

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is dated February 25, 2025 (“Effective Date”) and is between the City of Manhattan Beach, a California municipal corporation (“City”) and Harris & Associates, Inc., a California corporation (“Consultant”). City and Consultant are sometimes referred to herein as the “Parties”, and individually as a “Party”.

RECITALS

A. City desires to utilize the services of Consultant as an independent contractor to provide Development Impact Fee Study Update services.

B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. City desires to retain Consultant and Consultant desires to serve City to perform these services in accordance with the terms and conditions of this Agreement.

The Parties therefore agree as follows:

1. Consultant’s Services.

A. Scope of Services. Consultant shall perform the services described in the Scope of Services (the “Services”) for development and preparation of a Development Impact Fee Study, attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes to the scope or cost of work must be in writing and mutually agreed upon by the Parties.

B. Party Representatives. For the purposes of this Agreement, the City Representative shall be the City Manager, or such other person designated in writing by the City Manager (the “City Representative”). For the purposes of this Agreement, the Consultant Representative shall be Megan Quinn, Project Manager, Director Municipal & District Finance (the “Consultant Representative”). The Consultant Representative shall directly manage Consultant’s Services under this Agreement. Consultant shall not change the Consultant Representative without City’s prior written consent.

C. Time for Performance. Consultant shall commence the Services on the Effective Date and shall perform all Services by the deadline established by the City Representative or, if no deadline is established, with reasonable diligence.

D. Standard of Performance. Consultant shall perform all Services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to City.

E. Personnel. Consultant has, or will secure at its own expense, all personnel required to perform the Services required under this Agreement. All of the Services required under this Agreement shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

F. Compliance with Laws. Consultant shall comply with all applicable federal, state and local laws, ordinances, codes, regulations and requirements.

G. Permits and Licenses. Consultant shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of Services under this Agreement, including a business license.

2. Term of Agreement. The term of this Agreement shall be from the Effective Date through December 15, 2025, unless sooner terminated as provided in Section 12 of this Agreement or extended.

3. Compensation.

A. Compensation. As full compensation for Services satisfactorily rendered, City shall pay Consultant at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Consultant be paid more than \$70,325.00, (the "Maximum Compensation") for such Services.

B. Expenses. The amount set forth in paragraph 3.A. above includes reimbursement for all expenditures incurred in the performance of this Agreement.

C. Unauthorized Services and Unanticipated Expenses. City will not pay for any services not specified in the Scope of Services, unless the City Council or the City Representative, if applicable, and the Consultant Representative authorize such services in writing prior to Consultant's performance of those services or incurrence of additional expenses. Any additional services authorized by the City Council, or (where authorized) the City Manager shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. At the request of the Consultant, the City Council may, in writing, reimburse Consultant for an unanticipated expense at its actual cost. City shall make payment for additional services and expenses in accordance with Section 4 of this Agreement.

4. Method of Payment.

A. Invoices. Consultant shall submit to City an invoice, on a monthly basis, for the Services performed pursuant to this Agreement. Each invoice shall itemize the Services rendered during the billing period, hourly rates charged, if applicable, and the amount due. City shall review each invoice and notify Consultant in writing within ten Business days of receipt of any disputed invoice amounts.

B. Payment. City shall pay all undisputed invoice amounts within 30 calendar days after receipt up to the Maximum Compensation set forth in Section 3 of this Agreement. City does not pay interest on past due amounts. City shall not withhold

federal payroll, state payroll or other taxes, or other similar deductions, from payments made to Consultant. Notwithstanding the preceding sentence, if Consultant is a nonresident of California, City will withhold the amount required by the Franchise Tax Board pursuant to Revenue and Taxation Code Section 18662 and applicable regulations.

C. Audit of Records. Consultant shall make all records, invoices, time cards, cost control sheets and other records maintained by Consultant in connection with this Agreement available during Consultant's regular working hours to City for review and audit by City.

