof.

D. City's Facility Representative: The City's Facility Representative shall work for and be paid by City, and will be the official liaison between the City and the Contractor on all matters pertaining to this Agreement and the services provided hereunder. In the event the City's Facility Representative is other than the Chief of Police, the appointed City employee shall be deemed to be acting on the City's behalf and shall exercise all rights and perform all duties of the City's Facility Representative under this Agreement.

E. Right to Audit: The City shall, subject to limitations provided by law with respect to rights of privacy, have the right to examine all records of the Contractor related to the Jail, including without limitation, all financial books and records, maintenance records, employee records, and inmate records generated by the Contractor, its subcontractors or any other related parties in connection with performance of this Agreement. The

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Contractor shall make the same available for inspection by the City or the City's auditors at any time during normal business hours after reasonable notice during the term hereof and for a period of three (3) years thereafter.

F. Self-Monitoring: As part of the Operations Manual described in Section 5, the Contractor shall develop and submit to the City for its approval, a detailed plan illustrating how the Contractor intends to monitor operations of the Jail to ensure compliance with this Agreement.

G. Monitoring by City: The City may, in its sole and absolute discretion and in coordination with the City's Facility Representative, devise its own checklist or lists for monitoring the quality of the Contractor's performance of and compliance with this Agreement and the applicable Minimum Standards and Montebello Police Department Policies, and the Contractor shall cooperate fully with the City and City's Facility Representative in obtaining the requisite information needed to complete such checklists and to assess the quality of the Contractor's performance. Such monitoring by City shall not relieve the Contractor of any of its obligations under this Agreement.

SECTION 17. REPRESENTATIONS AND WARRANTIES

A. Representations of Contractor: The Contractor, to the best of Contractor's knowledge at the time of executing this Agreement, represents and warrants to and for the benefit of the City with the intent that the City will rely thereon for purposes of entering into this Agreement, as follows:

1. **Organization and Qualification**: The Contractor has been duly incorporated and is lawfully existing as a corporation in good standing under the laws of the State of California with power and authority to own its properties and conduct its business as presently conducted and as proposed to be conducted pursuant to this Agreement.

2. **Authorization**: This Agreement has been duly authorized, executed, and delivered by the Contractor and, assuming due execution and delivery by the City, constitutes a legal, valid, and binding agreement enforceable against the Contractor in accordance with its terms.

3. **No Violation of Agreements, Articles of Incorporation or Bylaws**: The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not conflict with, or result in a breach of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease, loan agreement, license, security agreement, contract, governmental license or permit, or other agreement or instrument to which the Contractor is a party or by which its properties are bound, or any order, rule, or regulation of any court or any regulatory body, administrative agency, or other

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governmental body applicable to the Contractor or any of its properties, except any such conflict, breach, or default which would not materially and adversely affect the Contractor's ability to perform 'its obligations under this Agreement, and will not conflict with, or result in a breach of any of the terms and provisions of, or constitute a default under, the Articles of Incorporation {or other corresponding charter document) or Bylaws of the Contractor.

4. **No Defaults Under Agreements**: The Contractor is not in default, nor is there any event in existence which, with notice or the passage·of time or both, would constitute a default by the Contractor, under any indenture, mortgage, deed of trust, lease, loan agreement, license, security agreement, contract, governmental license or permit, or other agreement or instrument to which it is a party or by which any of its properties are bound and which default would materially and adversely affect the Contractor's ability to perform its obligations under this Agreement.

5. **Compliance with Laws**: Neither the Contractor nor its officers and directors purporting to act on behalf of the Contractor have been advised, and have no reason to believe, that the Contractor or such officers and directors have not been conducting business in compliance with all applicable laws, rules and regulations of the jurisdictions in which the Contractor is conducting business including all safety laws and laws with respect to discrimination in hiring, promotion or pay of employees or other laws affecting employees generally, except where failure to be so in compliance would not materially and adversely affect the Contractor's ability to perform its Obligations under this Agreement.

6. **No Litigation**: There is not now pending or, to the knowledge of the Contractor, threatened, any action, suit, or proceeding to which the Contractor is a party, before or by any court or governmental agency or body, which might result in any material adverse change in the Contractor's ability to perform its obligations under this Agreement, or any such action, suit, or proceeding related to environmental or civil rights matters; and no labor disturbance by the employees of the Contractor exists or is imminent which might be expected to materially and adversely affect the Contractor's ability to perform its obligations under this Agreement.

7. **Taxes**: The Contractor has filed all necessary federal, state, and foreign income and franchise tax returns and has paid all taxes as shown to be due thereon, and the Contractor has no knowledge of any tax deficiency which has been or might be asserted against the Contractor which would materially and adversely affect the Contractor's ability to perform it obligations under this Agreement.

8. **Financial Statements**: The Contractor has delivered to the City true and correct copies of its financial statements or other financial records which fairly present the current financial position of the Contractor.

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9. **No Adverse Change**: Since the date of the Contractor's most recent financial records provided to the City, there has not been any material adverse change in the Contractor's business or condition, nor has there been any change in the assets or liabilities or financial condition of the Contractor from that reflected in such financial records, which is material to the Contractor's ability to perform its obligations under this Agreement.

10. **Disclosure**: There is no material fact which materially and adversely affects or in the future will (so far as the Contractor can now reasonably foresee) materially and adversely affect the Contractor's ability to perform its obligations under this Agreement which has not been accurately set forth in this Agreement or otherwise accurately disclosed in writing to the City by the Contractor preceding the date hereof.

B. Representations of City: The City represents and warrants to and for the benefit of the Contractor with the intent that the Contractor will rely thereon for purposes of entering into this Agreement as follows:

1. **Authorization**: The City has the requisite power to enter into this Agreement and perform its obligations hereunder and by proper action has duly authorized the execution, delivery, and performance hereof.

2. **No Violation of Agreement**: The consummation of the transactions contemplated by this Agreement and the fulfillment of the terms hereof will not conflict with, or result in a breach of any of their terms and provisions, or constitute a default under any indenture, mortgage, deed of trust, lease, loan agreement, security agreement, contract, or other agreement or instrument to which the City is a party or by which its properties are bound, or any order, rule or regulation or any court or any regulatory body, administrative agency or other governmental body applicable to the Contractor or any of its properties, except any such contract, breach, or default which would not materially and adversely affect the City's ability to perform its obligations under this Agreement.

3. **No Litigation**: There is not now pending, or to the knowledge of the City, threatened, any action, suit or proceeding to which the City is a party, before or by any court or governmental agency or body, which might result in any material adverse change in the City's ability to perform it obligations under this Agreement.

4. **Disclosure**: There is no material fact which materially and adversely affects or in the future will (so far as the City can now reasonably foresee) materially and adversely affect the City's ability to perform its obligations under this Agreement or which might require changes in or additions to the Contractor and Management Services that would increase the cost to the Contractor of providing such services,

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which has not been accurately set forth in this Agreement or otherwise accurately disclosed in writing to the Contractor by the City prior to the date hereof.

SECTION 18. CONDITIONS

A. Insurance: As a condition precedent to the effectiveness of this Agreement, the Contractor shall provide, to the City, endorsements of insurance, binders or other proof of insurance, acceptable to the City in its sole discretion, evidencing all insurance coverage required by Section 15, "Insurance."

B. Service Agreement: The Parties intend to concurrently enter into a service agreement, similar in form and substance to an Intergovernmental Service Agreement, setting forth the terms and conditions upon which the City's Inmates shall be booked and held in custody at the Jail. This Agreement shall be void and of no force or effect unless such a service agreement is concurrently approved and signed by City and the Contractor.

SECTION 19. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the Contractor's regular business hours or by facsimile before or during the Contractor's regular business hours; or (b) on the third (3rd) business day following deposit in the United States mail, postage prepaid, to the addresses heretofore set forth in the Agreement, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section.

To City: Chief of Police
Montebello Police Department
1600 West Beverly Boulevard
Montebello, California 90640
Fax: (213) 887-1317

To Contractor: [INSERT INFO]

SECTION 20. MISCELLANEOUS PROVISIONS

A. Binding Nature: This Agreement shall not be binding upon the Parties until it is approved and executed by both Parties. This Agreement after properly approved and executed by the Parties, shall inure to the benefit of the City and the Contractor and shall be binding upon the City and the Contractor and their respective successors and

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assigns, subject to the limitations set forth in Paragraph (D) of Section, "Prohibition Against Assignment," and elsewhere in this Agreement.

B. Invalidity and Severability: In the event that any provision of this Agreement shall be deemed null and void, the validity of the remaining provisions of this Agreement shall not in any way be affected thereby.

C. Terminology and Definitions: All personal pronouns used in this Agreement, whether used in the masculine, feminine, or neuter gender, shall include all other genders; the singular shall include the plural and the plural shall include the singular.

D. Prohibition Against Assignment: It is hereby agreed by the Parties that there will be no assignment or transfer of this Agreement or any interest in this Agreement without the written agreement of both Parties, which may be withheld for any reason or for no reason whatsoever.

E. Jurisdiction: Any and all suits for any and every breach of this Agreement shall be instituted and maintained in any court of competent jurisdiction in the County of Los Angeles, State of California.

F. Attorney's Fees: In the event that either Party to this Agreement commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing Party in any such action or proceeding shall be entitled to recover its costs of suit, including reasonable attorney's fees, expert expenses, and court costs.

G. Law of California: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

H. Entire Agreement: Except as provided in Paragraph (B) of Section 18, "Service Agreement," this Agreement incorporates all the agreements, covenants, and understanding between the parties hereto, concerning the subject matter hereof, and all such covenants, agreements and understanding have been merged into this written Agreement. No other prior agreement or understandings, verbal or otherwise, of the Parties or their agents shall be valid or enforceable unless embodied in this Agreement.

I. Amendment: No changes to this Agreement shall be made except upon written agreement of both Parties.

J. Headings: The headings used herein are for convenience of reference only and shall not constitute a part hereof or effect the construction or interpretation of this Agreement.

K. Waiver: No failure on the Party of any Party to exercise, and no delay in exercising, and no course of dealing with respect to any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other

SAMPLE

or further exercise thereof or in the exercise or any other right. The remedies provided in this Agreement are cumulative and non-exclusive of any remedies provided by law or in equity, except as expressly set forth herein.

L. Counterparts: This Agreement may be executed in any number of, and by the different Parties hereto, on separate counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute but one and the same instrument.

M. Survival: The Parties' obligations under Paragraph (C) of Section 7 (Liability of City); Paragraph (E) of Section 12 (Maintenance of Records); and Section 15 (Indemnification and Insurance) will survive the Termination and Expiration, of this Agreement.

[SIGNATURES ON NEXT PAGE]

SAMPLE

IN WITNESS WHEREOF, the Parties hereto have executed and entered into this Agreement as of the date first set forth above.

CITY OF MONTEBELLO
"CITY"
BY: _____
Jack Hadjinian, Mayor

DATE: _____

ATTEST:

BY: _____
Irma Barajas, City Clerk

APPROVED AS TO FORM:

BY: _____
Arnold M. Alvarez-Glasman,
City Attorney

[INSERT NAME]
"CONTRACTOR"
BY: _____

_____
Name, Title

DATE: _____

SAMPLE

ITEM #21

CITY OF MONTEBELLO

TO: Honorable Mayor and City Councilmembers

FROM: René Bobadilla, City Manager

BY: Irma Barajas, City Clerk

SUBJECT: Certification of Results of March 3, 2020 Special Municipal Election

Date: April 8, 2020

RECOMMENDATION:

It is recommended that the City Council:

- Move to adopt the attached Resolution reciting the facts of the Special Municipal Election held on March 3, 2020, declaring the results and such other matters as required by law.

SUMMARY:

Pursuant to Elections Code Section 15308 and City of Montebello Resolution No. 19-128, the City of Montebello City Clerk's Office has submitted the Official Canvass Certificate and the Official Statement of Votes cast by Precinct for the City of Montebello's Special Municipal Election held on March 3, 2020.

Pursuant to Elections Code Sections 10262 and 10264, the City Council is requested to adopt the attached Resolution reciting the results of the Special Municipal Election held on March, 3, 2020.

Attachment: 1) Resolution

ATTACHMENT 1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA RECITING THE FACT OF THE SPECIAL MUNICIPAL ELECTION HELD ON MARCH 3, 2020, DECLARING THE RESULTS AND SUCH OTHER MATTERS AS PROVIDED BY LAW

WHEREAS, a Special Municipal Election was held and conducted in the City of Montebello, California, on Tuesday, March 3, 2020, consolidated with the Presidential Primary conducted by the Los Angeles County Registrar/Recorder as required by law; and

WHEREAS, notice of the election was given in time, form and manner as provided by law; that voting precincts were properly established; that election officers were appointed by the Registrar of Voters of Los Angeles County; and that in all respects the election was held and conducted and the votes were cast, received and canvassed and the returns made and declared in time, form and manner as required by the provisions of the Elections Code of the State of California; and

WHEREAS, pursuant to this resolution, adopted April 8, 2020, the Los Angeles County Election Department canvassed the returns of the election and has certified the results to this City Council, the results are received, attached and made a part hereof as "Exhibit A."

