

**CITY OF COSTA MESA  
PROFESSIONAL SERVICES AGREEMENT  
WITH  
GRAPHIC SOLUTIONS, LTD.**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 2nd day of April, 2018 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and GRAPHIC SOLUTIONS, LTD., a California corporation ("Consultant").

**WITNESSETH:**

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide design services to develop a "wayfinding" sign program for the City, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, Consultant has provided these services since on or about April 1, 2015, and continues to provide such services; and

E. 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.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY CONSULTANT**

1.1. Scope of Services. Consultant shall provide the professional services described in the City's Request for Proposals ("RFP"), attached hereto as Exhibit "A," and Consultant's Proposal, attached hereto as Exhibit "B," both incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not

satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that 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 written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

## **2.0. COMPENSATION AND BILLING**

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement by this reference (the

"Fee Schedule"). Consultant's total compensation shall not exceed Six Thousand Sixty-Five Dollars and Eleven Cents (\$6,065.11).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

### **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of one (1) year, ending on April 1, 2019, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including

the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

## 5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years

after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The 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.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as Exhibit "D" and incorporated herein by this reference.

5.5. Non-Limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

## 6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by

the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Graphic Solutions, Ltd.  
2952 Main Street  
San Diego, CA 92113  
Tel: (619) 239-1335  
Attn: Simon Andrews

IF TO CITY:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Tel: (714) 754-5180  
Attn: Jennifer Rosales

Courtesy copy to:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Attn: Finance Dept. | Purchasing

6.5. Drug-Free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "E" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the

exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees

due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. 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 the 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.

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.

6.12. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.13. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.14. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.



6.15. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.16. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.17. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.18. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.19. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.20. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.21. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.22. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.23. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.24. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.25. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.27. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONSULTANT

Simon Andrews  
Signature

Date: 22 October 2018

SIMON ANDREWS, Secy of the Corp.  
[Name and Title]

[REDACTED]  
or Taxpayer ID Number

CITY OF COSTA MESA

Thomas Hatch  
to Thomas Hatch  
City Manager

Date: 11/13/18

ATTEST:

Brenda Green 11/13/18  
Brenda Green  
City Clerk



APPROVED AS TO FORM:

[Signature]  
Thomas Duarte  
City Attorney

Date: 11/03/19

APPROVED AS TO INSURANCE:

[Signature]  
Ruth Wang  
Risk Management

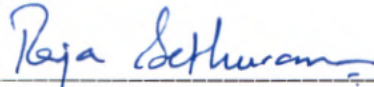
Date: 11/5/18

APPROVED AS TO CONTENT:

[Signature]  
Jennifer Rosales  
Project Manager

Date: 11/6/18

DEPARTMENTAL APPROVAL:



Raja Sethuraman  
Public Services Director

Date: 11-6-18

APPROVED AS TO PURCHASING:



Kelly Telford  
Finance Director

Date: 11/6/18

**EXHIBIT A**  
**REQUEST FOR PROPOSALS**



# CITY OF COSTA MESA

CALIFORNIA 92628-1200

P.O. Box 1200

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FROM THE OFFICE OF THE TRANSPORTATION SERVICES MANAGER

December 19, 2014

Interested Consultants

**SUBJECT: REQUEST FOR PROPOSALS FOR DEVELOPMENT OF WAYFINDING SIGN PROGRAM FOR COSTA MESA**

Dear Consultant:

The City of Costa Mesa is requesting proposals to develop a "Wayfinding" Sign Program for the City of Costa Mesa.

**Background**

The City of Costa Mesa, just one mile from the Pacific Coast in the heart of Orange County, is one of California's most vibrant cities. The City is home to South Coast Plaza, one of the nation's largest shopping centers, as well as several eclectic centers such as The LAB, The Camp, SoCo Collection, Downtown Costa Mesa, and 17<sup>th</sup> Street Promenade. The concentration of automobile dealerships along Harbor Boulevard has resulted in the moniker "Harbor Boulevard of Cars." Westside Costa Mesa is also the capital of the action sports industry and the headquarters for companies such as Hurley International, Volcom, RVCA, and Paul Frank Industries.

The City also has world-class arts and entertainment centers, including the Segerstrom Center for the Arts and South Coast Repertory Theater. Costa Mesa offers 29 parks, including the 208-acre Fairview Park, a municipal golf course, three libraries, a Neighborhood Community Center, a Downtown Recreation Center with a municipal pool, and a Senior Center. Orange Coast College, Coastline Community College, Vanguard University, and Whittier Law School have their campuses in Costa Mesa. The Orange County Fair and Event Center is also within the City limits.

**Need and Purpose**

The City is interested in showcasing its major venues in a "wayfinding" program with the aim of informing and directing visitors to desired destinations. The signs would be on all major corridors leading to respective destinations. The "wayfinding" signs will need to be designed such that the required information is presented in an attractive and creative format that does not distract drivers from other roadway signage, while reflecting the City's eclectic character.