5. Independent contractor. Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City. 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 officers, agents or employees are in any manner employees of City.

6. Information and Documents.

A. Consultant covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Consultant without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Consultant, its officers, employees, agents, or subcontractors shall not without written authorization from the City Manager or unless requested in writing by the City Attorney, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement or relating to any project or property located within the City. A response to a subpoena or court order shall not be considered "voluntary," provided Consultant gives City notice of such court order or subpoena.

B. Consultant shall promptly notify City should Consultant, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this Agreement and the work performed thereunder or with respect to any project or property located within the City. City may, but has no obligation to, represent Consultant or be present at any deposition, hearing or similar proceeding. Consultant agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct or rewrite the response.

C. All Data required to be furnished to City in connection with this Agreement shall become City's property, and City may use all or any portion of the Data submitted by Consultant as City deems appropriate. Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings,

maps, models, computer files containing data generated for the Services, surveys, notes, and other documents prepared in the course of providing the Services shall become City's sole property and may be used, reused or otherwise disposed of by City without Consultant's permission. Consultant may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Consultant.

D. Consultant's covenants under this Section shall survive the expiration or termination of this Agreement.

7. Conflicts of Interest. Consultant affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Services contemplated by this Agreement. Consultant and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Consultant's Services under this Agreement, including the Political Reform Act (Gov. Code § 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant may perform similar Services for other clients, but Consultant and its officers, employees, associates and subcontractors shall not, without the City Representative's prior written approval, 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 subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Consultant shall incorporate a clause substantially similar to this Section into any subcontract that Consultant executes in connection with the performance of this Agreement.

8. Indemnification, Hold Harmless, and Duty to Defend.

A. Indemnities.

1. To the fullest extent permitted by law, Consultant shall, at its sole cost and expense, protect, indemnify, and hold harmless City and its elected officials, officers, attorneys, employees, designated volunteers, successors, assigns and those City agents serving as independent contractors in the role of City officials (collectively "Indemnitees"), from and against damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses, including fees of accountants, attorneys, or other professionals and all costs associated therewith, and reimbursement of attorney's fees and costs of defense (collectively "Liabilities"), to the extent they arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, as determined by court decision or by the agreement of the Parties.

2. Consultant shall pay all required taxes on amounts paid to Consultant under this Agreement and 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 shall fully comply with the workers' compensation law regarding Consultant and Consultant's employees. Consultant shall indemnify and hold City harmless from any failure of Consultant to comply with applicable workers' compensation laws. City may 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 subparagraph A.2).

3. Consultant shall obtain executed indemnity agreements with provisions identical to those in this Section from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnities obligations, Consultant shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against Liabilities at law or in equity, to the extent they arise out of, pertain to, or relate to the acts or omissions of Consultant, its officers, agents, servants, employees, subcontractors, materialmen, consultants or their officers, agents, servants or employees, (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of this Agreement, except for Liabilities arising from the negligence or willful misconduct of the Indemnitees as determined by court decision or by the agreement of the Parties as determined or by the agreement of the Parties.

B. Workers' Compensation Acts Not Limiting. Consultant's obligations under this Section, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

C. Insurance Requirements not Limiting. City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, Claims, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. The indemnification in this Section shall survive the expiration or termination of this Agreement.

9. Insurance.

A. Minimum Scope and Limits of Insurance. Consultant shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

1) Commercial General Liability Insurance with a minimum limit of \$2,000,000.00 per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of \$2,000,000.00 per project or location. If Consultant is a limited liability company, the commercial general liability coverage shall be amended so that Consultant and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds.

2) Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of \$2,000,000.00 per accident for bodily injury and property damage. If Consultant does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Consultant shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section.

3) Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance with a minimum limit of \$1,000,000.00 per accident for bodily injury or disease. If Consultant has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Consultant shall execute a declaration that it has no employees.

4) Professional Liability/Errors and Omissions Insurance with minimum limits of \$2,000,000.00 per claim and in aggregate.