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. That the whole number of ballots cast in the precinct and by vote by mail ballots cast was a total of 11,472 ballots cast (32,352 registered voters; 35.46% voter turnout).

Section 2. That Measure H voted upon at the election is as follows:

Montebello City and Public Safety Essential City Services Protection Measure. To maintain Montebello's long-term financial stability and public safety, including police/fire/911 emergency response; protect local drinking water sources; repair streets/potholes; keep public areas safe/clean; provide gang prevention, youth/afterschool, senior, other general services; shall an ordinance establishing a ¾ percent sales tax providing approximately $6,000,000 annually until ended by voters be adopted; requiring independent audits, public disclosure of spending, all funds benefitting Montebello residents?	**YES**
	NO

That of the 11,472 votes cast, 6499 votes, a majority of the voters, were cast in favor of Measure H, which indicates that the measure was carried, and Ordinance No. 2416 shall be deemed adopted and ratified;

Section 4. That the number of votes given at each precinct, including provisional and vote by mail ballots, for votes cast for Measure H, are as listed in "Exhibit B," attached;

Section 5. The City Clerk is authorized to certify and transmit to the necessary authorities of the State of California the results of Measure H and the adoption on Ordinance No. 2416 in order to implement the intent and purpose of Measure H; and

Section 9. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Montebello and the City Clerk, or her duly appointed assistant, is directed to attest thereto.

APPROVED AND ADOPTED this 8th day of April 2020.

_____
SALVADOR MELENDEZ
MAYOR

ATTEST:

_____
IRMA BARAJAS
CITY CLERK

APPROVED AS TO FORM:

_____
ARNOLD M. ALVAREZ-GLASMAN
CITY ATTORNEY

Attachments:
1) **Exhibit A – Certified Results**
2) **Exhibit B – Votes Cast by Community**

Los Angeles County Registrar-Recorder/County Clerk

Certificate of the Canvass of the Election Returns

I, DEAN C. LOGAN, Registrar-Recorder/County Clerk of the County of Los Angeles, State of California, do hereby certify that the attached is a full, true and correct Canvass of Election Returns for the PRESIDENTIAL PRIMARY ELECTION held on March 3, 2020. I further certify that I have completed the canvassing of all votes cast for all candidates for the following offices and all votes cast for and against the following measures:

PARTISAN CANDIDATES FOR THE DEMOCRATIC, REPUBLICAN, AMERICAN INDEPENDENT, GREEN, LIBERTARIAN, AND PEACE & FREEDOM PARTIES

Presidential Preference	
Members of the County Central Committee	
Democratic	36th, 38th, 39th, 41st, 43rd, 45th, 46th, 48th – 54th, 57th – 59th, 62nd – 64th, 66th and 70th Assembly Districts
Republican	38th, 54th, 66th and 70th Assembly Districts

VOTER-NOMINATED CANDIDATES

United States Representative	23rd, 25th – 30th, 32nd – 35th, 37th – 40th, 43rd, 44th and 47th Districts
State Senator	21st, 23rd, 25th, 27th, 29th, 33rd and 35th Districts
Member of the State Assembly	36th, 38th, 39th, 41st, 43rd – 46th, 48th – 55th, 57th – 59th, 62nd – 64th, 66th and 70th Districts

NONPARTISAN CANDIDATES

District Attorney	
Supervisor	2nd, 4th and 5th Districts
Judge of the Superior Court	17, 42, 72, 76, 80, 97, 129, 131, 141, 145, 150 and 162 (Office Nos.)

STATEWIDE MEASURE

13

COUNTYWIDE MEASURES

Los Angeles County Fire District – Measure FD

Los Angeles County Sheriff Civilian Oversight Commission Ordinance – Measure R

AUTHORITY

Local Public Schools Funding Authority – Measure SP

(Continued on next page)

GENERAL AND SPECIAL MUNICIPAL ELECTIONS

Alhambra City – Measure AL

Artesia City – Measures AA and BB

Avalon City (City Council), U/T 3/8/22, Mayor and Measures SS, E and F

Azusa City (City Council), Mayor and Measure Z

Bell City (City Council) and Measure TT

Beverly Hills City (City Council)

Calabasas City – Measure N

Cerritos City (City Council) and Measure C

Commerce City (City Council)

Covina City (City Council)

Culver City – Measure CC

Duarte City – Measure D

El Monte City – Measure PC

El Segundo City (City Council), City Clerk, Treasurer and Measure T

Gardena City (City Council) and Measure G

Glendale City (City Council) Regular and U/T 3/3/22, BOE, Trustee Areas A and E and BOT, Trustee Areas 1 and 5

Glendora City (City Council) District 2

Hawaiian Gardens City – Measure HG

Huntington Park City (City Council)

La Cañada Flintridge City (City Council)

La Mirada City (City Council) Districts 3, 4 and 5

La Verne (City Council), Mayor and Measure LV

Lakewood City (City Council) and Measure L

Long Beach City (City Council) Districts 2, 6 and 8 and Measures A and B

Los Angeles City (City Council) Districts 2, 4, 6, 8, 10, 12, and 14 and Board of Education, Districts 1, 3, 5 and 7

Monrovia City (City Council) and Mayor

Montebello City – Measure H

Monterey Park City (City Council) Districts 2, 3 and 4 and Measures GG, HH and II

Norwalk City (City Council) and Measure P

Paramount City (City Council) and Measure Y

Pasadena City (City Council) Districts 1, 2, 4 and 6 and Mayor

San Dimas City (City Council), Mayor and Measure SD

San Fernando City – Measure MJ

San Gabriel City (City Council) and Measure SG

South Gate City (City Council)

Torrance City (City Council) Districts 2, 4 and 6 and Measures J, Q, U and X

West Covina City – Measure WC

Whittier City (City Council) Districts 1 and 3, Mayor and Measure W

(Continued on next page)

SCHOOL DISTRICT ELECTIONS

Arcadia Unified School District Board of Education
Burbank Unified School District – Measure I
Compton Unified School District Governing Board Member, Trustee Areas C, D and F
Fullerton Joint Union High School District – Measure K
Garvey School District Governing Board Member
Keppel Union School District – Measure SF
La Cañada Unified School District – Measure LC
Las Virgenes Unified School District – Measure V
Lawndale Elementary School District – Measure EE
Long Beach Unified School District Governing Board Member, Districts 2 and 4
Lowell Joint School District – Measure O
Mountain View School District – Measure M
Palos Verdes Peninsula Unified School District – Measure PV
Pasadena Area Community College District, Governing Board Member, Trustee Areas 2 and 4
San Marino Unified School District – Measure S
Sulphur Springs Union School District – Measure US

SPECIAL DISTRICT ELECTION

Antelope Valley Healthcare District – Measure AV

I further certify that the total ballots cast in the County of Los Angeles is as follows:

VOTE AT POLLS BALLOTS CAST	VOTE BY MAIL BALLOTS CAST	TOTAL BALLOTS CAST
980,875	1,141,594	2,122,469

I further certify that, because an insufficient number of candidates filed for the following County Central Committee offices, the persons who did file as candidates should be declared elected pursuant to Sections 7228, 7423, and 7772.1 of the California Elections Code:

Democratic	**44th and 55th**	**Assembly Districts**
Republican	**36th, 39th, 41st, 43rd – 46th, 48th – 53rd, 55th, 57th – 59th and 62nd – 64th**	**Assembly Districts**
Peace & Freedom	**36th, 38th ,39th, 41st, 43rd – 46th, 48th – 55th, 57th – 59th, 62nd – 64th, 66th and 70th**	**Assembly Districts**
Green	**18th, (20th, 23rd & 25th), 21st, 22nd, 24th, 26th, 27th, (29th & 32nd), 30th, 33rd and (34th & 35th)**	**Senate Districts**

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 27th day of March, 2020.

DEAN C. LOGAN
Registrar-Recorder/County Clerk
County of Los Angeles

Exhibit B

JOB 2798 PRESIDENTIAL PRIMARY ELECTION TO BE HELD 03/03/20

CITY OF MONTEBELLO TOTAL PRECINCTS 17

	TOTAL	DEM	REP	AI	GRN	LIB	PF	NP	CROSS OVERS
REGISTRATION	32352	18337	4314	660	139	159	261	8482	
BALLOTS CAST	11472	7859	1592	149	30	40	17	852	933

REPORT IS BASED ON COMMUNITY AREAS AND NOT CITY BOUNDRIES.
VOTE CAST % 35.46

L A UNIFIED SCH-BOE 5
CHRISTINA M DURAN 4
JACKIE GOLDBERG 8

49TH ASSEMBLY DIST
VOTER NOMINATED
ED CHAU DEM 825
PRISCILLA SILVA DEM 169
B MESINAS PEREZ DEM 173
BURTON BRINK REP 280

58TH ASSEMBLY DIST
VOTER NOMINATED
MARGARET VILLA GRN 1660
CRISTINA GARCIA DEM 6859

38TH CONGRESS DIST
VOTER NOMINATED
LINDA T SANCHEZ DEM 7993
MICHAEL TOLAR DEM 1648

MONTEBELLO CY SPEC MUNI-H
YES 6499
NO 4220

DISTRICT ATTORNEY
RACHEL A ROSSI 2410
JACKIE LACEY 4246
GEORGE GASCON 3272

JUDGE-SUPERIOR COURT #17
SHANNON K COOLEY 8203

JUDGE-SUPERIOR COURT #42
LINDA L SUN 4172
ROBERT VILLA 5122

JUDGE-SUPERIOR COURT #72
MYANNA DELLINGER 3616
STEVE MORGAN 4068
ROBERT F JACOBS 1177

JUDGE-SUPERIOR COURT #76
EMILY COLE 7044
JUDGE MIKE CUMMINS 1745

JUDGE-SUPERIOR COURT #80
NICK C RINI 1790
KLINT JAMES MCKAY 3533
DAVID A BERGER 3331

JUDGE-SUPERIOR COURT #97
TIMOTHY D REUBEN 2379
SHERRY L POWELL 6400

JUDGE-SUPERIOR COURT #129
KENNETH M FULLER 6064
MARK MACCARLEY 1157
BRUCE A MOSS 1376

JUDGE-SUPERIOR COURT #131
MICHELLE KELLEY 8013

JUDGE-SUPERIOR COURT #141
LANA KIM 8044

JUDGE-SUPERIOR COURT #145
TROY SLATEN 2099
ADAN MONTALBAN 6651

JUDGE-SUPERIOR COURT #150
MANUEL A ALMADA 5832
SHERRI VALLE COLE 1506
TOM PARSEKIAN 1671

JUDGE-SUPERIOR COURT #162
CAREE A HARPER 1617
SCOTT ANDREW YANG 4612
DAVID D DIAMOND 2600

CCC 49TH ASSEMBLY - DEM DEM
A ANDRADE-STADLER 304
ROSHAN D AKULA 174
ROSEMARY RIEDY 132
MARCELLA CORTEZ 382
ALTON WANG 245
THOMAS WONG 284
JOHN KRAFT 155
JEFF SCHWARTZ 102
ALYSSE STEPANIAN 191
PHILIP MANTIONE 161
M M MICHELSON 274
PAUL COLE PADILLA 250
SASHA RENEE PEREZ 286

CCC 58TH ASSEMBLY - DEM DEM
TAMMY E ASHTON 1524
ARTURO CHACON SR 2314
B CONTRERAS RAPISARDA 3017
MAURINA M CINTRON 1805
E O ESTRADA SANTOS 1782
EVELYN MERIE NUNO 2396
MERCEDES NIEVES 2049
DELTA E DUVALI 1011
JUAN M MARTINEZ 1657
LUIS E MELLIZ 1166
FRINE MEDRANO 1502
J PERAZA-ROMERO 1325

COUNTY MEASURE R
YES 7402
NO 2454

STATE MEASURE 13
YES 5504
NO 5097

PRESIDENTIAL PREF. - DEM DEM
JULIAN CASTRO 106
MICHAEL A ELLINGER 9
ELIZABETH WARREN 561
M WILLIAMSON 3
ANDREW YANG 50
R DE LA FUENTE III 9
JOHN K DELANEY 6
AMY KLOBUCHAR 61
BERNIE SANDERS 3993
JOE SESTAK 1
TOM STEYER 202
DEVAL PATRICK 0
MICHAEL BENNET 3
M R BLOOMBERG 866
MOSIE BOYD 1
CORY BOOKER 3
PETE BUTTIGIEG 176
JOSEPH R BIDEN 2317
TULSI GABBARD 57
MARK S GREENSTEIN 24

PRESIDENTIAL PREF. - REP REP
ROBERT ARDINI 24
JOE WALSH 66
BILL WELD 54
ROQUE DE LA FUENTE 66
MATTHEW J MATERN 20
ZOLTAN G ISTVAN 1
DONALD J TRUMP 1151

PRESIDENTIAL PREF. - AI AI
PHIL COLLINS 18
ROQUE DE LA FUENTE 16
CHARLES KRAUT 9
J.R. MYERS 17
DON BLANKENSHIP 4

PRESIDENTIAL PREF. - GREEN GRN
DAVID ROLDE 0
HOWIE HAWKINS 2
DARIO HUNTER 3
DENNIS LAMBERT 6
S MOYOWASIFZA-CURRY 2

PRESIDENTIAL PREF. - LIB LIB
KEN ARMSTRONG 2
MAX ABRAMSON 2
SAM ROBB 0
KIM RUFF 5
STEVEN A RICHEY 1
JACOB HORNBERGER 7
SOURAYA FAAS 1
KEENAN W DUNHAM 1
ADAM KOKESH 0
VERMIN SUPREME 2
JO JORGENSEN 5
DAN BEHRMAN 1
ERIK C GERHARDT 0

PRESIDENTIAL PREF. - PF PF
HOWIE HAWKINS 1
GLORIA LA RIVA 11

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Michael Solorza, Director of Finance

SUBJECT: **Approval of Agreement for Transactions Tax Audit and Information Services**

DATE: April 8, 2020

RECOMMENDATION

It is recommended that the City Council authorize the City Manager to approve an agreement with Hinderliter, deLlamas and Associates to perform Transactions Tax Audit and Information Services related to Measure H.