### **Project Tasks**

This is a "turnkey" project in which the final product will consist of a Plans, Specifications, & Estimates (PS&E) package for the installation of "Wayfinding" signs. At a minimum the Consultant's scope of work should include, but should not be limited to, the following activities:

- Develop a comprehensive listing of all attractions within the City of Costa Mesa taking into account the input from various stakeholders including staff, elected and appointed officials, Costa Mesa Chamber of Commerce, Costa Mesa Conference and Visitors Bureau, and Independent research.
- Participate in ten (10) biweekly meetings with City staff and selected representatives from the stakeholders mentioned above.
- Prepare six (6) conceptual design options of "Wayfinding" signs. The designs should be in sufficient realistic detail and color, and should reflect the overall character of the City.
- Prepare a City map identifying various "Wayfinding" sign locations including the details of each sign.
- Present the conceptual design options and the sign location map at up to three (3) public workshops, one of them being a Costa Mesa City Council meeting.
- Prepare a final design of the "Wayfinding" sign including all materials to be used for sign and post, background color and letter type, and installation procedures.
- Prepare a final "Wayfinding" sign layout map of the City showing all the final sign locations, sign details, and specifications. This should be in the form of a Costa Mesa standard PS&E package ready for bidding.
- Supply the City with electronic copies as well as hard copies of all presentations and the final product.
- Prepare the preliminary and final cost estimate for the sign program.

### **Project Schedule**

It is expected that the Consultant contract would be awarded in March 2015. The Consultant is expected to initiate work within seven (7) days after the award of the contract. As a first task of work, the Consultant shall provide a detailed schedule for the implementation of the Project based on information received from the City. The Consultant's work is expected to be completed by September 30, 2015.

### **Content of Proposal**

The following should be submitted with your proposal:

- A. A brief review of the Project and a work plan describing key components of the Project. Also, provide any suggestions that might help expedite the project or any special measures that should be considered for this project.
- B. A detailed schedule indicating the stages of work and time frames.
- C. An organization chart and staffing plan including identifying personnel who will perform work on this project; and a brief resume on each individual (two pages max per person) and recent projects they have worked on of similar type. Identify

- the project manager with a detailed resume, and the individual authorized to negotiate the contract on behalf of the consulting firm.
- D. A listing of similar projects that your firm has completed within the last five (5) years. Information should include a description of work, year completed, cost, and agency/client name along with the agency contact person.
  - E. Comply with consultant agreement requirements.
  - F. Submittal of Five (5) duplicate proposals.

### **Fee Schedule**

The professional services contract will be awarded based upon a review of qualifications, project understanding, and the ability of the selected firm to perform the requested services as described in the Evaluation Criteria below. The professional services contract will not be awarded based upon low fees. It is desired that fees be submitted separately. The fee schedule should show the hourly costs of personnel per task, with a not-to-exceed amount. The consultant's cost proposal for the prime and subcontractors must contain a breakdown of all cost components including labor base rate, other direct costs, overhead, and fees.

### **Evaluation Criteria**

- A. Qualification of the Firm – Technical experience in performing work of a closely similar nature; record of completing the work on schedule; strength and stability of the firm; strength, stability, experience, and technical competence of subcontractors, if any; assessment by client references; and quality of the final product completed with other agencies.
- B. Management Approach – Qualification of key project staff, particularly the project manager; key personnel's level of involvement in performing related work; logic of project organization; adequacy of labor commitment; concurrence in the restrictions of changes in key personnel; and the approach taken for quality and budget control.
- C. Work Plan – Depth of consultant's understanding of City requirements and overall quality of work plan; logic, clarity, and specificity of work plan and variances proposed for the work plan; and the utility of technical or procedural innovations.
- D. Miscellaneous – Acceptability of exceptions and deviations, if any; completeness of response in accordance with RFP; and other relevant factors not considered elsewhere.

After review of the proposals received, the City will conduct interviews with short-listed firms. The selected firm will be recommended to the City Council for formal approval.

### **Contract Changes**

Any change in the scope of work resulting in a contract increase or decrease in fee shall be approved by the City in writing prior to commencement of actual change in work.



No fee adjustment will be allowed unless said prior approval is authorized exclusively in writing by the City, without exception.

**Right to Reject all Proposals**

The City of Costa Mesa reserves the right to reject any or all proposals submitted, and no representation is made hereby that any contract will be awarded pursuant to this request for proposals, or otherwise. All costs incurred in the preparation of the proposal, in the submission of additional information, and/or in any other aspect of a proposal prior to the award of a written contract will be borne by the respondent. The City will provide only the staff assistance and documentation specifically referred to herein and will not be responsible for any other cost or obligation of any kind that may be incurred by a respondent. All proposals submitted to the City of Costa Mesa in response to this request for proposals shall become the property of the City.

Enclosed is the City of Costa Mesa's professional services standard agreement and sample certificate of insurance for reference in preparing the proposal. The minimum insurance and endorsement requirements are stated within the enclosed documents. Should your firm be interested in this project, please submit the proposal to the City of Costa Mesa, Transportation Services Division, 4th Floor, City Hall, **on or before 5:00 p.m., January 16, 2015.**

If additional information is required, please contact me at (714) 754-5032.

Sincerely,



RAJA SETHURAMAN, Manager  
Transportation Services

Attachments: City Standard Agreement

c Ernesto Munoz, Public Services Director

**EXHIBIT B**  
**CONSULTANT'S PROPOSAL**

## WORK PLAN, APPROACH AND SCHEDULE

January 16, 2015

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626

RE: DEVELOPMENT OF WAYFINDING SIGN PROGRAM FOR  
COSTA MESA

### PURPOSE

To provide design services to develop a "Wayfinding" Sign Program for the City of Costa Mesa that showcases its major venues, directs visitors through major corridors that lead to the City's attractions and destinations, and is presented in a way that is attractive and expressive of the City's eclectic character.