B. Acceptability of Insurers. The insurance policies required under this Section shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self insurance shall not be considered to comply with the insurance requirements under this Section.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City and its elected and appointed officials, officers, employees, agents and volunteers as additional insureds. This provision shall also apply to any excess/umbrella liability policies.

D. Primary and Non-Contributing. The insurance policies required under General Liability and Automobile Liability of this Section shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its elected and appointed officials, officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

E. Consultant's Waiver of Subrogation. The insurance policies required under this Section shall not prohibit Consultant and Consultant's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against City.

F. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by City. At City's option, Consultant shall

either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Consultant shall not cancel, reduce or otherwise modify the insurance policies required by this Section during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail 30 days' prior written notice to City. If any insurance policy required under this Section is canceled or reduced in coverage or limits, Consultant shall, within two Business Days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

H. City Remedy for Noncompliance. If Consultant does not maintain the policies of insurance required under this Section in full force and effect during the term of this Agreement, or in the event any of Consultant's policies do not comply with the requirements under this Section, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at Consultant's expense, the premium thereon. Consultant shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Consultant.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Consultant shall furnish City's Risk Manager with a certificate or certificates of insurance and all original endorsements evidencing and effecting the coverages required under this Section. The endorsements are subject to City's approval. Consultant may provide complete, certified copies of all required insurance policies to City. Consultant shall maintain current endorsements on file with City's Risk Manager. Consultant shall provide proof to City's Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall furnish such proof at least two weeks prior to the expiration of the coverages.

J. Indemnity Requirements not Limiting. Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duty to indemnify City under Section 8 of this Agreement.

K. Subcontractor Insurance Requirements. Consultant shall require each of its subcontractors that perform Services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section.

10. Mutual Cooperation.

A. City's Cooperation. City shall provide Consultant with all pertinent Data, documents and other requested information as is reasonably available for Consultant's proper performance of the Services required under this Agreement.

B. Consultant's Cooperation. In the event any claim or action is brought against City relating to Consultant's performance of Services rendered under this Agreement, Consultant shall render any reasonable assistance that City requires.

11. Records and Inspections. Consultant shall maintain complete and accurate records with respect to time, costs, expenses, receipts, correspondence, and other such information required by City that relate to the performance of the Services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to City, its designees and representatives at reasonable times, and shall allow City to examine and audit the books and records, to make transcripts therefrom as necessary, and to inspect all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three years after receipt of final payment.

12. Termination of Agreement.

A. Right to Terminate. City may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Consultant at least five calendar days before the termination is to be effective. Consultant may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to City at least 60 calendar days before the termination is to be effective.

B. Obligations upon Termination. Consultant shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of City's termination of this Agreement due to no fault or failure of performance by Consultant, City shall pay Consultant based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the Services required by this Agreement. Consultant shall have no other claim against City by reason of such termination, including any claim for compensation.

13. Force Majeure. Consultant shall not be liable for any failure to perform its obligations under this Agreement if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to acts of God, embargoes, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, judicial orders, enemy or hostile governmental action, fire or other casualty, or other causes beyond Consultant's reasonable control and not due to any act by Consultant.

14. Default.

A. Consultant's failure to comply with the provisions of this Agreement shall constitute a default. In the event that Consultant is in default for cause under the terms of this Agreement, City shall have no obligation or duty to continue compensating Consultant for any work performed after the date of default.