BACKGROUND

The recent passage of Measure H, Montebello's local use tax initiative, requires the City to update numerous agreements with the State of California agency that administers sales and use taxes (i.e., California Department of Tax and Fee Administration) as well as its third party audit and information consultant (i.e., Hinderliter, deLlamas and Associates [HdL]). HdL currently provides sales tax services to the City, and has for over thirty years. With the passage of Measure H, a separate agreement (Attachment 1) must be approved engaging them to provide the same audit and information services as they currently do, but for the newly established three-quarter (¾) cent Transaction and Use Tax.

Staff relies heavily upon HdL to provide quarterly sales tax updates. This information is utilized to update quarterly financial reports and in preparing the annual budget. The establishment of a three-quarter (¾) cent transaction and use tax creates additional reporting, auditing and analysis requirements for HdL and the City.

The current contract with HdL (Attachment 2) to provide audit and information services for the standard Bradley-Burns Sales and Use Tax includes a base fee amount of $4,800 per year. In addition, when HdL is successful in finding and fixing reporting errors, they receive a percentage of the newly "found" sales tax. For example, new or existing retailers will sometimes report sales tax to the wrong jurisdiction. HdL's audit branch performs regular review and re-captures this sales tax so that it is reported correctly to Montebello. The benefit is that Montebello can be assured it receives all sales tax to which it is entitled. This recovery often goes back several quarters, allowing the City to fully realize all the sales tax revenue for current and past fiscal year.

The agreement with HdL to provide the same services for the Measure H transaction and use tax is $1,200 per year (Attachment 1), with the same percentage fee for "found" transaction and use tax per their regular audits.

The Fiscal Year 2019-20 budget includes the necessary funding for the current, existing sales and use tax contract with HdL. With the collection of Measure H transaction and use tax beginning July 1, 2020 the additional fees associated with the updated HdL contract will be included in the FY 2020-21 budget.

FISCAL IMPACT

There is no fiscal impact in FY 2019-20 by approving the agreement with Hinderliter, deLlamas and Associates to provide transaction and use tax services to the City. The FY 2020-21 budget will include sufficient funding for the additional services that will begin July 1, 2020.

Attachments:
1) Agreement with Hinderliter, deLlamas and Associates to provide Transactions Tax Audit and Information Services
2) Existing Agreement with Hinderliter, deLlamas and Associates

AGREEMENT FOR TRANSACTIONS TAX AUDIT & INFORMATION SERVICES

This Agreement is made and entered into as of the ____ day of _____, 2020 by and between the CITY OF MONTEBELLO, hereinafter referred to as "CITY" and HINDERLITER, DE LLAMAS AND ASSOCIATES a California Corporation, hereinafter referred to as "CONTRACTOR".

I. RECITALS

WHEREAS, transactions tax revenues can be increased through a system of continuous monitoring, identification and correction of allocation errors and reporting deficiencies, and

WHEREAS, an effective program of transactions and use tax management can provide for more accurate budget forecasting and financial planning; and

WHEREAS, CITY desires the combination of data entry, report preparation, and data analysis necessary to effectively manage its Measure "H" transactions and use tax base the recovery of revenues either unreported or erroneously allocated to other jurisdictions; and

WHEREAS, CONTRACTOR has the programs, equipment and personnel required to deliver the transactions and use tax related services referenced herein;

THEREFORE, CITY and CONTRACTOR, for the consideration hereinafter described, mutually agree as follows:

II. SERVICES

The CONTRACTOR shall perform the following services:

A. DEFICIENCY/ALLOCATION REVIEWS AND RECOVERY

1. CONTRACTOR shall conduct on-going reviews to identify and correct unreported transactions and use tax payments and distribution errors thereby generating previously unrealized revenue for the CITY. Said reviews shall include:

   (i) Comparison of county-wide local tax allocations to transactions tax for brick and mortar stores and other cash register-based businesses, where clearly all transactions are conducted on-site within the Measure "H" CITY boundaries, and therefore subject to transactions tax.

   (ii) Review of any significant one-time use tax allocations to ensure that there is corresponding transaction tax payments for taxpayers with nexus within the CITY boundaries.

   (iii) Review of state-wide transactions tax allocations and patterns to identify any obvious errors and omissions.

   (iv) Identification and follow-up with any potentially large purchasers of supplies and equipment (e.g. hospitals, universities, manufacturing plants, agricultural operations, refineries) to ensure that their major vendors are properly reporting corresponding transactions tax payments to the Measure "H" Transactions Tax District.

2. CONTRACTOR will initiate, where the probability of an error exists, contacts with the appropriate taxpayer management and accounting officials to verify whether current tax receipts accurately reflect the local sales activity. Such contacts will be conducted in a professional and courteous manner so as to enhance CITY's relations with the business community.

3. CONTRACTOR shall prepare and submit to the Department of Tax and Fee Administration all information necessary to correct any allocation errors and deficiencies that are identified, and shall follow-up with the individual businesses and the California Department of Tax and Fee Administration to ensure that all back quarter payments due the CITY are recovered.

B. DATA BASE MANAGEMENT, REPORTS AND STAFF SUPPORT

1. CONTRACTOR shall establish a database containing all applicable Department of Tax and Fee Administration (CDTFA) registration data for each business within the Measure "H" District boundaries holding a seller's permit account. Said database shall also identify the quarterly transactions and use tax allocations under each account for the most current and previous quarters where available.

2. CONTRACTOR shall provide updated reports each quarter identifying changes in allocation totals by individual businesses, business groups and by categories. Quarterly aberrations due to State audits, fund transfers, and receivables, along with late or double payments, will also be identified. Quarterly reconciliation worksheets to assist finance officer with budget forecasting will be included.

3. CONTRACTOR shall advise and work with CITY Staff on planning and economic questions related to maximizing revenues, preparation of revenue projections and general information on sales, transactions and use tax questions.

4. CONTRACTOR shall make available to CITY the HdL proprietary software program and Measure "H" database containing all applicable registration and quarterly allocation information for CITY business outlets registered with the Department of Tax and Fee Administration. The database will be updated quarterly.

III. CONFIDENTIALITY

Section 7056 of the State of California Revenue and Taxation code specifically limits the disclosure of confidential taxpayer information contained in the records of the California Department of Tax and Fee Administration. This section specifies the conditions under which CITY may authorize persons other than CITY officers and employees to examine State Sales, Use and Transactions Tax records.

The following conditions specified in Section 7056 (b), (1) of the State of California Revenue and Taxation Code are hereby made part of this agreement.

A. CONTRACTOR is authorized by this Agreement to examine sales, use or transactions and use tax records of the Department of Tax and Fee Administration provided to CITY pursuant to contract under the conditions established by the California Revenue and Taxation law.

B. CONTRACTOR is required to disclose information contained in, or derived from, those sales, use or transactions and use tax records only to an officer or employee of the CITY who is authorized by resolution to examine the information.

C. CONTRACTOR is prohibited from performing consulting services for a retailer, as defined in California Revenue & Taxation Code Section 6015, during the term of this Agreement.

D. CONTRACTOR is prohibited from retaining the information contained in, or derived from those sales or transactions and use tax records, after this Agreement has expired. Information obtained by examination of Department of Tax and Fee Administration records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the CITY as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the CONTRACTOR as a person, authorized to examine sales and use tax records and certify that this Agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

IV. CONSIDERATION

A. CONTRACTOR shall be paid **$100** monthly billed quarterly for the transaction district tax reports that we include with the quarterly sales tax analyses. CONTRACTOR shall be paid **25%** of the initial amount of new transactions or use tax revenue received by the CITY as a result of audit and recovery work performed by CONTRACTOR (hereafter referred to as "audit fees"). New revenue shall not include any amounts determined and verified by CITY or CONTRACTOR to be increment attributable to causes other than

CONTRACTOR'S work pursuant to this agreement. In the event that CONTRACTOR is responsible for an increase in the tax reported by businesses already properly making tax payments to the CITY, it shall be CONTRACTOR'S responsibility to separate and support the incremental amount attributable to its efforts prior to the application of the audit fee. Said audit fees will apply to state fund transfers received for those specific quarters identified as being missing and/or deficient following completion of the audit by CONTRACTOR and confirmation of corrections by the California Department of Tax and Fee Administration but shall not apply prospectively to any future quarter. CONTRACTOR shall provide CITY with an itemized quarterly invoice showing all formula calculations and amounts due for audit fees.

CONTRACTOR shall obtain prior approval from CITY for each specific business for which payment of audit fees will be expected. Said approval shall be deemed given when the City Manager or his/her designated representative, signs a Work Authorization form, a copy of which is attached as "Exhibit A." CITY shall pay audit fees upon CONTRACTOR'S submittal of evidence of State fund transfers and payments to CITY from businesses identified in the audit and approved by the CITY.

B. Above sum shall constitute full reimbursement to CONTRACTOR for all direct and indirect expenses incurred by CONTRACTOR in performing audits including the salaries of CONTRACTOR'S employees, and travel expenses connected with contacting local and out-of-state businesses and the Department of Tax and Fee Administration Staff.

C. Extra work beyond the Scope of Services set forth in this agreement shall not be performed by CONTRACTOR or reimbursed or paid for by CITY unless such

extra work is specifically authorized in writing by City Manager or his/her designated representative. CONTRACTOR shall be compensated for any additional services in the amounts and in the manner as agreed to by the CITY and CONTRACTOR at the time the CITY's written authorization is given to CONTRACTOR for the performance of said services.

D. Any invoices not paid in accordance with the Thirty (30) day payment terms, shall accrue monthly interest at a rate equivalent to ten percent (10%) per annum until paid.

E. CONTRACTOR unilaterally retains the right to divide any recovery bills in excess of $25,000 over a one (1) year period (Four (4) quarterly billings).

F. CONTRACTOR shall provide CITY with an itemized quarterly invoice showing all formula calculations and amounts due for the audit fee (including, without limitation, a detailed listing of any corrected misallocations), which shall be paid by CITY no later than 30 days following the invoice date.

VI. CITY MATERIALS AND SUPPORT

CITY shall adopt a resolution in a form acceptable to the California Department of Tax and Fee Administration and in compliance with Section 7056 of the Revenue and Taxation Code, authorizing CONTRACTOR to examine the confidential sales, use, and transactions tax records of CITY. CITY further agrees to continue CONTRACTOR'S authorization to examine the confidential records of the CITY by maintaining CITY's name on the CITY Resolution until such time as all audit adjustments have been completed by the California Department of Tax and Fee Administration and audit fees due the CONTRACTOR have been paid.

VII. LICENSE, PERMITS, FEES AND ASSESSENTS

CONTRACTOR shall obtain such licenses, permits and approvals (collectively the "Permits") as may be required by law for the performance of the services required by this Agreement. CITY shall assist CONTRACTOR in obtaining such Permits, and CITY shall absorb all fees, assessments and taxes which are necessary for any Permits required to be issued by CITY.

VIII. TERMINATION

This Agreement may be terminated for convenience by either party by giving 30 days written notice to the other of such termination and specifying the effective date thereof. Upon the presentation of such notice, CONTRACTOR shall continue to work through the date of termination. Upon termination as provided herein, CONTRACTOR shall be paid the value of all tax analysis and reporting work performed less payments previously made by CITY. In ascertaining the value of the work performed up to the date of termination, consideration shall be given to amounts due for any unpaid invoices, and to businesses identified by CONTRACTOR which make tax payments after termination of this Agreement as a result of CONTRACTOR'S work. After CITY receives said tax payments for such businesses, CONTRACTOR shall be paid the audit fees resulting from tax payments made by the business for back quarter reallocations. Compensation for any audit work previously authorized and satisfactorily performed shall be made at the times provided in the preceding section entitled "Consideration."

All documents, data, surveys and reports prepared by CONTRACTOR pursuant to this Agreement shall be considered the property of the CITY and upon payment for services performed by CONTRACTOR, such documents and other identified materials shall be delivered to CITY by CONTRACTOR.

IX. INDEPENDENT CONTRACTOR

CONTRACTOR shall perform the services hereunder as an independent contractor and shall furnish such services in his own manner and method, and under no circumstances or conditions shall any agent, servant, or employee of CONTRACTOR be considered as an employee of CITY.