### SCOPE OF WORK

Working in close coordination with the Client, Graphic Solutions will provide the following services:

#### Phase I. Planning and Research

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- A. Review site plan and related materials.
- B. Research and review applicable sign regulations and any existing signage program or criteria.
- C. Perform site study and photo documentation of existing site conditions. Survey and critique wayfinding signage of adjacent communities. (Site Visit #1)
- D. Meet with client to discuss project overview, determine program parameters and design approach, identify project signage needs, and establish strategy necessary for effective consensus building. (Meeting #1, concurrent with Site Visit #1)



- E. Develop a comprehensive list of all attractions and destinations within the City, and establish hierarchies, taking into account the input from various stakeholder groups.
- F. Research theming appropriate to the character of the project, (including imagery, colors, typography, etc).

**Schedule:** Weeks 1 - 3

## **Phase II. Concept Design**

---

- A. Provide conceptual plan identifying proposed sign types, sizes and locations.
- B. Create six (6) conceptual design options reflecting recommended treatments for the following elements:
  - 1. Directional signs – vehicular, pedestrian, bicycles
  - 2. Directories

Concepts will be typical only, for purposes of establishing a comprehensive program of design solutions appropriate to the project. Solutions to include indications for sizes, materials, colors, lighting and sign locations.

- C. Client Meetings to present concept options to client and stakeholders for review and comment. Presentations to include photo-simulations to aid in visualizations, mockups to verify approximate colors, readability, proportion and scale in the environment. **(10 Bi-Weekly Meetings)**
- D. Adjustments to concept designs per client and stakeholder comments.
- E. Public Workshops, including City Council meeting, to present concept design options for review and comment. Public Outreach efforts may be optimized through on-line survey techniques. **(3 Public Workshops)**
- F. Develop final concept design option per comments from Public Workshops.

- G. Prepare preliminary cost estimates for treated elements.
- H. Forward concepts and preliminary budgetary estimates to client for review and approval.

**Schedule:** Weeks 4 - 34

### **Phase III. Construction / Production Documents and Criteria**

- A. Based on approved concept design, prepare design intent drawings (11" x 17") and construction specifications sufficient for competitive bidding and fabrication by qualified sign fabricator, including:

- Schematic Sign Location Plan
- Message schedule
- Control dimensions
- Call-outs for materials, finishes, timesteps, and lighting effects
- Color specifications
- Elevations, side and top views where appropriate
- Structural Engineering

The following typical elements will be treated:

1. Directional signs – vehicular, pedestrian, bicycle
2. Directories

(Does not include specific locations, copy layouts, camera-ready artwork/patterns, sections, construction details or engineering calculations, which are to be provided by sign fabricator or others as part of the shop drawing submittal.)

- B. Site survey to verify conditions. (Site Visit #2)
- C. Prepare updated budgetary estimates for treated elements.
- D. Forward Design Intent Drawings, Construction Specifications, and budgetary estimates to client for review and comment.

- E. Adjustments to Design Intent Drawings and Construction Specifications per client comments (one round of adjustments).
- F. Forward final package in the form of a Costa Mesa standard PS&E to client for distribution to bidders.

**Schedule:** Weeks 35 – 38

#### **Phase IV. Construction Administration**

---

- A. Assist City staff during the bidding phase of the project by responding to questions, or providing clarification, regarding the sign specifications.
- B. Review, adjust, and approve submittals from sign contractor:
  - shop drawings
  - patterns and photo ready art
  - materials and color samples

\* Assumes one comprehensive shop drawing review, one samples review, and one comprehensive pattern review. Requests for additional comprehensive reviews or for subsequent partial reviews will require an adjustment to the contract amount.
- C. Perform final inspection, create punch list of required corrections and verify compliance with same (2 site visits).
- D. Coordination and communications with contractors and/or client as identified above.

**Schedule:** Per City's bidding and construction schedule

**NOTE:** Up to (14) meetings and (4) site visit are included in the fee estimate. Additional meetings, site visits and/or services will be at the client's request and will be billed on a time and materials basis as an addition to the fee estimate shown above.

ADDITIONAL SERVICES

At the client's request, the following services will be provided in addition to the scope outlined above. Services will be provided on a time and materials basis, plus expenses and may include:

- logo/identity and camera-ready art
- additional concept designs for logo
- specifications for use of logo in signage and print applications
- design development, camera-ready art for stationery package
- color separations, negatives
- original photography and/or illustration
- printing and print coordination
- additional concept designs for listed sign types or for additional sign types
- additional rounds of adjustments to design concepts
- site visits and/or meetings in addition to those specifically noted in the scope of work
- color renderings/comps other than those specifically noted
- prototypes/scaled models/first articles
- additional rounds of budgetary cost estimates for sign fabrication
- fabrication and installation of signage

BILLING RATES

<u>Current</u> <u>Hourly</u> <u>Rates</u>	<u>Billing</u> <u>Classification*</u>
\$135	Principal
\$95	Sr. Designer; Sr. Project Manager; Planning Specialist; Estimator
\$85	Project Manager II; Designer II; Technical Writer/Copywriter
\$75	Project Manager I; Designer I
\$60	Production Artist; Production Coordinator
\$45	Production Assistant; Clerical/Word Processing

\* Project assignments are made based on employee skill levels and the type of work being performed.