B. In addition to the right to terminate pursuant to Section 12, if the City Manager determines that Consultant is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Consultant with written notice of the default. Consultant shall have ten calendar days after service upon it of the notice in which to cure the default by rendering a satisfactory performance. In the event that Consultant fails to cure its default within such period of time, City may, notwithstanding any other provision of this Agreement, terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

15. Notices. Any notice, consent, request, demand, bill, invoice, report or other communication required or permitted under this Agreement shall be in writing and conclusively deemed effective: (a) on personal delivery, (b) on confirmed delivery by courier service during Consultant's and City's regular business hours, or (c) three Business Days after deposit in the United States mail, by first class mail, postage prepaid, and addressed to the Party to be notified as set forth below:

If to City:

Attn: Libby Bretthauer
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266
Telephone: (310) 802-5597
Email:
lbretthauer@manhattanbeach.gov

If to Consultant:

Megan Quinn
Harris & Associates, Inc.
101 Progress, Suite 250
Irvine, CA 92618
Telephone: (916) 306-5704
Email:
Megan.Quinn@weareharris.com

With a courtesy copy to:

Quinn M. Barrow, City Attorney
1400 Highland Avenue
Manhattan Beach, California 90266
Telephone: (310) 802-5061
Email: qbarrow@rwglaw.com

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

17. Prohibition of Assignment and Delegation. Consultant shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without City's prior written consent. City's consent to an assignment of rights under this Agreement shall not release Consultant from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section, "assignment" and "delegation" means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

18. No Third Party Beneficiaries Intended. This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

19. Waiver. No delay or omission to exercise any right, power or remedy accruing to City under this Agreement shall impair any right, power or remedy of City, nor shall it be construed as a waiver of, or consent to, any breach or default. No waiver of any breach, any failure of a condition, or any right or remedy under this Agreement shall be (1) effective unless it is in writing and signed by the Party making the waiver, (2) deemed to be a waiver of, or consent to, any other breach, failure of a condition, or right or remedy, or (3) deemed to constitute a continuing waiver unless the writing expressly so states.

20. Final Payment Acceptance Constitutes Release. The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of City from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or services. Acceptance of payment shall be any negotiation of City's check or the failure to make a written extra compensation claim within ten calendar days of the receipt of that check. However, approval or payment by City shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, subcontractors and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by City for any defect or error in the work prepared by Consultant, its employees, subcontractors and agents.

21. Corrections. In addition to the above indemnification obligations, Consultant shall correct, at its expense, all errors in the work which may be disclosed during City's review of Consultant's report or plans. Should Consultant fail to make such correction in a reasonably timely manner, such correction may be made by City, and the cost thereof shall be charged to Consultant. In addition to all other available remedies, City may deduct the cost of such correction from any retention amount held by City or may withhold payment otherwise owed Consultant under this Agreement up to the amount of the cost of correction.

22. Non-Appropriation of Funds. Payments to be made to Consultant by City for services performed within the current fiscal year are within the current fiscal budget and

within an available, unexhausted fund. In the event that City does not appropriate sufficient funds for payment of Consultant's services beyond the current fiscal year, this Agreement shall cover payment for Consultant's services only to the conclusion of the last fiscal year in which City appropriates sufficient funds and shall automatically terminate at the conclusion of such fiscal year.

23. Exhibits. Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, or between a provision of this Agreement and a provision of Consultant's proposal, the provisions of this Agreement shall control.

24. Entire Agreement and Modification of Agreement. This Agreement and all exhibits referred to in this Agreement constitute the final, complete and exclusive statement of the terms of the agreement between the Parties pertaining to the subject matter of this Agreement and supersede all other prior or contemporaneous oral or written understandings and agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty except those expressly set forth in this Agreement. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by both Parties.

25. Headings. The headings in this Agreement are included solely for convenience of reference and shall not affect the interpretation of any provision of this Agreement or any of the rights or obligations of the Parties to this Agreement.

26. Word Usage. Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) "includes" or "including" are not limiting.

27. Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a Party of the benefits of any grace or use period allowed in this Agreement.

28. Business Days. "Business days" means days Manhattan Beach City Hall is open for business.

29. Governing Law and Choice of Forum. This Agreement, and any dispute arising from the relationship between the Parties to this Agreement, shall be governed by and construed in accordance with the laws of the State of California, except that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be applied in interpreting this Agreement. Any dispute that arises under or relates to this Agreement (whether contract, tort or both) shall be resolved in a superior court with geographic jurisdiction over the City of Manhattan Beach.