X. COOPERATIVE AGREEMENT

It is intended any other public agency (e.g., city, county, district, public authority, public agency, municipality, or other political subdivision of California) located in the state of California shall have an option to procure identical services as set forth in this Agreement. The CITY of Montebello shall incur no responsibility, financial or otherwise, in connection with orders for services issued by another public agency. The participating public agency shall accept sole responsibility for securing services or making payments to the vendor.

XI. NON-ASSIGNMENT

This Agreement is not assignable either in whole or in part by CONTRACTOR without the written consent of CITY.

XII. ATTORNEY'S FEES

In the event a legal action is commenced to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorney's fees.

XIII. GOVERNING LAW

The laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and shall also govern the interpretation of this Agreement.

XIV. INDEMNIFICATION

With respect to losses, claims, liens, demands and causes of action arising out of the CITY's use of the results of CONTRACTOR's services as provided to the City pursuant to this Agreement, CONTRACTOR hereby agrees to protect, defend, indemnify, and hold the CITY free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments , penalties, interest, court costs, legal fees, and all other expenses incurred by the CITY arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the CITY).

CITY hereby agrees to protect, defend, indemnify, and hold CONTRACTOR free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character arising from CONTRACTOR's performance or lack of performance under this Agreement including, but not limited to, the amounts of judgments , penalties, interest, court costs, legal fees, and all other expenses incurred by CONTRACTOR arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the CONTRACTOR).

Each party to this Agreement agrees to investigate, handle, respond to, provide defense for, and defend at its sole expense any such claims, demand, or suit for which

it has agreed to indemnify the other party pursuant to this paragraph. Each party also agrees to bear all other costs and expenses related to its indemnity obligation, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against CONTRACTOR or the CITY or to enlarge in any way the liability of CONTRACTOR or the CITY but is intended solely to provide for indemnification of each party from liability for damages or injuries to third persons or property arising from this contract or agreement on the terms set forth in this paragraph.

XV. NOTICE

All notices sent by a party under this Agreement shall be in writing and shall be deemed properly delivered to the other party as of the date of receipt, if received on a business day prior to 3:00 PM local time, or otherwise on the next business day after receipt, provided delivery occurs personally, by courier service, or by U.S. mail to the other party at its address set forth below, or to such other address as either party may, by written notice, designate to the other party. Notices to CONTRACTOR shall be sent to HINDERLITER, de LLAMAS and ASSOCIATES, 120 S State College Blvd., Suite 200, Brea, CA 92821; and notices to CITY shall be sent to CITY OF MONTEBELLO, 1600 W. Beverly Blvd., Montebello, CA 90640.

XVI. ENTIRE AGREEMENT; ETC.

This Agreement expresses the full and complete understanding of the parties with respect to the subject matter hereof and supersedes all prior or contemporaneous proposals, agreements, representations and understandings, whether written or oral, with respect to the subject matter. This Agreement may not be amended or modified except in writing signed by each of the parties hereto. This Agreement shall be construed as to its fair meaning and not strictly for or against either party. The

headings hereof are descriptive only and not to be construed in interpreting the provisions hereof.

XVII. COUNTERPARTS; AUTHORITY TO SIGN

This Agreement may be executed in any number of counterparts, each of which will constitute an original and all of which, when taken together, will constitute one agreement. Any signature pages of this Agreement transmitted by facsimile or sent by email in portable document format (PDF) will have the same legal effect as an original executed signature page. Each of the persons signing on behalf of a party hereto represents that he or she has the right and power to execute this Agreement on such party's behalf.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in that behalf.

CITY: CITY OF MONTEBELLO

_____

City Manager

CONTRACTOR:
HINDERLITER, DE LLAMAS & ASSOCIATES
A California Corporation

_____

Andrew Nickerson, President

APPROVED AS TO FORM:
CITY COUNSEL:

_____

SAMPLE *SAMPLE*

EXHIBIT A

Transactions Tax Audit

Work Authorization No. _____

The following business or businesses, located in the City of Montebello have been identified as having the potential for generating additional tax revenues to the City of Montebello. Contractor is hereby authorized to contact the given business(s) and the California Department of Tax and Fee Administration to verify the accuracy of the current reporting methodology and obtain the necessary documentation for the Department of Tax and Fee Administration, to bill for uncollected transactions and use tax payments or modify misallocated payments and to return revenues that may be due to the District.

Contractor's compensation shall be $100 monthly billed quarterly and 25% of the new transactions tax revenue received by the District as a result of audit and recovery work performed by Contractor, as set forth in the Agreement between Contractor and City.

CITY: CITY OF MONTEBELLO

By:_____

Date: _____

HINDERLITER, DE LLAMAS AND ASSOCIATES

By:_____

Date_____

AGREEMENT FOR SALES TAX AUDIT AND INFORMATION SERVICES

This Agreement is made and entered into as of the 25th day of November, 1985 by and between the CITY OF MONTEBELLO a Municipal Corporation, hereinafter called CITY, and ROBERT HINDERLITER AND ASSOCIATES, a California Corporation, hereinafter called CONTRACTOR.

RECITALS

This Agreement is entered into with reference to the following facts and circumstances.

1. That City desires to engage Contractor to render certain professional services hereafter described in connection with the review of sales tax revenue generated by businesses located within the City; and,

2. That Contractor is qualified to provide such services to the City; and,

3. That City has elected to engage the services of Contractor upon the terms and conditions as hereinafter set forth.

SERVICES

The services to be performed by Contractor under this agreement shall include, but not be limited to, those services set forth in Parts One and Two of that certain "Agreement for Sales Tax Audit and Information Services", a copy of which is attached hereto as Exhibit "A" and by this reference incorporated herein and made a part hereof as though it were fully set forth herein.

Performance of the work specified in said Proposal is hereby made an obligation of Contractor under this Agreement, subject to any changes which may be make subsequently hereto upon the mutual written agreement of the said parties.

EXHIBIT "A"

AGREEMENT FOR SALES TAX
AUDIT AND INFORMATION SERVICES

PART ONE - BASIC SERVICES

The scope of work is divided into the specific tasks that are necessary to provide the City with reasonable assurance it is receiving the sales tax dollars it is entitled to. Also included are the task descriptions covering development of the information necessary to evaluate trends, target economic development efforts, and improve the sales tax productivity of the existing base.

Task A. Transfer sales tax return data from quarterly reports provided by the State Board of Equalization for the immediate prior three (3) quarters to the computer data bases that provide a basis for all future analyses. Enter business name from Contractor provided computer listing of sales tax permitees reqistered in City and assign geo-code designation.

Task B. Enter sales tax return data from each subsequent quarterly report and provide City with computer reports generated from the two basic data bases - Sales By the Major Outlet, and Sales By Category. Reports provided on a quarterly basis include: Major Outlets by Industry type, Top 50 Producers by rank, Growth and Decline Comparisons with other Jurisdictions, Growth and Decline Comparisons by Category, Sales by Geographic Area, Sales by Business Type, and supplemental charts and graphs.

Evaluation of this data to detect deviance in reporting by tax payers with multiple outlets is a very important part of the effort to isolate error and recover lost revenue.

Task C. Develop and maintain in conjunction with City staff a "current business retention" program designed to protect the existing sales tax base. Sample letters and survey documents will be provided that enable the City to gain knowledge of business plans to expand or relocate. This is an effective way to let business managers know their presence in the community is appreciated, while enabling the City to act in a timely way to influence relocation decisions. Work within this task will also include evaluation of the existing system of correlating business license data with permit data provided by the State Board of Equalization. Recommendations for system improvements, if appropriate, will be provided.

OPTIONAL PART TWO SERVICES

The services described in this part provide the City with the option to pursue opportunities for augmentation of its sales tax base thru effective use of information developed as part of the Audit and Information Service.

Major outlets whose sales tax reporting patterns reveal a probability of error are contacted in order to make sure the City is receiving all the point-of-sale dollars from local transactions.

Firms with the potential for making constructive moves in point-of-sale determining activity are identified, contacted and encouraged to locate the sales personnel responsible for that activity in the City. Assistance is provided in making the reporting changes that assure the City of receiving proper credit for new taxable sales.

Note: Sensitivity to the needs and interests of the business community are essential for the maintenance of a positive business climate. Experience with this work shows that the contacts authorized by the City for sales tax development purposes are perceived by business leaders as evidence of careful management of municipal resources. It is generally understood that maximization of revenues available from sales tax makes a city less dependent on local fees and taxes. Also, the correction of allocation errors does not result in any additional tax obligation. The steps provided for in this part assure the city of ongoing control of field contacts.

Task A. Identify from the Audit and Information Reports the companies currently located in the City that have unrealized potential for producing additional sales tax revenue. Identify those outlets with aberrant reporting patterns where the probability of significant error warrants review.

Task B. Obtain city approval to begin the work of inducing change in tax reporting methodology or point-of-sale for the identified companies. The approval process is accomplished thru separately approved "Part Two Work Authorizations" (sample attached). The City is thereby assured of continuing participation in and control of the essential field contacts.

Task C. Initiate contact with the appropriate officials in the companies that have been identified in Task "A" Generally, the initial contacts will be with the person responsible for reporting sales tax receipts to the State Board of Equalization. This establishes the current reporting methodology and makes it possible to verify its accuracy and appropriateness. In those instances where error is found, the necessary documentation and correspondence is provided to obtain confirmation by the Board of Equalization and subsequent recovery of misallocated revenue.

Meetings with sales and/or management personnel who have knowledge of product lines, and the distribution of taxable sales activities are arranged. The information obtained here is evaluated for the purpose of determining whether current receipts accurately reflect the local sales activity. In addition, an evaluation is made of the potential for positive change in the location of point-of-sale tax generating activities.

Movement of point-of-sale activity may require City zoning or permit approval. Should this be the case, meetings will be arranged with the appropriate City officials, and the company will be assisted with the process. To the extent City officials or staff involved in Economic Development are available to assist in the efforts to induce the relocation of tax producing activity, their participation is encouraged.

Measure of Performance and Compensation.

The measure of performance shall be the incremental growth in the local sales and use tax reported by those companies identified in a "Part Two Work Authorization" (copy attached). Base sales tax amounts, inflationary growth, and incremental growth determined by the City to be attributable to causes other than the work authorized in this agreement shall be deducted prior to calculating compensation.

The amount of gain is verified by reference to the sales tax return data developed by the State Board of Equalization and provided to the city on a quarterly basis. The Adjusted Incremental Growth on which compensation is calculated is determined by subtracting (a) same quarter base year receipts adjusted for inflation, and (b) city determined adjustments for growth not attributable to work authorized in this agreement, from (c) current receipts.

PART THREE
CONFIDENTIALITY

Section 7056 of the State of California Revenue and Taxation code specifically limits the disclosure of confidential taxpayer information contained in the records of the State Board of Equalization. This section specifies the conditions under which a City may authorize persons other than City officers and employees to examine State Sales and Use Tax records.

The following conditions specified in Section 7056 (b),(1) of the State of California Revenue and Taxation Code are hereby made part of this contractual agreement.

A. Contractor is authorized by this agreement to examine sales and use tax records of the Board of Equalization provided to City pursuant to contract under the Bradley-Burns Uniform Sales and Use Tax Law.

B. Contractor is required to disclose information contained in, of derived from, those sales and use tax records only to an officer or employee of the City who is authorized by resolution to examine the information.

C. Contractor is prohibited from performing consulting services for a retailer during the term of this agreement.

D. Contractor is prohibited from retaining the information contained in, or derived from, those sales and use tax records, after this agreement has expired .

Information obtained by examination of board records shall be used only for purposes related to collection of local sales and use tax or for other governmental functions of the City as set forth by resolution adopted pursuant to Section 7056 (b) of the Revenue and Taxation Code. The resolution shall designate the Contractor as a person authorized to examine sales and use tax records and certify that this agreement meets the requirements set forth above and in Section 7056 (b), (1) of the Revenue and Taxation Code.

PART FOUR
TERMS AND CONDITIONS

FEE FOR BASIC SERVICES - PART ONE

NOT APPLICABLE payable upon completion of the computer data bases and reports covering the prior three sales tax quarters as described in Task "A".

Four Hundred Dollars ($400.00) per month for the work described in Task "B", and Task "C" so long as this agreement is in effect.

The City will be invoiced quarterly for the services rendered in the prior three month period.

FEE FOR OPTIONAL SERVICES - PART TWO

The services described in Part Two of this agreement are available to the City at its option. Contractor will not perform or charge for Part Two work without separate written authorization by the City in the form of an approved "Part Two Work Authorization" (sample attached). The fee for services described in Part Two is Fifteen (15) percent of:

1. New sales and/or use tax revenue received as a result of work performed by contractor for the the first eight (8) quarters following verification of incremental sales tax gain in accordance with an approved "Part Two Work Authorization".

2. Fund Transfers processed by The Board of Equalization for taxpayer misallocations found by Contractor and paid to City.

The City will be provided with a quarterly invoice showing all formula calculations and amounts due.