REIMBURSABLES

Outside Services/Expenses: In addition to fees, Graphic Solutions shall be reimbursed at cost plus 10% for outside services requiring creative/art direction (e.g., professional photography, renderings, copywriting), and for all other outside services or expenses related to the execution of the work, including, but not limited to: blueprints, vellums, photocopies; photographic supplies and processing; photostats, printing, typesetting, word processing; transportation and accommodations; delivery and shipping. Client may elect to be billed directly by suppliers for project-related expenses. If this election is made, Client shall identify, upon execution of this contract, those expenses for which the Client will make payment directly. Client shall provide to Graphic Solutions its account numbers for suppliers identified for direct billing and payment of expenses.

In-House Expenses: Graphic Solutions shall be reimbursed at a flat rate for certain in-house expenses in accordance with the following schedule:

• Digital color proofs up to 8-1/2" x 14"	\$ 5.00 each
• Matte board	\$ 5.00 per board
• PMS paper	\$ 5.00 per sheet
• Photocopies for copy counts exceeding 50 pages	\$ 0.15 per page
• Compact Disk	\$ 10.00
• Comb Binding	\$ 5.00 per set



ADA COMPLIANCE

Graphic Solutions has researched the requirements of the Americans with Disabilities Act (ADA) as it affects signage, and every effort has been made to ensure that your signage meets those requirements. However, ADA compliance is the responsibility of the facility owner and/or owner's representative. Graphic Solutions, its officers and employees assume no legal responsibility for compliance with ADA and no warranty is either expressed or implied by presentation of bid documents, proposals, contracts, designs or signage. No liability is assumed for the outcome of decisions made on the basis of information provided by Graphic Solutions. Consultation with legal counsel is recommended for those affected by ADA.

CONTRACT TERMS AND CONDITIONS

The client shall provide Graphic Solutions all necessary drawings and information regarding site or building conditions which affect the signing. The client and Graphic Solutions shall mutually participate in development of all sign wording, with final approval by the client. This proposal does not include the cost of models, color renderings, or slide presentations, which will be provided only at the request and approval of the client.

Graphic Solutions provides electronic files in Illustrator CS3 for the Macintosh as a standard format. Preparation of files for other formats or platforms may affect schedule and/or incur additional fees. Graphic Solutions is not responsible for fonts needed for accurate reproduction.

This is a limited contract. This proposal covers only the services outlined in the scope of work. If the scope of work changes, approved revisions or additions will be charged for on a time and materials basis (current hourly rates plus reimbursable expenses) and as an addition to the original contract. Conference reports, letters, memoranda, and other written notification of additions or revisions are considered extensions to this contract.

The billing rates outlined in this proposal represent the current hourly rates in force at the time the proposal is presented. Billing rates are updated periodically and may change during the course of the proposal or contract period, in which case the most current adjusted rates shall apply. Estimated fees are to cover services outlined in the scope of work and may be billed in their entirety as a fixed fee upon satisfactory completion of the scope.

Any retainer paid to Graphic Solutions upon execution of the contract shall be deposited and held until work is deemed complete or substantially complete, at which time the retainer amount shall be credited on the final invoice and/or refunded by check to the client.

Graphic Solutions carries Workman's Compensation in the amount of one million dollars (\$1,000,000.00) and General Liability Insurance in the amount of two million dollars (\$2,000,000.00) general aggregate with one million dollars (\$1,000,000.00) per occurrence. Unless otherwise specified herein, premiums for any additional types of coverage that may be required or for limits in excess of standard coverage for Workman's Compensation and General Liability Insurance shall be paid by the Client as an addition to the contract amount stated herein.

The client agrees to include the name of Graphic Solutions in all client press releases associated with image development, graphic design, sign planning, and other work performed by Graphic Solutions for the client or project. When the project development team is listed in press releases, the client agrees to include Graphic Solutions' name as part of the team.

Graphic Solutions has permission to utilize prepared designs, images of the final product, and the client's name for marketing purposes.

Termination of contract: Assuming just cause, either party reserves the right to terminate this agreement after giving ten (10) days written notice to the other. Graphic Solutions shall be paid for services and reimbursables incurred under this contract up to the date that such written notice is received, but not to exceed the agreed upon design fee.

Title to all work provided by us shall remain in the Seller until all payments are made as stipulated. All payments are payable at the office of Graphic Solutions, Ltd., 2952 Main Street, San Diego, CA 92113, within thirty days of client's receipt of invoice. Should default be made in payment of any installment, the whole sum shall become due at option of Seller. In the event Seller shall employ an attorney to recover work provided, or collect on sums due under this agreement, Buyer agrees to pay in addition to all sums found due from Seller, a reasonable attorney's fee. All overdue payments under this agreement shall be subject to a service charge at the rate of one and one-half percent (1-1/2%) per month.