30. Attorneys' Fees. In any litigation or other proceeding by which a Party seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing Party shall

be entitled to recover all attorneys' fees, experts' fees, and other costs actually incurred in connection with such litigation or other proceeding, in addition to all other relief to which that Party may be entitled.

31. Severability. If a court of competent jurisdiction holds any provision of this Agreement to be illegal, invalid or unenforceable for any reason, the validity of and enforceability of the remaining provisions of this Agreement shall not be affected and continue in full force and effect.

32. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall be deemed an original, and all of which will constitute one and the same instrument.

33. Corporate Authority. Each person executing this Agreement on behalf of his or her Party warrants that he or she is duly authorized to execute this Agreement on behalf of that Party and that by such execution, that Party is formally bound to the provisions of this Agreement.



[SIGNATURE PAGE FOLLOWS]

The Parties, through their duly authorized representatives are signing this Agreement on the date stated in the introductory clause.

City:

City of Manhattan Beach,
a California municipal corporation

Consultant:

Harris & Associates, Inc.,
a California corporation

Signed by:
By: Talyn Mirzakhanian, City Manager
E8FEFD107389443...
Name: Talyn Mirzakhanian
Title: Acting City Manager
Date: 3/6/2025

DocuSigned by:
Alison Bouley
B54F7F9EC781470...
Name: Alison Bouley
Title: Vice President, Municipal +
District Finance

ATTEST:

DocuSigned by:
By: Liza Tamura, City Clerk
975D2FFB9D8446B...
Name: Liza Tamura
Title: City Clerk
Date: 3/6/2025

By: _____
Name: _____
Title: _____

APPROVED AS TO FORM:

DocuSigned by:
By: Quinn M. Barrow, City Attorney
C24C6E263545445...
Name: Quinn M. Barrow
Title: City Attorney
Date: 3/6/2025

APPROVED AS TO FISCAL IMPACT:

Signed by:
Ms. Anya Jones
2E7A73EAFD77469...
Name: Anya Jones
Title: Interim Finance Director
Date: 3/4/2025

APPROVED AS TO CONTENT:

Signed by:
Ms. Anya Jones
2E7A73EAFD77469...
Name: Anya Jones
Title: Interim Finance Director
Date: 3/4/2025

EXHIBIT A
SCOPE OF SERVICES

PROJECT UNDERSTANDING

The City intends to perform a comprehensive Development Impact Fee Study (Study) update to understand the financial impacts that future development will have on the City's infrastructure and to identify funding for those improvements. The City wishes to conduct a comprehensive Development Impact Fee Study for new developments and redevelopments to mitigate the infrastructure costs generated by new development activity. The City currently collects a Quimby/Parkland Fee, Congestion Management Fee (currently on hold), Residential Unit Fee, and Public Art Fee. The City wished to review these current fees and methodology and update these existing fees as well as look at other Development Impact Fees to support the City's anticipated growth.

The Study must meet the Mitigation Fee Act requirements, AB602, and applicable court decisions such as the Sheetz v County of El Dorado case. They must also be developed so the City can administer, update, and maintain the program over time while providing the funding necessary for new facilities. The Mitigation Fee Act, commonly known as AB1600, was enacted by the state of California in 1987 and created Section 66000 et. seq. of the California Government Code. AB1600 was enacted to verify that new development mitigates its impact on the agency's infrastructure. It sets requirements for establishing fees as well as annual reporting requirements. In addition, every five years, the agency must make findings that demonstrate the continuing need for the fee and show that there is an expenditure plan for all fee revenues. AB602, signed into law in 2021, sets more stringent requirements for the development of Impact Fee programs adopted after 2022. Harris will complete the Study based on the requirements of AB1600, AB602, recent court cases, and the scope of work outlined in this proposal.