AUTHORIZATION AND TERMINATION PROVISIONS

This agreement becomes effective when endorsed by the City in the space provide below, and may be terminated by either party with 30 days written notice. Upon termination, Contractor shall be paid the value of Part One work performed, less payments of compensation previously made. Compensation for any Part Two work previously agreed to and satisfactorily performed shall be governed by the provisions of the applicable "Part Two Work Authorization".

INDEPENDENT CONTRACTOR

Contractor shall perform the services hereunder as an independent contractor and shall furnish such services in his own manner and method, and under no circumstances or conditions shall any agent, servant, or employee of Contractor be considered as an employee of City.

NONASSIGNMENT

This Agreement is not assignable either in whole or in part by Contractor without the written consent of City.

ATTORNEY'S FEES

In the event a legal action is commenced to enforce any of the provisions of this Agreement, the prevailing party shall be entitled to recover its costs and reasonable attorney's fees.

GOVERNING LAW

This Agreement shall be governed by the laws of the State of California

INDEMNIFICATION

Contractor hereby agrees to, and shall hold City, its elective and appointive boards officers, agents and employees, harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for breach of confidentiality or property damage which may arise from Contractor's negligent acts, errors or omissions under this Agreement. Contractor agrees to and shall defend City and its elective and appointive boards, officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid negligent acts, errors or omissions.

City hereby agrees to, and shall hold Contractor, its officers, agents and employees, harmless from any liability for damage or claims for damage for personal injury, including death, as well as from claims for breach of confidentiality or property damage which may arise from City's negligent acts, errors or omissions under this Agreement. City agrees to and shall defend Contractor and its officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid negligent acts, errors or omissions.

NOTICE

All notices required by this Agreement shall be given to City and Contractor in writing, by first class mail postage prepaid, addressed as follows:

City:

Contractor: Robert Hinderliter
President
507 Michel Pl.
Placentia, Ca. 92670

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in that behalf.

CITY:

CITY OF Montebello, a
Municipal Corporation

Art Payan
MAYOR

Andrew T. Lambo
CITY CLERK

CONTRACTOR:

ROBERT HINDERLITER & ASSOCIATES
a California corporation

PRESIDENT

APPROVED AS TO FORM:

CITY ATTORNEY

SAMPLE SAMPLE

PART TWO WORK AUTHORIZATION
NUMBER _____

COMPANY NAME: _____

ADDRESS: _____

_____

SALES TAX NO. _____

MEASURE OF PERFORMANCE AND COMPENSATION: The measure of performance and compensation shall be the calculated incremental growth in sales tax due to work performed by contractor and approved by City for the company named herein.

FORMULA FOR DETERMINING INCREMENTAL GROWTH: Incremental growth will be determined by application of the designated formula:

IG = CR - (B*CPI) - X FOR QUARTERS AFTER _____ _____.
IG = FT - X FOR MISALLOCATIONS IN PRIOR QUARTERS _____.

IG = Incremental Growth.
CR =Current Receipts credited to the city by the taxpayer in the quarterly report provided by the Board of Equalization.
B = Base amount determined by City to be _____.
FT= Fund Transfers initiated by the Board of Equalization for missallocations in prior quarters.
CPI= L.A. Long Beach Consumer Price Index factor.
X = Any amounts determined by City or Contractor to be increment attributable to causes other than contractor's work.

COMPENSATION: Contractor's compensation shall be fifteen percent (15%) of the incremental growth calculated above for the first eight (8) quarters following completion of work. Contractor shall provide City with an itemized quarterly invoice showing all formula calculations and amount due.

CITY OF

BY _____

DATE _____

ROBERT HINDERLITER
AND ASSOCIATES
A CALIFORNIA CORPORATION

BY _____

DATE _____

ITEM #23

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Michael Solorza, Director of Finance

SUBJECT: **Approval of Resolution to Execute Agreements with State to Administer Local Transaction and Use Tax (Measure H)**

DATE: April 8, 2020

RECOMMENDATION

It is recommended that the City Council approve a resolution executing agreements with the California Department of Tax and Fee Administration (CDTFA) for implementation of the local transaction and use tax (Measure H).

BACKGROUND

The recent passage of Measure H, Montebello's local use tax initiative, requires the City to update numerous agreements with the State of California agency that administers sales and use taxes (i.e., California Department of Tax and Fee Administration). Part of this process is executing agreements between the State and the City of Montebello to establish, collect, administer and allocate the newly established transaction and use tax. In addition, it also establishes other procedures necessary for the City to begin receiving the three-quarter cent transaction and use tax.

It is necessary to approve an agreement with the California Department of Tax and Fee Administration (CDTFA) for the preparatory work necessary to begin assessing and collecting the transaction and use tax. This agreement (Exhibit A) is required by Part 1.6, Division 2 of the Revenue and Taxation Code.

The second agreement (Exhibit B), allows the State to begin allocating the tax to the City of Montebello and also sets up basic procedures for record keeping and communication between the City and the State.

Attachment 1 is the resolution that executes both agreements (Exhibits A and B). Attachment 2 is Ordinance No. 2416 that established the local transaction and use tax (Measure H). Once approved, these and other documents will be sent to CDTFA for processing by May 1, ensuring the new three-quarter (¾) cent transaction tax is collected and remitted to the City beginning July 1, 2020.

FISCAL IMPACT

There is no fiscal impact by approving the resolution executing the agreements with CDTFA to administer the transaction and use tax (Measure H).

ATTACHMENTS:
1) Resolution Executing Agreements with the California Department of Tax and Fee Administration to Implement a Local Transaction and Use Tax, with Exhibit A and Exhibit B
2) Ordinance No. 2416

ATTACHMENT 1

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA AUTHORIZING THE MAYOR TO EXECUTE AGREEMENTS WITH THE CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION (CDTFA) FOR IMPLEMENTATION OF A LOCAL TRANSACTIONS AND USE TAX.

WHEREAS, on November 13, 2019 the City Council approved Ordinance No. 2416 amending the City Municipal Code and providing for a local transactions and use tax; and

WHEREAS, the California Department of Tax and Fee Administration (Department) administers and collects the transactions and use taxes for all applicable jurisdictions within the state; and

WHEREAS, the Department will be responsible to administer and collect the transactions and use tax for the City; and

WHEREAS, the Department requires that the City enter into a "Preparatory Agreement" (Exhibit A) and an "Administration Agreement" (Exhibit B) prior to implementation of said taxes, and

WHEREAS, the Department requires that the City Council authorize the agreements;

NOW, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES RESOLVE AS FOLLOWS:

SECTION 1. That the "Preparatory Agreement" attached as Exhibit A and the "Administrative Agreement" attached as Exhibit B are hereby approved and the Mayor is hereby authorized to execute each agreement.

SECTION 2. That the City Clerk shall certify to the adoption of this resolution, shall distribute copies to the Director of Finance and the California Department of Tax and Fee Administration, and the resolution shall be in full force and effect as of April 8, 2020.

APPROVED AND ADOPTED THIS 8th DAY OF APRIL 2020.

_____
Salvador Melendez, Mayor

ATTEST

_____
Irma Barajas, City Clerk

APPROVED AS TO FORM:

_____
Arnold M. Alvarez-Glasman, City Attorney

EXHIBIT A

AGREEMENT FOR PREPARATION TO ADMINISTER AND OPERATE CITY'S TRANSACTIONS AND USE TAX ORDINANCE

In order to prepare to administer a transactions and use tax ordinance adopted in accordance with the provision of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, the City of Montebello, hereinafter called *City*, and the CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION, hereinafter called *Department*, do agree as follows:

1. The Department agrees to enter into work to prepare to administer and operate a transactions and use tax in conformity with Part 1.6 of Division 2 of the Revenue and Taxation Code which has been approved by a majority of the electors of the City and whose ordinance has been adopted by the City.

2. City agrees to pay to the Department at the times and in the amounts hereinafter specified all of the Department's costs for preparatory work necessary to administer the City's transactions and use tax ordinance. The Department's costs for preparatory work include costs of developing procedures, programming for data processing, developing and adopting appropriate regulations, designing and printing forms, developing instructions for the Department's staff and for taxpayers, and other appropriate and necessary preparatory costs to administer a transactions and use tax ordinance. These costs shall include both direct and indirect costs as specified in Section 11256 of the Government Code.

3. Preparatory costs may be accounted for in a manner which conforms to the internal accounting and personnel records currently maintained by the Department. The billings for costs may be presented in summary form. Detailed records of preparatory costs will be retained for audit and verification by the City.

4. Any dispute as to the amount of preparatory costs incurred by the Department shall be referred to the State Director of Finance for resolution, and the Director's decision shall be final.

5. Preparatory costs incurred by the Department shall be billed by the Department periodically, with the final billing within a reasonable time after the operative date of the ordinance. City shall pay to the Department the amount of such costs on or before the last day of the next succeeding month following the month when the billing is received.

6. The amount to be paid by City for the Department's preparatory costs shall not exceed one hundred seventy-five thousand dollars ($175,000) (Revenue and Taxation Code Section 7272.)

7. Communications and notices may be sent by first class United States mail. Communications and notices to be sent to the Department shall be addressed to:

California Department of Tax and Fee Administration
P.O. Box 942879 MIC: 27
Sacramento, California 94279-0027

Attention: Supervisor
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Montebello
Director of Finance
1600 West Beverly Boulevard
Montebello, CA 90640

8. The date of this agreement is the date on which it is approved by the Department of General Services. This agreement shall continue in effect until the preparatory work necessary to administer City's transactions and use tax ordinance has been completed and the Department has received all payments due from City under the terms of this agreement.

CITY OF _____

By _____
(Signature)

_____
Salvador Melendez

_____
Mayor

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

By _____
Administrator
Local Revenue Branch

(Rev. 11/17)

EXHIBIT B

AGREEMENT FOR STATE ADMINISTRATION OF CITY TRANSACTIONS AND USE TAXES

The City Council of the City of Montebello has adopted, and the voters of the City of Montebello (hereafter called “City” or “District”) have approved by the required majority vote, the City of Montebello Transactions and Use Tax Ordinance (hereafter called “Ordinance”), a copy of which is attached hereto. To carry out the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code and the Ordinance, the California State Department of Tax and Fee Administration, (hereinafter called the “Department”) and the City do agree as follows:

ARTICLE I

DEFINITIONS

Unless the context requires otherwise, wherever the following terms appear in the Agreement, they shall be interpreted to mean the following:

1. "District taxes" shall mean the transactions and use taxes, penalties, and interest imposed under an ordinance specifically authorized by Revenue and Taxation code Section 7285.9, and in compliance with Part 1.6, Division 2 of the Revenue and Taxation Code.

2. "City Ordinance" shall mean the City's Transactions and Use Tax Ordinance referred to above and attached hereto, Ordinance No. 2416, as amended from time to time, or as deemed to be amended from time to time pursuant to Revenue and Taxation Code Section 7262.2.

ARTICLE II

ADMINISTRATION AND COLLECTION
OF CITY TAXES

A. **Administration.** The Department and City agree that the Department shall perform exclusively all functions incident to the administration and operation of the City Ordinance.

B. Other Applicable Laws. City agrees that all provisions of law applicable to the administration and operation of the Department Sales and Use Tax Law which are not inconsistent with Part 1.6 of Division 2 of the Revenue and Taxation Code shall be applicable to the administration and operation of the City Ordinance. City agrees that money collected pursuant to the City Ordinance may be deposited into the State Treasury to the credit of the Retail Sales Tax Fund and may be drawn from that Fund for any authorized purpose, including making refunds, compensating and reimbursing the Department pursuant to Article IV of this Agreement, and transmitting to City the amount to which City is entitled.

C. Transmittal of Money.

1. For the period during which the tax is in effect, and except as otherwise provided herein, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City periodically as promptly as feasible, but not less often than twice in each calendar quarter.

2. For periods subsequent to the expiration date of the tax whether by City's self-imposed limits or by final judgment of any court of the State of California holding that City's ordinance is invalid or void, all district taxes collected under the provisions of the City Ordinance shall be transmitted to City not less than once in each calendar quarter.

3. Transmittals may be made by mail or electronic funds transfer to an account of the City designated and authorized by the City. A statement shall be furnished at least quarterly indicating the amounts withheld pursuant to Article IV of this Agreement.

D. Rules. The Department shall prescribe and adopt such rules and regulations as in its judgment are necessary or desirable for the administration and operation of the City Ordinance and the distribution of the district taxes collected thereunder.

E. Preference. Unless the payor instructs otherwise, and except as otherwise provided in this Agreement, the Department shall give no preference in applying money received for state sales and use taxes, state-administered local sales and use taxes, and district transactions and use taxes owed by a taxpayer, but shall apply moneys collected to the

satisfaction of the claims of the State, cities, counties, cities and counties, redevelopment agencies, other districts, and City as their interests appear.

F. Security. The Department agrees that any security which it hereafter requires to be furnished by taxpayers under the State Sales and Use Tax Law will be upon such terms that it also will be available for the payment of the claims of City for district taxes owing to it as its interest appears. The Department shall not be required to change the terms of any security now held by it, and City shall not participate in any security now held by the Department.