For:		For:	GRAPHIC SOLUTIONS, LTD
By:		By:	Simon Andrews
Date:		Date:	

**EXHIBIT C**  
**FEE SCHEDULE**

City of Costa Mesa Wayfinding Signage Program				Signage/ Graphics Consultant			
				Principal	Senior Designer	Designer II	Senior Project Manager
				\$135	\$95	\$85	\$95

**Phase I. Planning and Research**

A	Review site plan and related materials			2.00	1.00	1.00	2.00
B	Research sign regulations and existing programs/criteria			2.00	0.00	0.00	2.00
C	Perform site study & photo documentation			8.00	0.00	0.00	0.00
D	Meet with client (included in Item C)			0.00	0.00	0.00	0.00
E	Develop comprehensive list of attractions & destinations			1.00	0.00	1.00	2.00
F	Research theming			2.00	4.00	2.00	1.00
Sub-total Labor Hours				15.00	5.00	4.00	7.00
Sub-total Labor \$				\$2,025	\$475	\$340	\$865

Expenses	\$200
Labor	\$3,505

**Total for Phase I** \$3,705

				\$135	\$95	\$85	\$95
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**Phase II. Concept Design**

A	Conceptual plan			8.00	2.00	16.00	2.00
B	(6) conceptual design options			6.00	6.00	24.00	1.00
C	(10) bi-weekly client meetings			40.00	0.00	0.00	0.00
D	Adjustments to concept designs			0.00	5.00	24.00	0.00
E	(3) Public workshops, including City Council meeting			12.00	1.00	6.00	3.00
F	Develop final design option			1.00	1.00	4.00	1.00
G	Prepare preliminary cost estimates			1.00	1.00	1.00	2.00
H	Forward final concept designs			0.00	0.00	0.00	1.00
Sub-total Labor Hours				68.00	16.00	75.00	10.00
Sub-total Labor \$				\$8,180	\$1,520	\$6,375	\$950

Expenses	\$1,500
Labor	\$18,025

**Total for Phase II** \$19,525

				\$135	\$95	\$85	\$95
<b>Phase III. Construction / Production Documents and Criteria</b>							
A	Prepare design intent drawings and construction specifications			8.00	8.00	96.00	16.00
B	Site study			2.00	0.00	16.00	2.00
C	Updated budgetary estimates			2.00	2.00	2.00	4.00
D	Forward design intent drawings, construction specs and budgetary estimates			0.00	0.00	0.00	2.00
E	Adjust design intent drawings and construction specs			2.00	2.00	14.00	4.00
F	Forward final package for distribution to bidders			0.00	0.00	0.00	2.00
Sub-total Labor Hours				14.00	12.00	128.00	30.00
Sub-total Labor \$				\$1,890	\$1,140	\$10,880	\$2,850

Expenses	\$3,000
Labor	\$16,760

**Total for Phase III** \$19,760

				\$135	\$95	\$85	\$95
<b>Phase IV. Construction Administration</b>							
A	Assist City staff during the bidding phase			2.00	1.00	0.00	4.00
B	Review, adjust, approve submittals from fabricator			2.00	2.00	2.00	4.00
C	Perform final inspection /punch list			2.00	2.00	16.00	4.00
D	Coordinate & communicate with contractors and/or client			2.00	0.00	0.00	8.00
Sub-total Labor Hours				8.00	5.00	18.00	20.00
Sub-total Labor \$				\$1,080	\$475	\$1,530	\$1,900

Expenses	\$400
Labor	\$4,985

**Total for Phase III** \$5,385

**TOTAL COST FOR THIS PROJECT** \$48,375

Summary	Principal	Senior Designer	Designer II	Senior Project Manager
Hours	105	38	225	67
Total Costs	\$14,175	\$3,810	\$19,125	\$6,365

**EXHIBIT D**  
**CERTIFICATES OF INSURANCE**



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
1/10/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

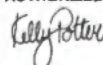
<b>PRODUCER</b> Cavnac & Associates 450 B Street, Suite 1800 San Diego CA 92101	<b>CONTACT NAME:</b> Certificate Department	
	<b>PHONE (A/C No, Ext):</b> 619-744-0574	<b>FAX (A/C, No):</b> 619-234-8601
<b>E-MAIL ADDRESS:</b> certificates@cavnac.com		
<b>INSURED</b> Graphic Solutions, Ltd. 2952 Main Street San Diego, CA 92113	<b>INSURER(S) AFFORDING COVERAGE</b>	
	<b>INSURER A :</b> American Fire and Casualty Company	
	<b>INSURER B :</b> Ohio Security Insurance Company	
	<b>INSURER C :</b> Z-NAT Insurance Company	
	<b>INSURER D :</b> Beazley Insurance Co	
	<b>INSURER E :</b> West American Insurance Company	

<b>COVERAGES</b>	<b>CERTIFICATE NUMBER:</b> 148852806	<b>REVISION NUMBER:</b>
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
E	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Cross Liab GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		BKW56310360	1/8/2018	1/8/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 Deductible \$ 0
B	<input checked="" type="checkbox"/> <b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	Y		BAS56310360	1/8/2018	1/8/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$			USA56310360	1/8/2018	1/8/2019	EACH OCCURRENCE \$ 2,000,000 AGGREGATE \$ 2,000,000 \$
C	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	C070526709	1/1/2018	1/1/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
D	Professional Liability			V135BE170601	1/8/2018	1/8/2019	Ea Claim & Aggreg \$2,000,000

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)**  
Additional Insured coverage applies to General and Automobile Liability for City of Costa Mesa, and its elected and appointed boards, officers, officials, agents, employees, and volunteers per policy form. Prof. Liab. - Claims made, defense costs included within limit.

<b>CERTIFICATE HOLDER</b>	<b>CANCELLATION</b>
City of Costa Mesa 77 Fair Drive Costa Mesa CA 92626	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 

© 1988-2014 ACORD CORPORATION. All rights reserved.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s)**

Blanket Additional Insured agreed

2952 Main Street

SAN DIEGO, CA 92113

**Location And Description Of Completed Operations**

Work described in writing in the contract,  
agreement or permit.