SCOPE OF SERVICES

Harris has prepared the following scope of work to prepare a Development Impact Fee Study for the City of Manhattan Beach.

Task 1: Kick-off meeting

Harris will schedule and host an in-person or virtual kick-off meeting to discuss the goals for the project and communication protocols and to confirm the project schedule. Harris will discuss the information that is needed to complete a comprehensive update that is legally defensible and a strategy for obtaining the information. The City currently collects fees for Quimby/Parkland, Congestion Management Plan, Residential Unit, and Public Art and wishes to update these as well as look at a full slate of development impact fee options to support the City's growth. Harris will review the City's existing fees with the City and discuss any potential additional fees.

Task 2: Data Collection and Analysis

Harris will participate in calls with individual members of City staff to gain an understanding of the projects that each department wishes to fund with the development impact fees, understanding of other available information, and discuss potential approaches to updating the existing fees. It is anticipated that up to six (6) calls will be required. The goal of this task is to understand better the needs and goals of the City for each impact fee category and to gather the information that will serve as the basis for the fees. One of the new requirements of AB602 is that the City include a CIP as part of the nexus study. If the projects are not readily available through adopted studies or existing CIP's, we may need staff assistance in developing this list. Development impact fees can only fund growth-related needs and cannot be used to fund existing deficiencies. Because of recently passed legislation, additional scrutiny must be given to the facilities and the

methodologies used to develop impact fees. Prior to meetings with City Departments, Harris will review the City's available documentation, including but not limited to:

- Current Development Impact Fee Program
- General Plan
- 2021-2029 Housing Element
- Capital Improvement Program
- Specific Plans
- Master Plans
- Strategic Plans
- Municipal Code
- Median Income Data

Following the completion of meetings with City Departments, Harris will provide meeting minutes of each department meeting and a comprehensive data request. Harris will assist in the review, assessment, and development of cost estimates for new or expanded capital facilities, as necessary. Where adequate cost estimates are not readily available, Harris will utilize our breadth of experience to provide relevant cost comparisons of similar facilities in other jurisdictions.

LAND USE PROJECTIONS:

Harris will review the General Plan, 2021-2029 Housing Element, Census Data, and other available documents to gather the City's growth projections. Harris will gather other assumptions such as persons per household, existing city population and employment, and future population and employment. Harris will prepare a summary of the assumptions for City approval prior to moving forward with the calculations.

Task 3: Identify Potential New Mitigation Fees

While the Request for Proposals includes this task after conducting the Nexus Analysis and developing the fee schedule, Harris recommends that it is more efficient if all desired fee categories are identified prior to beginning the fee calculations. Harris will review the information gathered from meeting with each of the City's Departments, the identified infrastructure needs and available data to determine the feasibility of establishing additional impact fee categories. This will include an analysis of Water, Sewer, Storm Drainage, Transportation, Public Safety, Parks and Recreation, General Government Facilities, and Parking In-Lieu Fees. Harris will utilize our breadth of experience to determine if there is sufficient information available in order to establish a nexus between the need for additional infrastructure and the impacts generated by future development. Harris will meet with City Staff to discuss the findings and potential new mitigation fees so that a legal nexus can be established. Following the discussion of potential fees, Harris will provide meeting minutes and confirm the final fee categories to be included in the Nexus Study.

Task 4: Conduct Nexus Analysis and Develop Fee Schedule

When the land use assumptions, growth forecasts, the identification of the needed facilities, and cost allocation methodologies are completed, Harris will determine the appropriate methodology to allocate the infrastructure costs in each fee category to the various land uses based on the additional residents and employees that these new developments generate. Harris will develop a fee model that can be refined in real-time during discussions with City Staff to account for modifications to the project list, cost allocations, and alternative funding sources. Harris will ensure that the costs for facility construction and land acquisition are accounted for individually and can be updated independently. Harris will provide recommendations regarding annual updates and the various adjustment factors that can be utilized for different fee categories. Harris will update the City's existing fees, which include Quimby/Parkland, Congestion Management Plan, Residential Unit, and Public Art Fees. Any additional fees that were identified in the previous tasks and discussed with the City will also be included. The fees will be calculated in compliance with the requirements of Section 66000 of the

Government Code. An administrative fee will also be calculated to fund impact fee studies, annual administration, City staff administration, and reporting requirements.