G. Records of the Department.

When requested by resolution of the legislative body of the City under section 7056 of the Revenue and Taxation Code, the Department agrees to permit authorized personnel of the City to examine the records of the Department, including the name, address, and account number of each seller holding a seller's permit with a registered business location in the City, pertaining to the ascertainment of transactions and use taxes collected for the City. Information obtained by the City from examination of the Department's records shall be used by the City only for purposes related to the collection of transactions and use taxes by the Department pursuant to this Agreement.

H. Annexation. City agrees that the Department shall not be required to give effect to an annexation, for the purpose of collecting, allocating, and distributing District transactions and use taxes, earlier than the first day of the calendar quarter which commences not less than two months after notice to the Department. The notice shall include the name of the county or counties annexed to the extended City boundary. In the event the City shall annex an area, the boundaries of which are not coterminous with a county or counties, the notice shall include a description of the area annexed and two maps of the City showing the area annexed and the location address of the property nearest to the extended City boundary on each side of every street or road crossing the boundary.

ARTICLE III

ALLOCATION OF TAX

A. Allocation. In the administration of the Department's contracts with all districts that impose transactions and use taxes imposed under ordinances, which comply with Part 1.6 of Division 2 of the Revenue and Taxation Code:

1. Any payment not identified as being in payment of liability owing to a designated district or districts may be apportioned among the districts as their interest appear, or, in the discretion of the Department, to all districts with which the Department has contracted using ratios reflected by the distribution of district taxes collected from all taxpayers.

2. All district taxes collected as a result of determinations or billings made by the Department, and all amounts refunded or credited may be distributed or charged to the respective districts in the same ratio as the taxpayer's self-declared district taxes for the period for which the determination, billing, refund or credit applies.

B. Vehicles, Vessels, and Aircraft. For the purpose of allocating use tax with respect to vehicles, vessels, or aircraft, the address of the registered owner appearing on the application for registration or on the certificate of ownership may be used by the Department in determining the place of use.

ARTICLE IV

COMPENSATION

The City agrees to pay to the Department as the State's cost of administering the City Ordinance such amount as is provided for by law. Such amounts shall be deducted from the taxes collected by the Department for the City.

ARTICLE V

MISCELLANEOUS PROVISIONS

A. Communications. Communications and notices may be sent by first class United States mail to the addresses listed below, or to such other addresses as the parties may from time to time designate. A notification is complete when deposited in the mail.

Communications and notices to be sent to the Department shall be addressed to:

California State Department of Tax and Fee Administration
P.O. Box 942879
Sacramento, California 94279-0027

Attention: Administrator
Local Revenue Branch

Communications and notices to be sent to City shall be addressed to:

City of Montebello
Director of Finance
1600 West Beverly Boulevard
Montebello, CA 90640

Unless otherwise directed, transmittals of payment of District transactions and use taxes will be sent to the address above.

B. Term. The date of this Agreement is the date on which it is approved by the Department of General Services. The Agreement shall take effect July 1, 2020. This Agreement shall continue until December 31 next following the expiration date of the City Ordinance, and shall thereafter be renewed automatically from year to year until the Department completes all work necessary to the administration of the City Ordinance and has received and disbursed all payments due under that Ordinance.

C. Notice of Repeal of Ordinance. City shall give the Department written notice of the repeal of the City Ordinance not less than 110 days prior to the operative date of the repeal.

ARTICLE VI

ADMINISTRATION OF TAXES IF THE
ORDINANCE IS CHALLENGED AS BEING INVALID

A. Impoundment of funds.

1. When a legal action is begun challenging the validity of the imposition of the tax, the City shall deposit in an interest-bearing escrow account, any proceeds transmitted to it under
Article II. C., until a court of competent jurisdiction renders a final and non-appealable judgment that the tax is valid.

2. If the tax is determined to be unconstitutional or otherwise invalid, the City shall transmit to the Department the moneys retained in escrow, including any accumulated interest, within ten days of the judgment of the trial court in the litigation awarding costs and fees becoming final and non-appealable.

B. Costs of administration. Should a final judgment be entered in any court of the State of California, holding that City's Ordinance is invalid or void, and requiring a rebate or refund to taxpayers of any taxes collected under the terms of this Agreement, the parties mutually agree that:

1. Department may retain all payments made by City to Department to prepare to administer the City Ordinance.

2. City will pay to Department and allow Department to retain Department's cost of administering the City Ordinance in the amounts set forth in Article IV of this Agreement.

3. City will pay to Department or to the State of California the amount of any taxes plus interest and penalties, if any, that Department or the State of California may be required to rebate or refund to taxpayers.

4. City will pay to Department its costs for rebating or refunding such taxes, interest, or penalties. Department's costs shall include its additional cost for developing procedures for processing the rebates or refunds, its costs of actually making these refunds, designing and printing forms, and developing instructions for Department's staff for use in making these rebates or refunds and any other costs incurred by Department which are reasonably appropriate or necessary to make those rebates or refunds. These costs shall include Department's direct and indirect costs as specified by Section 11256 of the Government Code.

5. Costs may be accounted for in a manner, which conforms to the internal accounting, and personnel records currently maintained by the Department. The billings for such costs may be presented in summary form. Detailed records will be retained for audit and verification by City.

6. Any dispute as to the amount of costs incurred by Department in refunding taxes shall be referred to the State Director of Finance for resolution and the Director's decision shall be final.

7. Costs incurred by Department in connection with such refunds shall be billed by Department on or before the 25th day of the second month following the month in which the judgment of a court of the State of California holding City's Ordinance invalid or void becomes final. Thereafter Department shall bill City on or before the 25th of each month for all costs incurred by Department for the preceding calendar month. City shall pay to Department the amount of such costs on or before the last day of the succeeding month and shall pay to Department the total amount of taxes, interest, and penalties refunded or paid to taxpayers, together with Department costs incurred in making those refunds.

CITY OF MONTBELLO

By _____
(Signature)

_____
Salvador Melendez

_____
Mayor

CALIFORNIA STATE DEPARTMENT OF
TAX AND FEE ADMINISTRATION

By _____
Administrator
Local Revenue Branch

ATTACHMENT 2

URGENCY ORDINANCE NO. 2416

AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, ADOPTING A GENERAL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION PURSUANT TO CALIFORNIA REVENUE & TAXATION CODE SECTIONS 7251 ET SEQ., SUBJECT TO VOTER APPROVAL

WHEREAS, despite the City of Montebello's efforts to maintain fiscal management and accountability, it is experiencing serious and detrimental financial and budgetary impacts because of increased service demands, difficulty recruiting and retaining of qualified employees, deferred maintenance and improvements to public utilities and infrastructure, and a reduction in state and federal funding support, and like many cities in California faces inadequate funding to address essential public safety and public service needs;

WHEREAS, the City has implemented a number of cost-saving measures, having reduced the number of employees, consolidated departments and staff positions, implemented operational efficiency and risk management / avoidance controls, deferred cost of living adjustments, and deferred utility and capital improvement needs;

WHEREAS, various changes in state and federal law and policy have significantly reduced or entirely eliminated local programs and revenues sources the City was previously reliant on, and recent changes in state law have increased local costs associated with public safety efforts and state program administration;

WHEREAS, despite its efforts, the City of Montebello is projecting a general fund budget deficit in Fiscal Year 2019-2020, and the City's general fund reserves may be entirely depleted in the near future;

WHEREAS, without an immediate source of new revenue, the City of Montebello will be forced to make further reductions to essential services to the community;

WHEREAS, a local revenue measure will make it possible for the City of Montebello to improve: its overall community services, for example, by hiring additional police officers and fire personnel to reduce emergency response times, and recruit and maintain the most qualified public safety personnel; fix and repair the condition of deteriorating neighborhood streets and major roads and highways which would improve traffic flow, reduce congestion, and improve emergency response times; fighting blight and crime by expanding neighborhood graffiti removal programs, youth anti-gang and drugs prevention programs, and after-school programs and activities; and

WHEREAS, pursuant to Section 2(b) of Article XIIIC of the California Constitution, the City Council has unanimously declared the existence of an emergency in that there are immediate financial risks and dangers, as described in the Resolution declaring an emergency adopted on the date even herewith, to the public welfare and the City's financial ability to provide essential municipal services without disruption, and the City Council has called a special municipal election for Tuesday, March 3, 2020, at which election this Ordinance shall be submit to the qualified voters of the City of Montebello.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY ORDAIN AS FOLLOWS, AND IF APPROVED BY THE VOTERS OF THE CITY OF MONTEBELLO, THE PEOPLE OF THE CITY OF MONTEBELLO DO ORDAIN AS FOLLOWS:

SECTION 1. DECLARATION OF URGENCY. This Ordinance is adopted as an urgency measure pursuant to Government Code section 36937, to take effect upon the Operative Date as defined herein. Based upon the staff reports, presentations, public testimony, and other matters presented to the City Council during its consideration of this Ordinance, the City Council hereby finds and declares that the foregoing recitals are true and correct, and expressly incorporates the same herein as a substantive part of this Ordinance, and further that such recitals

accurately reflect the dire economic condition of the City, the immediate and long-term needs of the City, and the inadequacy of existing revenues to fund such needs, all of which create a present and immediate emergency to the public health, safety and general welfare of the community.

SECTION 2. TITLE AND SCOPE. This Ordinance shall be known as the "City of Montebello Transactions and Use Tax Ordinance." The City of Montebello shall be called "City" herein, and this Ordinance shall be applicable in the incorporated territory of the City.

SECTION 2. OPERATIVE DATE. "Operative Date" as used herein means the first day of the first calendar quarter commencing more than one hundred and ten (110) days after the City Council declares the results of the special election held on March 3, 2020.

SECTION 3. PURPOSE. This Ordinance is adopted to achieve the following purposes, among others, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue & Taxation Code and Section 7285.9 of Part 1.7 of Division 2, which authorizes the City to adopt this tax Ordinance which shall be operative if a majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a retail transactions and use tax Ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue & Taxation Code.

C. To adopt a retail transactions and use tax Ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adopts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California Sales and Use Taxes.

D. To adopt a retail transactions and use tax Ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue & Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this Ordinance.

SECTION 4. CONTRACT WITH THE STATE. Prior to the Operative Date, the City shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax Ordinance; provided that if the City shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such case the Operative Date shall be the first day of the first calendar quarter following the execution of the contract.

SECTION 5. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated territory of the City at the rate of three-quarter of one percent (.75%) of the gross receipts of any retailer form the sale of all tangible personal property sold at retail in said territory on and after the operative date of this Ordinance.

SECTION 6. PLACE OF SALE. For purposes of this Ordinance, all retail sales are consummated that the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

SECTION 7. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the City of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in said territory at the rate of three-quarter of one percent (.75%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

SECTION 8. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this Ordinance, and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue & Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

SECTION 9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 3 of the Revenue & Taxations Code:

A. Wherever the State of California is named or referred to as the taxing entity, the name of the City shall be substituted therefor. However, the substitution shall not be made when:

1) The word "State" is used as part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2) The result of that substitution would require action to be taken by or against the City or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance;

3) In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the results of the substitution would be to:

a) Provide an exception from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue & Taxation Code, or;

b) Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the State under said provision of that code;

4) In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797, or 6828 of the Revenue & Taxation Code; and

5) The word "City" shall be substituted for the word "State" in the phrase "retailer engaged in the business of this state" in Section 6203 and in the definition of that phrase in Section 6203.

SECTION 10. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue & Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

SECTION 11. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1) Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2) Sales of property to be used outside the City which is shipped to a point outside the City, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purpose of this paragraph, delivery to a point outside the City shall be satisfied:

a) With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-City address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and;

b) With respect to commercial vehicles, by registration to a place of business out- of-City and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3) The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

4) A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this Ordinance.

5) For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this Ordinance, the storage, use or other consumption in this City of tangible personal property:

1) The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2) Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3) If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this Ordinance.

4) If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this Ordinance.

5) For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6) Except as provided in subparagraph (7), a retailer engaged in business in the City shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the City or participates within the City in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the City or through any representative, agent, canvasser, solicitor, subsidiary, or person in the City under the authority of the retailer.

7) "A retailer engaged in business in the City" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the City.

SECTION 12. NEW REVENUE USE RESTRICTION. Any new revenues generated by the passage and collection of this transaction and use tax shall be available for any general fund purpose(s).

SECTION 13. AMENDMENTS TO STATE LAW. All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1..6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

SECTION 14. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the City, or against any officer of the State or the City, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

SECTION 15. SEVERABILITY. If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

SECTION 16. EFFECTIVE DATE AND SUBMISSION TO VOTERS. This Ordinance relates to the levying and collecting of City transactions and use taxes and shall take effect immediately. However, no tax imposed by this Ordinance shall be effective unless that tax has been approved by the voters of the City, at an election held on March 3, 2020, as required by Section 2(b) of Article XIIIC of the California Constitution and applicable law.

SECTION 17. AMENDMENT AND TERMINATION. The authority to levy the taxes imposed by this Ordinance shall continue indefinitely until this ordinance is repealed. The City Council may amend this Ordinance to reduce the rate of the taxes, either permanently or for a set period of time, without a further vote of the people. However, as required by Article XIIIC of the California Constitution, no amendment to this Ordinance may increase the rates of the taxes above what is authorized by this Ordinance unless such amendment is submitted to and approved by the voters.