Location(s) at which You performed work described  
in written contract, agreement or permit.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED - OWNERS, LESSEES OR  
CONTRACTORS - SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name Of Additional Insured Person(s) Or Organization(s):**

Blanket Additional Insured agreed

2952 Main Street

SAN DIEGO, CA 92113

**Location(s) Of Covered Operations**

Any location(s) when You have agreed in a written contract, agreement or permit that person or organization be added as an additional insured.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II - Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

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- C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance**:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement;  
or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

56310360

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of 242

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**BUSINESS AUTO COVERAGE ENHANCEMENT ENDORSEMENT**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

With respect to coverage afforded by this endorsement, the provisions of the policy apply unless modified by the endorsement.

**COVERAGE INDEX**

<u>SUBJECT</u>	<u>PROVISION NUMBER</u>
ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT	3
ACCIDENTAL AIRBAG DEPLOYMENT	12
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**SECTION II - LIABILITY COVERAGE** is amended as follows:

**1. BROAD FORM INSURED**

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

d. Any legally incorporated entity of which you own more than 50 percent of the voting stock during the policy period. However, "insured" does not include any organization that:

- (1) Is a partnership or joint venture; or
- (2) Is an insured under any other automobile policy; or
- (3) Has exhausted its Limit of Insurance under any other automobile policy.

Paragraph d. (2) of this provision does not apply to a policy written to apply specifically in excess of this policy.

e. Any organization you newly acquire or form, other than a partnership or joint venture, of which you own more than 50 percent of the voting stock. This automatic coverage is afforded only for 180 days from the date of acquisition or formation. However, coverage under this provision does not apply:

- (1) If there is similar insurance or a self-insured retention plan available to that organization;

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- (2) If the Limits of Insurance of any other insurance policy have been exhausted; or
- (3) To "bodily injury" or "property damage" that occurred before you acquired or formed the organization.

**2. EMPLOYEES AS INSURED**

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- f. Any "employee" of yours while using a covered "auto" you do not own, hire or borrow, but only for acts within the scope of their employment by you. Insurance provided by this endorsement is excess over any other insurance available to any "employee".
- g. An "employee" of yours while operating an "auto" hired or borrowed under a written contract or agreement in that "employee's" name, with your permission, while performing duties related to the conduct of your business and within the scope of their employment. Insurance provided by this endorsement is excess over any other insurance available to the "employee".

**3. ADDITIONAL INSURED BY CONTRACT, AGREEMENT OR PERMIT**

SECTION II - LIABILITY COVERAGE, paragraph A.1. - WHO IS AN INSURED is amended to include the following as an insured:

- h. Any person or organization with respect to the operation, maintenance or use of a covered "auto", provided that you and such person or organization have agreed in a written contract, agreement, or permit issued to you by governmental or public authority, to add such person, or organization, or governmental or public authority to this policy as an "insured".

However, such person or organization is an "insured":

- (1) Only with respect to the operation, maintenance or use of a covered "auto";
- (2) Only for "bodily injury" or "property damage" caused by an "accident" which takes place after you executed the written contract or agreement, or the permit has been issued to you; and
- (3) Only for the duration of that contract, agreement or permit

**4. SUPPLEMENTARY PAYMENTS**

SECTION II - LIABILITY COVERAGE, Coverage Extensions, 2.a. Supplementary Payments, paragraphs (2) and (4) are replaced by the following:

- (2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic violations ) required because of an "accident" we cover. We do not have to furnish these bonds.
- (4) All reasonable expenses incurred by the insured at our request, including actual loss of earnings up to \$500 a day because of time off from work.

**5. AMENDED FELLOW EMPLOYEE EXCLUSION**

In those jurisdictions where, by law, fellow employees are not entitled to the protection afforded to the employer by the workers compensation exclusivity rule, or similar protection, the following provision is added:

SECTION II - LIABILITY, exclusion B.5. FELLOW EMPLOYEE does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire.

**SECTION III - PHYSICAL DAMAGE COVERAGE** is amended as follows:

**6. HIRED AUTO PHYSICAL DAMAGE**

Paragraph A.4. Coverage Extensions of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended by adding the following:

If hired "autos" are covered "autos" for Liability Coverage, and if Comprehensive, Specified Causes of Loss or Collision coverage are provided under the Business Auto Coverage Form for any "auto" you own, then the Physical Damage coverages provided are extended to "autos":

- a. You hire, rent or borrow; or

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- b. Your "employee" hires or rents under a written contract or agreement in that "employee's" name, but only if the damage occurs while the vehicle is being used in the conduct of your business,

subject to the following limit and deductible:

- A. The most we will pay for "loss" in any one "accident" or "loss" is the smallest of:
- (1) \$50,000; or
  - (2) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
  - (3) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality, minus a deductible.
- B. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage.
- C. Subject to the limit, deductible and excess provisions described in this provision, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.
- D. Subject to a maximum of \$1,000 per "accident", we will also cover the actual loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss.
- E. This coverage extension does not apply to:
- (1) Any "auto" that is hired, rented or borrowed with a driver; or
  - (2) Any "auto" that is hired, rented or borrowed from your "employee".