Harris will prepare the draft fees and comparison for review with the City. Harris will participate in a call with the City to discuss any comments on the fees before drafting the Comprehensive Nexus Study.

Task 5: Draft Comparative Fee Study

Once all parties agree on the proposed fees, Harris will prepare a Comprehensive Nexus Study. The Nexus Study will be prepared in an organized fashion with an executive summary and will contain all required legal and technical documentation, including additional information required under AB602. The study will include all background information, the methodology used to determine the fees, all supporting information, calculations that demonstrate the legal nexus between the recommended fees and the impact created by new development, the relationship between the fee's use and the type of project on which the fee would be imposed, the purpose of the fee, how the fees would be used, and a description of the relationship between the need for any additional facilities and the type of development project on which the fee would be imposed. The nexus study will include an analysis of the City's existing fees and a comparison of the existing fees to the proposed fees, as well as an analysis of the impact fees collected in surrounding jurisdictions. Up to six (6) cities will be included to compare the proposed fees to those of surrounding jurisdictions. These cities will be selected based on discussions with City Staff.

In addition, the report will discuss annual fee update procedures, credit and reimbursement policies, the required administrative procedures, including online reporting requirements required under AB1483, and the fee collection requirements of SB937. We will also incorporate the legal methodology for calculating fees for accessory dwelling units. The draft report will go through our internal QA/QC process before City review.

Harris will participate in one (1) call with the City to discuss the report and answer any questions the City Staff has regarding the Nexus Study.

Task 6: Final Report and Community Meetings

FINAL REPORT:

Harris will review a consolidated set of comments from City staff and revise the draft nexus study to incorporate the City's comments. Once the report is finalized, Harris will provide the City with an electronic copy and one (1) bound copy of the final comprehensive study.

City Council Meeting

Harris will prepare and make a presentation to the City Council to share findings and recommendations. The presentation will be prepared in a clear and concise manner. Harris will answer any questions about the findings and document any concerns or requested changes through meeting minutes. Prior to the meeting, Harris will review the staff report and the resolution. It is assumed that the City will notice all meetings and provide a legal review of the documents.

Optional City Council Meeting

While only one City Council meeting is required by the Government Code for fee adoption, Harris recommends conducting a study session with City Council to present the draft fees prior to report finalization. Should the City exercise this optional meeting, Harris will prepare and make a presentation to the City Council at an in-person study session meeting. The presentation will be prepared in a clear and concise manner, and Harris will answer questions as needed. Harris will discuss any recommendations that come out of this meeting with City Staff and incorporate relevant feedback into the report.

Optional Public Outreach Meeting

Obtaining the development community’s support is best achieved when their input is included in the fee analysis. Harris recommends hosting a meeting with the Development meeting prior to the Public Hearing. Should the City exercise this optional meeting, Harris will prepare and make a presentation to the Building Industry Association (BIA) in (1) virtual meeting and any other interested parties in the development community. The presentation will be prepared in a clear and concise manner, and Harris will answer questions as needed. Harris will discuss any recommendations that come out of this meeting with the City and incorporate relevant feedback into the report.

BEST PRACTICES AND OPTIONAL ONGOING ADMINISTRATION

Harris will recommend best practices to the City to help confirm better collections of impact fees. This includes information written into the nexus study regarding implementation and fee updates, as well as a discussion with City staff to address any specific questions or concerns. Harris will also include a section of legal requirements such as what information must be posted on the City’s website as well as annual and five-year reporting requirements.