SECTION 18. DECLARATION. The proceeds of the taxes imposed by this Ordinance may be used for any lawful purpose of the City, as authorized by Ordinance, Resolution or action of the City Council or by Ordinance adopted by the electorate of the City. These taxes do not

meet the criteria established by Section (d) of Article XIIIC of the California Constitution for special taxes, and are general taxes imposed for general government purposes.

SECTION 19. ACCOUNTABILITY. The City's expenditure of the proceeds of the taxes imposed by this Ordinance shall be reviewed annually in conjunction with, and as part of the City's usual annual financial audit, and the results of such review shall be made available for inspection by the public.

SECTION 20. CODIFICATION. If a majority of the electors voting on this Ordinance vote to approve the imposition of the tax imposed hereby at an election called for that purpose, Sections 2 through 19, inclusive, of this Ordinance, shall be codified in the Montebello Municipal Code at Title 3, Chapter 3.46, Sections 3.46.010 through Sections 3.46.190.

SECTION 21. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published as required by law.

PASSED, APPROVED, AND ADOPTED this 13th day of November, 2019.

ATTEST: **CITY OF MONTEBELLO**

Suman Guzman, Deputy City Clerk for

Irma Barajas, Clerk Jack Hadjinian, Mayor

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman,
City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss.
CITY OF MONTEBELLO)

I, Irma Barajas, City Clerk of the City of Montebello, do hereby certify that the foregoing Urgency Ordinance No. 2416 was introduced and duly and regularly approved and adopted by the City Council of the City of Montebello at their meeting held on the 13th day of November, 2019, as approved by law by the following vote:

AYES: Torres, Melendez, Cobos-Cawthorne, Jimenez, Hadjinian
NOES: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City on the 25th day of November, 2019.

Suman Guzman, Deputy City Clerk for

IRMA BARAJAS, City Clerk

CITY OF MONTEBELLO INCORPORATED OCT. 16, 1920 CALIFORNIA

ITEM #24

CITY OF MONTEBELLO

CITY COUNCIL AGENDA STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

SUBJECT: TEMPORARY CHANGE IN CITY COUNCIL MEETING TIME

DATE: April 8, 2020

RECOMMENDATION

It is recommended that the City Council approve a temporary change in City Council meeting time during the COVID-19 pandemic Stay at Home Order.

DISCUSSION

The local and state emergency Stay at Home Orders related to the global COVID-19 pandemic have resulted in the temporary reduction of in-house staff at City Hall and field facility operations. In anticipation of a surge of confirmed COVID-19 cases and related devastating effects that is being widely projected by county, state and federal medical officials to peak during the weeks of April 12 – May 3, 2020, staff is requesting a temporary change in the regularly scheduled City Council meeting time. Moreover we anticipate that the surge will result in unexpected incidents and responses that will require that the Executive Staff who are reporting to their offices on their regular schedule be available to respond during the evening and on demand. Currently the Emergency Operations Center is at a Level II with limited staff and if the surge predictive model is accurate we will be at a Level I that will require varying Executive staff schedules. Currently only a handful of staff report to City Hall for essential functions related to payroll, accounts payable/receivable on a hybrid schedule (2 days in office and 2 days working from home). Non-Essential staff is working remotely as needed or are remaining at home.

Staff is requesting City Council's consensus on temporarily changing the regular City Council meeting time until the Stay at Home Orders are lifted. This request is to change the closed session time from 5:30 pm to 12:00 pm and the regular session from 6:30 pm to 12:30 pm. The Public Comments would be accepted the prior day from 9:00 am – 3:00 pm and on the day of the meeting, e-mail public comments that will be added to the record will be accepted from 9:00 am – 11:00 am.

FISCAL IMPACT

No fiscal impact.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

THE CITY COUNCIL OF THE CITY OF MONTEBELLO DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand Nos. 1489, consisting of 8 pages, and including

Warrant No. 588220 through 588414;
Warrant No. 1463

On file in the office of the City Clerk, the same having been audited and approved by the Controller as required by law.

SECTION 2. That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

_____

_____

_____

SECTION 3. That the City Clerk shall certify to the adoption of this resolution and thence forth and thereafter the same shall be in full force and effect.

APPROVED AND ADOPTED THIS 8th DAY OF APRIL, 2020.

_____
SALVADOR MELENDEZ, Mayor

ATTEST:

_____
IRMA BARAJAS, City Clerk

City of Montebello

Register of Demands No. 1489

From Payment Date: 3/19/20 - To Payment Date: 4/1/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
4331 - General Account					
588220	03/19/2020	$14,565.11	SUPPLIES/TRAINING/EQUIPMENT	13240	BANKCARD CENTER
588221	03/23/2020	$1,797.89	LEASE PAYMENT	2405	JCB FINANCE
588222	03/23/2020	$52,138.58	GOLF COURSE MOWER LEASE PAYMENT	2099	TIAA COMMERCIAL FINANCE, INC.
588223	03/30/2020	$68,790.95	ENGINEERING SERVICES	37720	ADVANCED APPLIED ENGINEERING, INC.
588224	03/30/2020	$323.38	MACHINERY & EQUIPMENTS	2586	AMAZON CAPITAL SERVICES, INC.
588225	03/30/2020	$344.26	SUPPLIES	47980	AMERICAN MOVING PARTS
588226	03/30/2020	$1,400.53	SUPPLIES	1393	BOARDTRONICS, INC.
588227	03/30/2020	$42.80	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
588228	03/30/2020	$7,514.42	WATER PURCHASE	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
588229	03/30/2020	$1,475.00	CONTRACT SERVICES	2510	CERTIFIED FIRE EXTINGUISHER SERVICES, INC.
588230	03/30/2020	$1,581.14	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588231	03/30/2020	$2,054.48	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588232	03/30/2020	$884.78	CONTRACT SERVICES	2057	CIGNA BEHAVIORAL HEALTH
588233	03/30/2020	$1,020.00	PUBLICATIONS	1354	DAILY JOURNAL CORPORATION
588234	03/30/2020	$23,707.41	POLICE VEHICLE LEASE PAYMENT	73470	ENTERPRISE FM TRUST
588235	03/30/2020	$663.93	CONTRACT SERVICES	2616	EXTREME SAFETY INC.
588236	03/30/2020	$31.18	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
588237	03/30/2020	$1,034.86	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588238	03/30/2020	$771.59	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588239	03/30/2020	$458.42	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588240	03/30/2020	$783.16	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588241	03/30/2020	$8.75	UNIFORM EXPENSE	55650	GALLS, LLC
588242	03/30/2020	$102.93	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT, INC.
588243	03/30/2020	$2,836.43	CONTRACT SERVICES	2152	JOHNSON CONTROLS, INC.
588244	03/30/2020	$182.85	TRAVEL & MEETINGS	898	RYAN JOSETT

City of Montebello

Register of Demands No. 1489

From Payment Date: 3/19/20 - To Payment Date: 4/1/20

CHECK #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
588245	03/30/2020	$1,950.00	SUPPLIES	26670	LIFE-ASSIST, INC.
588246	03/30/2020	$524.88	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS
588247	03/30/2020	$41,250.00	FINANCIAL SOFTWARE	2801	OPENGOV, INC.
588248	03/30/2020	$3,840.00	CONTRACT SERVICES	876	PACIFIC OIL COMPANY
588249	03/30/2020	$36,276.00	METROLINK SERVICES	42180	PCAM, LLC
588250	03/30/2020	$60.53	UTILITY SERVICES	36610	CITY OF PICO RIVERA
588251	03/30/2020	$255.76	MAIL/ POSTAL EXPENSE	697	QUADIENT FINANCE USA, INC.
588252	03/30/2020	$22.87	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO.
588253	03/30/2020	$73,806.83	FUEL	1059	AMBER RESOURCES LLC/SAWYER PETROLEUM
588254	03/30/2020	$137.44	CONTRACT SERVICES	36350	SHRED-IT USA
588255	03/30/2020	$7,699.04	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO.
588256	03/30/2020	$14,675.08	INSURANCE PREMIUM	25850	STANDARD INSURANCE COMPANY
588257	03/30/2020	$109.94	VEHICLE MAINTENANCE/EXPENSES	1963	SUEZ WTS SERVICES USA, INC.
588258	03/30/2020	$3,927.96	UTILITY SERVICES	72570	U.S. TELEPACIFIC CORP
588259	03/30/2020	$11,701.20	METROLINK SECURITY SERVICES	37	U.S. SECURITY ASSOCIATES, INC.
588260	03/30/2020	$102.26	SUPPLIES	17180	FERNANDO VALLE
588261	03/30/2020	$168.41	VEHICLE MAINTENANCE/EXPENSES	53450	R & O MCINTYRE INC.
588262	03/30/2020	$942.17	ADVERTISING/PRINTING SERVICES	31600	4 IMPRINT
588263	03/30/2020	$144.00	CONTRACT SERVICES	1352	ADR SECURITY SYSTEMS, INC.
588264	03/30/2020	$950.00	CONTRACT SERVICES	40240	ARBITRAGE COMPLIANCE SPECIALISTS, INC
588265	03/30/2020	$160.00	GENERAL GOVERNMENT	2814	JEANETTE BARAJAS
588266	03/30/2020	$664.00	CONTRACT SERVICES	2678	CARPET ONE FLOOR & HOME
588267	03/30/2020	$34,163.23	TRANSIT BUS HVAC SERVICES	29460	COMPLETE COACH WORKS
588268	03/30/2020	$586.31	CONTRACT SERVICES	25660	E-Z GO DIVISION OF TEXTRON
588269	03/30/2020	$27,193.36	DIAL A RIDE SERVICES	75950	FIESTA TAXI COOPERATIVE, INC.
588270	03/30/2020	$2,140.00	CONTRACT SERVICES	371	FLO-SERVICES, INC.

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588271	03/30/2020	$250.26	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC/GILLIG
588272	03/30/2020	$148.24	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH, INC.
588273	03/30/2020	$76.00	VEHICLE MAINTENANCE/EXPENSES	75430	TEXTRON INC.
588274	03/30/2020	$11,461.75	LEGAL SERVICES	2001	LAW OFFICES OF DAVID J. WEISS
588275	03/30/2020	$47.33	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
588276	03/30/2020	$10,306.08	BUS STOP CLEANING SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
588277	03/30/2020	$2,409.00	VEHICLE MAINTENANCE/EXPENSES	1625	NATIONWIDE TRANSIT SALES INC.
588278	03/30/2020	$1,643.15	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC
588279	03/30/2020	$769.63	SUPPLIES	15620	OFFICE DEPOT
588280	03/30/2020	$5,652.39	BUS SCHEDULES	75280	PGI, INC/PACIFIC GRAPHICS
588281	03/30/2020	$539.86	INSURANCE REIMBURSEMENT	42490	LINDA PAYAN
588282	03/30/2020	$362.08	SUPPLIES	523	PC INDUSTRIAL PRODUCTS LLC
588283	03/30/2020	$105.73	CONTRACT SERVICES	56260	PRUDENTIAL OVERALL SUPPLY
588284	03/30/2020	$295.32	SUPPLIES	1925	CENTRAL SANITARY SUPPLY
588285	03/30/2020	$475.53	TRAINING	2647	JOSHUA REYNA
588286	03/30/2020	$454.95	ADVERTISING/PRINTING SERVICES	2594	THE SAUCE CREATIVE SERVICES CORP.
588287	03/30/2020	$1,501.90	INSURANCE REIMBURSEMENT	9340	GEORGE S. SIMONIAN
588288	03/30/2020	$310.00	DUES & SUBSCRIPTIONS	4160	SOUTHERN CALIFORNIA MUNICIPAL ATHLETIC FED.
588289	03/30/2020	$805.18	VEHICLE MAINTENANCE/EXPENSES	168	SOUTHERN COACH MFG. CO, INC.
588290	03/30/2020	$2,000.00	CONTRACT SERVICES	72100	LEO ARNOLD/SUNSET DETECTIVES
588291	03/30/2020	$12,828.75	PLANNING SERVICES	65440	TIERRA WEST ADVISORS
588292	03/30/2020	$3,000.00	CONTRACT SERVICES	217	TRACKIT LLC
588293	03/30/2020	$535.60	INSURANCE REIMBURSEMENT	27300	ROBERT C. TUFANO
588294	03/30/2020	$7,026.81	SOFTWARE TRAINING	1188	TYLER TECHNOLOGIES, INC.
588295	03/30/2020	$6,989.60	COPIER REPAIR/SERVICES	2747	U.S. BANK EQUIPMENT FINANCE
588296	03/30/2020	$3,875.00	AUDIT SERVICES	75020	VASQUEZ & CO.,LLP