For the purposes of this provision, SECTION V - DEFINITIONS is amended by adding the following:  
"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

## 7. TOWING AND LABOR

SECTION III - PHYSICAL DAMAGE COVERAGE, paragraph A.2. Towing, is amended by the addition of the following:

We will pay towing and labor costs incurred, up to the limits shown below, each time a covered "auto" classified and rated as a private passenger type, "light truck" or "medium truck" is disabled:

- a. For private passenger type vehicles, we will pay up to \$50 per disablement.
- b. For "light trucks", we will pay up to \$50 per disablement. "Light trucks" are trucks that have a gross vehicle weight (GVW) of 10,000 pounds or less.
- c. For "medium trucks", we will pay up to \$150 per disablement. "Medium trucks" are trucks that have a gross vehicle weight (GVW) of 10,001 - 20,000 pounds.

However, the labor must be performed at the place of disablement.

## 8. PHYSICAL DAMAGE - ADDITIONAL TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a., Coverage Extension of SECTION III - PHYSICAL DAMAGE COVERAGE, is amended to provide a limit of \$50 per day and a maximum limit of \$1,500

**9. RENTAL REIMBURSEMENT**

SECTION III - PHYSICAL DAMAGE COVERAGE, **A. COVERAGE**, is amended by adding the following:

- a. We will pay up to \$75 per day for rental reimbursement expenses incurred by you for the rental of an "auto" because of "accident" or "loss", to an "auto" for which we also pay a "loss" under Comprehensive, Specified Causes of Loss or Collision Coverages. We will pay only for those expenses incurred after the first 24 hours following the "accident" or "loss" to the covered "auto."
- b. Rental Reimbursement will be based on the rental of a comparable vehicle, which in many cases may be substantially less than \$75 per day, and will only be allowed for the period of time it should take to repair or replace the vehicle with reasonable speed and similar quality, up to a maximum of 30 days.
- c. We will also pay up to \$500 for reasonable and necessary expenses incurred by you to remove and replace your tools and equipment from the covered "auto".
- d. This coverage does not apply unless you have a business necessity that other "autos" available for your use and operation cannot fill.
- e. If "loss" results from the total theft of a covered "auto" of the private passenger type, we will pay under this coverage only that amount of your rental reimbursement expenses which is not already provided under Paragraph 4. Coverage Extension.
- f. No deductible applies to this coverage.

For the purposes of this endorsement provision, materials and equipment do not include "personal effects" as defined in provision 11.

**10. EXTRA EXPENSE - BROADENED COVERAGE**

Under SECTION III - PHYSICAL DAMAGE COVERAGE, **A. COVERAGE**, we will pay for the expense of returning a stolen covered "auto" to you. The maximum amount we will pay is \$1,000.

**11. PERSONAL EFFECTS COVERAGE**

**A. SECTION III - PHYSICAL DAMAGE COVERAGE, A. COVERAGE**, is amended by adding the following:

If you have purchased Comprehensive Coverage on this policy for an "auto" you own and that "auto" is stolen, we will pay, without application of a deductible, up to \$600 for "personal effects" stolen with the "auto."

The insurance provided under this provision is excess over any other collectible insurance.

**B. SECTION V - DEFINITIONS** is amended by adding the following:

For the purposes of this provision, "personal effects" mean tangible property that is worn or carried by an insured." "Personal effects" does not include tools, equipment, jewelry, money or securities.

**12. ACCIDENTAL AIRBAG DEPLOYMENT**

SECTION III - PHYSICAL DAMAGE COVERAGE, **B. EXCLUSIONS** is amended by adding the following:

If you have purchased Comprehensive or Collision Coverage under this policy, the exclusion for "loss" relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

Any insurance we provide shall be excess over any other collectible insurance or reimbursement by manufacturer's warranty. However, we agree to pay any deductible applicable to the other coverage or warranty.

**13. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT COVERAGE**

SECTION III - PHYSICAL DAMAGE COVERAGE, **B. EXCLUSIONS**, exception paragraph a. to exclusions 4.c. and 4.d. is deleted and replaced with the following:

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Exclusion 4.c. and 4.d. do not apply to:

- a. Electronic equipment that receives or transmits audio, visual or data signals, whether or not designed solely for the reproduction of sound, if the equipment is permanently installed in the covered "auto" at the time of the "loss" and such equipment is designed to be solely operated by use of the power from the "auto's" electrical system, in or upon the covered "auto" and physical damage coverages are provided for the covered "auto"; or

If the "loss" occurs solely to audio, visual or data electronic equipment or accessories used with this equipment, then our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by a \$100 deductible.

#### 14. LOAN / LEASE GAP COVERAGE

- A. Paragraph C., LIMIT OF INSURANCE of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by adding the following:

The most we will pay for a "total loss" to a covered "auto" owned by or leased to you in any one "accident" is the greater of the:

1. Balance due under the terms of the loan or lease to which the damaged covered "auto" is subject at the time of the "loss" less the amount of:
  - a. Overdue payments and financial penalties associated with those payments as of the date of the "loss",
  - b. Financial penalties imposed under a lease due to high mileage, excessive use or abnormal wear and tear,
  - c. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease,
  - d. Transfer or rollover balances from previous loans or leases,
  - e. Final payment due under a "Balloon Loan",
  - f. The dollar amount of any unrepaired damage which occurred prior to the "total loss" of a covered "auto",
  - g. Security deposits not refunded by a lessor,
  - h. All refunds payable or paid to you as a result of the early termination of a lease agreement or as a result of the early termination of any warranty or extended service agreement on a covered "auto",
  - i. Any amount representing taxes,
  - j. Loan or lease termination fees; or

2. The actual cash value of the damage or stolen property as of the time of the "loss".

An adjustment for depreciation and physical condition will be made in determining the actual cash value at the time of the "loss". This adjustment is not applicable in Texas.