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588297	03/30/2020	$2,090.13	SUPPLIES	67320	WINZER CORPORATION
588298	03/30/2020	$1,141.00	CONTRACT SERVICES	71170	YOUNG ELECTRIC SIGN COMPANY
588299	03/31/2020	$26,244.69	SUPPLIES	13240	BANKCARD CENTER
588300	03/31/2020	$2,830.30	BUILDING MATERIAL SUPPLIES	48400	HOME DEPOT CREDIT SERVICES
588301	03/31/2020	$1,564.20	REIMBURSEMENTS/SUPPLIES	790	CITY OF MONTEBELLO PETTY CASH
588302	03/31/2020	$2,896.56	CROSSING GUARD SERVICES	40670	ALL CITY MANAGEMENT SERVICES
588303	03/31/2020	$79,023.78	LEGAL SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
588304	03/31/2020	$24.06	SUPPLIES	2586	AMAZON CAPITAL SERVICES, INC.
588305	03/31/2020	$1,304.60	SUPPLIES	47980	AMERICAN MOVING PARTS
588306	03/31/2020	$153.30	ADVERTISING/PRINTING SERVICES	35980	SAEED RADMEHR/ARTE PRINTING
588307	03/31/2020	$79.83	CONTRACT SERVICES	27170	BEVERLY HOSPITAL
588308	03/31/2020	$68,326.46	TRANSIT BUS HVAC SERVICES	29460	COMPLETE COACH WORKS
588309	03/31/2020	$943.29	SUPPLIES	1844	ESAFETY SUPPLIES, INC.
588310	03/31/2020	$1,275.89	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC/GILLIG
588311	03/31/2020	$1,087.50	LEGAL SERVICES	8130	RICHARD D. JONES, A PROFESSIONAL LAW CORP.
588312	03/31/2020	$80.15	SUPPLIES	20620	LOS ANGELES TRUCK CENTERS, LLC
588313	03/31/2020	$240.00	REFUND	2817	MARLENE MENA MARTINEZ
588314	03/31/2020	$1,852.07	SUPPLIES	2072	MICROMED DIAMOND SEAL SYSTEMS LLC.
588315	03/31/2020	$619.89	CONTRACT SERVICES	74640	MISSION LINEN SUPPLY
588316	03/31/2020	$143.56	CONTRACT SERVICES	53120	NATIONAL CONSTRUCTION RENTALS
588317	03/31/2020	$36,608.61	GRAFFITI/CATCH BASIN SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
588318	03/31/2020	$5,038.44	FIRE SAFETY SUPPLIES	2503	PERIMETER SOLUTIONS LP
588319	03/31/2020	$80.00	REFUND	2819	NELLIE QUEVEDO
588320	03/31/2020	$1,513.77	CONTRACT SERVICES	952	RELIANT IMMEDIATE CARE MEDICAL GROUP INC
588321	03/31/2020	$80.00	REFUND	2818	JOE RODRIGUEZ
588322	03/31/2020	$224.28	CONTRACT SERVICES	51850	SECURITY SIGNAL DEVICES INC.

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588323	03/31/2020	$659.12	CONTRACT SERVICES	36350	SHRED-IT USA
588324	03/31/2020	$15,000.00	APPLICATION SERVICES	1188	TYLER TECHNOLOGIES, INC.
588325	03/31/2020	$51,354.26	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS
588326	03/31/2020	$492.75	SUPPLIES	35980	SAEED RADMEHR/ARTE PRINTING
588327	03/31/2020	$6,646.72	UTILITY SERVICES	39550	AT&T
588328	03/31/2020	$2,100.21	UTILITY SERVICES	39550	AT&T
588329	03/31/2020	$10,043.08	PRE-EMPLOYMENT BACKGROUND	299	BALLARD & BALLARD INVESTIGATIONS
588330	03/31/2020	$1,605.06	VEHICLE MAINTENANCE/EXPENSES	23330	BATTERY SYSTEMS
588331	03/31/2020	$281.78	PERMITS AND FEES	2032	BLUE 360 MEDIA, LLC
588332	03/31/2020	$1,506.79	MACHINERY & EQUIPMENTS	2765	BMC SOFTWARE, INC.
588333	03/31/2020	$80.00	TRAINING	21620	BURRO CANYON ENTERPRISES, INC.
588334	03/31/2020	$7,400.00	BUILDING IMPROVEMENTS	2739	CEMAC CORP.
588335	03/31/2020	$599.00	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
588336	03/31/2020	$45,025.00	INSURANCE PREMIUMS	4110	DELTA DENTAL OF CALIFORNIA
588337	03/31/2020	$235.19	BUILDING IMPROVEMENTS	40920	DIAMOND ENVIRONMENTAL SERVICES
588338	03/31/2020	$825.00	VEHICLE MAINTENANCE/EXPENSES	1592	ELLSWORTH TRUCK & AUTO MACHINING
588339	03/31/2020	$2,358.00	CONTRACT SERVICES	71920	TOYETTA L. BEUKES/FORENSIC NURSE RESPONSE TEAM
588340	03/31/2020	$1,600.00	CONTRACT SERVICES	405	GREGORY C. REUEL/GCR MARKETING NETWORK
588341	03/31/2020	$250.00	TRAINING	711	GLOCK PROFESSIONAL, INC.
588342	03/31/2020	$337.27	CONTRACT SERVICES	1612	JCL TRAFFIC SERVICES
588343	03/31/2020	$3,750.00	CONTRACT SERVICES	2156	LEED ELECTRIC INC.
588344	03/31/2020	$38.47	VEHICLE MAINTENANCE/EXPENSES	2480	SOCAL AUTO & TRUCK PARTS, INC.
588345	03/31/2020	$1,600.90	FUEL	19700	SYNCHRONY BANK
588346	03/31/2020	$1,975.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOCIATES, INC.
588347	03/31/2020	$210.49	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO.
588348	03/31/2020	$279.55	CONTRACT SERVICES	131	UNITED SITE SERVICES, INC.

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588349	03/31/2020	$4,265.03	VEHICLE MAINTENANCE/EXPENSES	3450	VALLEY POWER SYSTEMS, INC.
588350	03/31/2020	$1,760.00	SUPPLIES	2000	VITAL MEDICAL SERVICES LLC.
588351	03/31/2020	$1,353.17	ADVERTISING/PRINTING SERVICES	61850	X-IGENT PRINTING INC.
588352	03/31/2020	$648.43	SUPPLIES	188	MONTEBELLO FIRE DEPARTMENT PETTY CASH
588353	04/01/2020	$359.16	FUEL	2186	ACEGAS LLC
588354	04/01/2020	$1,195.50	ENGINEERING SERVICES	37720	ADVANCED APPLIED ENGINEERING, INC.
588355	04/01/2020	$2,010.05	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
588356	04/01/2020	$4,845.38	CONTRACT SERVICES	2616	EXTREME SAFETY INC.
588357	04/01/2020	$60.00	CONTRACT SERVICES	23660	DAIOHS USA
588358	04/01/2020	$4,167.00	CONTRACT SERVICES	21260	FLAIR DATA SERVICES, INC.
588359	04/01/2020	$884.27	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
588360	04/01/2020	$771.59	UTILITY SERVICES	2467	FUSION CLOUD SERVICES, LLC
588361	04/01/2020	$8,700.00	CONTRACT SERVICES	2784	PHILLIP GALLEGOS
588362	04/01/2020	$4,796.54	UNIFORM EXPENSE	55650	GALLS, LLC
588363	04/01/2020	$363.90	VEHICLE MAINTENANCE/EXPENSES	69140	HUNTINGTON BEACH MOTORSPORTS, INC.
588364	04/01/2020	$3,630.00	CONTRACT SERVICES	73310	KRONOS INCORPORATED
588365	04/01/2020	$1,833.19	SUPPLIES	26670	LIFE-ASSIST, INC.
588366	04/01/2020	$1,807.92	SUPPLIES	2072	MICROMED DIAMOND SEAL SYSTEMS LLC.
588367	04/01/2020	$999.29	SUPPLIES	2544	CITY OF MONTEBELLO - RECREATION DEPARTMENT
588368	04/01/2020	$2,037.50	SUPPLIES	2480	SOCAL AUTO & TRUCK PARTS, INC.
588369	04/01/2020	$2,721.81	SUPPLIES	1938	P & R PAPER SUPPLY COMPANY INC.
588370	04/01/2020	$1,057.30	CONTRACT SERVICES	56260	PRUDENTIAL OVERALL SUPPLY
588371	04/01/2020	$77.07	SUPPLIES	1120	NESTLE WATERS NORTH AMERICA
588372	04/01/2020	$301.16	SUPPLIES	42210	SAFETY-KLEEN SYSTEMS, INC.
588373	04/01/2020	$218.81	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
588374	04/01/2020	$136.40	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

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588375	04/01/2020	$1,090.96	PERMITS AND FEES	28240	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
588376	04/01/2020	$1,460.95	VEHICLE MAINTENANCE/EXPENSES	168	SOUTHERN COACH MFG. CO, INC.
588377	04/01/2020	$463.70	CONTRACT SERVICES	64140	TURNOUT MAINTENANCE COMPANY, LLC
588378	04/01/2020	$1,214.95	FRINGE BENEFITS	58990	VISION SERVICE PLAN
588379	04/01/2020	$5,233.52	CONTRACT SERVICES	47600	VORTEX INDUSTRIES
588380	04/01/2020	$132.02	VEHICLE MAINTENANCE/EXPENSES	53450	R & O MCINTYRE INC.
588381	04/01/2020	$2,759.40	SUPPLIES	6390	ZOLL MEDICAL CORPORATION GPO
588382	04/01/2020	$2,228.86	SUPPLIES	74990	AUTOZONE, INC
588383	04/01/2020	$135.00	REFUND	2824	VALERIE CHAVEZ
588384	04/01/2020	$4,085.96	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO. INC
588385	04/01/2020	$179.27	CONTRACT SERVICES	25660	E-Z GO DIVISION OF TEXTRON
588386	04/01/2020	$797.00	REFUND	2823	ERIKA ESPINOZA
588387	04/01/2020	$188.43	SUPPLIES	38020	FLEET PRIDE, INC.
588388	04/01/2020	$2,164.29	ADVERTISING/PRINTING SERVICES	12	GEIGER BROS
588389	04/01/2020	$283.43	VEHICLE MAINTENANCE/EXPENSES	33720	ARKAY ACQUISITION LLC/GILLIG
588390	04/01/2020	$220,947.00	SAFETY DISPATCH SERVICES	13750	CITY OF GLENDALE
588391	04/01/2020	$1,367.32	VEHICLE MAINTENANCE/EXPENSES	270	HARBOR DIESEL AND EQUIPMENT, INC.
588392	04/01/2020	$1,538.27	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH, INC.
588393	04/01/2020	$1,087.80	CONTRACT SERVICES	1357	IRON MOUNTAIN INC.
588394	04/01/2020	$262.80	SUPPLIES	2750	JPRINTING AND DESIGN
588395	04/01/2020	$150.00	REFUND	2826	KAREN JIMENEZ
588396	04/01/2020	$3,542.10	LEGAL SERVICES	16760	LIEBERT CASSIDY WHITMORE
588397	04/01/2020	$4,323.06	SUPPLIES	2072	MICROMED DIAMOND SEAL SYSTEMS LLC.
588398	04/01/2020	$4,127.54	VEHICLE MAINTENANCE/EXPENSES	11490	MONTEBELLO AUTOCRAFT
588399	04/01/2020	$4,785.96	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES, INC./MONTEBELLO TIRE PROS
588400	04/01/2020	$4,090.15	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY, LLC

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588401	04/01/2020	$11,133.89	LANDSCAPING SERVICES	2481	NORTH STAR LAND CARE
588402	04/01/2020	$32,324.90	TRANSIT REPORTING SERVICES	61370	PADILLA & ASSOCIATES, INC.
588403	04/01/2020	$17,800.00	SEWER REPAIR SERVICES	6070	QUALITY JET ROOTER
588404	04/01/2020	$111.53	VEHICLE MAINTENANCE/EXPENSES	52940	S & A ENGINE, INC.
588405	04/01/2020	$35,853.00	STREET PAYMENT SERVICES	20770	SEQUEL CONTRACTORS. INC.
588406	04/01/2020	$2,400.00	CONTRACT SERVICES	72100	LEO ARNOLD/SUNSET DETECTIVES
588407	04/01/2020	$2,844.50	CONTRACT SERVICES	9270	TANK SPECIALIST OF CALIFORNIA
588408	04/01/2020	$2,016.00	TRANSIT BUS CLEANING SERVICES	74850	UNIQUE GENERAL SERVICES
588409	04/01/2020	$9,844.06	TRANSIT BUS PARTS	3450	VALLEY POWER SYSTEMS, INC.
588410	04/01/2020	$1,319.48	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC./WAYNE ELECTRIC
588411	04/01/2020	$126.77	SUPPLIES	33390	WHITTIER FERTILIZER COMPANY
588412	04/01/2020	$5,481.17	CONTRACT SERVICES	1631	YORK RISK SERVICES GROUP, INC.
588413	04/01/2020	$798.00	REFUND	2821	TRINIDAD ZAMARIPPA
588414	04/01/2020	$80.00	REFUND	2825	PEDRO ZAVALA
	Subtotal	**$1,355,329.75**			
6093 - Successor Agency					
1463	03/31/2020	LEGAL SERVICES	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
	Subtotal	**$2,790.00**			
	Total	**$1,358,119.75**			