#### B. ADDITIONAL CONDITIONS

This coverage applies only to the original loan for which the covered "auto" that incurred the loss serves as collateral, or lease written on the covered "auto" that incurred the loss.

- C. SECTION V - DEFINITIONS is changed by adding the following:

As used in this endorsement provision, the following definitions apply:

"Total loss" means a "loss" in which the cost of repairs plus the salvage value exceeds the actual cash value.

A "balloon loan" is one with periodic payments that are insufficient to repay the balance over the term of the loan, thereby requiring a large final payment.



**15. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Paragraph **D. Deductible** of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

No deductible applies to glass damage if the glass is repaired rather than replaced.

**16. PARKED AUTO COLLISION COVERAGE (WAIVER OF DEDUCTIBLE)**

Paragraph **D. Deductible** of SECTION III - PHYSICAL DAMAGE COVERAGE is amended by the addition of the following:

The deductible does not apply to "loss" caused by collision to such covered "auto" of the private passenger type or light weight truck with a gross vehicle weight of 10,000 lbs. or less as defined by the manufacturer as maximum loaded weight the "auto" is designed to carry while it is:

- a. In the charge of an "insured";
- b. Legally parked; and
- c. Unoccupied.

The "loss" must be reported to the police authorities within 24 hours of known damage.

The total amount of the damage to the covered "auto" must exceed the deductible shown in the Declarations.

This provision does not apply to any "loss" if the covered "auto" is in the charge of any person or organization engaged in the automobile business.

**17. TWO OR MORE DEDUCTIBLES**

Under SECTION III PHYSICAL DAMAGE COVERAGE, if two or more company policies or coverage forms apply to the same accident, the following applies to paragraph D. Deductible:

- a. If the applicable Business Auto deductible is the smaller (or smallest) deductible it will be waived; or
- b. If the applicable Business Auto deductible is not the smaller (or smallest) deductible it will be reduced by the amount of the smaller (or smallest) deductible; or
- c. If the loss involves two or more Business Auto coverage forms or policies the smaller (or smallest) deductible will be waived.

For the purpose of this endorsement company means any company that is part of the Liberty Mutual Group.

**SECTION IV - BUSINESS AUTO CONDITIONS is amended as follows:**

**18. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

SECTION IV- BUSINESS AUTO CONDITIONS, Paragraph **B.2.** is amended by adding the following:

If you unintentionally fail to disclose any hazards, exposures or material facts existing as of the inception date or renewal date of the Business Auto Coverage Form, the coverage afforded by this policy will not be prejudiced.

However, you must report the undisclosed hazard of exposure as soon as practicable after its discovery, and we have the right to collect additional premium for any such hazard or exposure.

**19. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT, OR LOSS**

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph **A.2.a.** is replaced in its entirety by the following:

- a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when it is known to:
  - 1. You, if you are an individual;
  - 2. A partner, if you are a partnership;
  - 3. Member, if you are a limited liability company;
  - 4. An executive officer or the "employee" designated by the Named Insured to give such notice, if you are a corporation.

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To the extent possible, notice to us should include:

- (1) How, when and where the "accident" or "loss" took place;
- (2) The "insureds" name and address; and
- (3) The names and addresses of any injured persons and witnesses.

**20. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph **A.5.**, Transfer of Rights of Recovery Against Others to Us, is amended by the addition of the following:

If the person or organization has waived those rights before an "accident" or "loss", our rights are waived also.

**21. HIRED AUTO COVERAGE TERRITORY**

SECTION IV - BUSINESS AUTO CONDITIONS, paragraph **B.7.**, Policy Period, Coverage Territory, is amended by the addition of the following:

- f. For "autos" hired 30 days or less, the coverage territory is anywhere in the world, provided that the insured's responsibility to pay for damages is determined in a "suit", on the merits, in the United States, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

This extension of coverage does not apply to an "auto" hired, leased, rented or borrowed with a driver.

**SECTION V - DEFINITIONS is amended as follows:**

**22. BODILY INJURY REDEFINED**

Under SECTION V - DEFINITIONS, definition **C.** is replaced by the following:

"Bodily injury" means physical injury, sickness or disease sustained by a person, including mental anguish, mental injury, shock, fright or death resulting from any of these at any time.

**COMMON POLICY CONDITIONS**

**23. EXTENDED CANCELLATION CONDITION**

COMMON POLICY CONDITIONS, paragraph **A.** - CANCELLATION condition applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation. This provision does not apply in those states which require more than 60 days prior notice of cancellation.



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**EXHIBIT E**

**CITY COUNCIL POLICY 100-5**

## CITY OF COSTA MESA, CALIFORNIA

### COUNCIL POLICY

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

#### BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

#### PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

#### POLICY

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
  - A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;
  - B. Establishing a Drug-Free Awareness Program to inform employees about:

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

1. The dangers of drug abuse in the workplace;
  2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
  3. Any available drug counseling, rehabilitation and employee assistance programs; and
  4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- C. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- D. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
1. Abide by the terms of the statement; and
  2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- E. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- F. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
1. Taking appropriate personnel action against such an employee, up to and including termination; or
  2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

SUBJECT	POLICY NUMBER	EFFECTIVE DATE	PAGE
DRUG-FREE WORKPLACE	100-5	8-8-89	3 of 3

- G. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.
2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
    - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
    - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
    - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
  3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.