Harris helps many of our agencies in the long-term implementation of our fee programs and is happy to provide ongoing support if the City desires. Some of the specific tasks Harris assists within ongoing program administration are as follows:

- Consultation with City staff on an as needed basis on matters related to the implementation and utilization of the study.
- Annual update to the fee program.
- Annual and five-year AB1600 reporting.
- Impact Fee Calculations.
- Credit and Reimbursement Agreement, Calculations and Tracking.
- Annual Fee Escalation Calculations and Support.
- Assist the City to defend the fees in the event of an audit or other challenge.

Should the City wish to elect to engage Harris for any of the ongoing fee program support and administration, the tasks will be completed on a time and material basis utilizing the following hourly rates:

Project Role	Rates Per Hour
Project Director	\$310/hr
Project Manager	\$285/hr
Deputy Project Manager	\$200/hr
Senior Analyst/Engineer	\$185/hr
Project Analyst	\$160/hr

Notes: Rates are subject to adjustment due to promotions during the effective period of this schedule. A new rate schedule will become effective on January 1, 2026, and on the 1st of January every year thereafter. Unless otherwise indicated in the agreement for services, hourly rates include most direct costs such as travel, equipment, computers, communications, and reproduction (except large quantities such as construction documents for bidding purposes). All subconsultant charges are subject to a 10% markup.

Tasks Required From City Staff

Harris understands that City staff are busy, and it is our goal to minimize their time on the project by working independently while alerting only on key issues or needed decisions. Given that impact fees can be political in nature, we anticipate the need for staff involvement more heavily through the second half of the project when it comes to finalizing the fees and presenting them to the City’s stakeholders and the City Council.

Harris anticipates the following involvements from City Staff:

- Providing a primary representative to act as the project manager.
- Providing background documentation including relevant documents and GIS data.
- Participating in meetings outlined in the scope.
- Reviewing all draft reports and tables and providing comments in a consolidated manner.
- Providing final guidance regarding key decisions based on the consultant’s recommendations.
- Coordinating and noticing public meetings.
- Providing legal review of all documents.

PROJECT SCHEDULE

Harris has prepared the following preliminary project schedule based on our understanding of the project and experience on similar projects. The schedule will be refined during the kick-off meeting.

	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.
Kick-off Meeting	◆								
Data Collection and Analysis	■	■							
Land Use Projections		■	■						
Identify Potential New Mitigation Fees		■	■						
Impact Fee Calculations			◆	◆					
Draft Fee Discussion				◆					
Draft Comparative Fee Study				■	◆				
City Review Nexus Study					■				
Findings Meeting					◆				
Finalize Nexus Study					■	◆	◆		
Development Community Meeting (1 st Optional)						◆			
Review Council Documents							■		
City Council Meetings (2 nd Optional)								◆	◆

Note: Fees will be effective 60 days following City Council Adoption.

Key:

- ◆ Meetings, tentative timing shown (actual timing to be determined at project commencement)
- ★ Deliverable

HARRIS EXPERIENCE AND PROJECT EXPERIENCE

Harris’ Municipal + District Finance team provides our clients with a broad range of public financing and assessment engineering services. Our unique experience as both engineers and financial experts allows us to provide a host of services to our clients, resulting in reduced City staff time on projects. Our proposed project team members are experts with AB1600 Development Impact Fees and keep up to date on recent legislation, such as AB602, AB516, Senate Bill (SB) 937, and the recent Sheetz case.

In addition, we have extensive experience with special benefit analyses and have in-depth knowledge of State codes and funding mechanisms relating to special financing districts, including Article XIID of the California Constitution (Proposition 218) and related legislation. We have experience providing the following services:

EXHIBIT B
APPROVED FEE SCHEDULE

PROPOSED FEES

Based on our understanding of the services required, our not-to-exceed fee for the Scope of Services identified above is shown below. It is based on a time-spent basis in accordance with the hourly rates identified below. Hourly rates include most direct costs such as vehicles, mileage, equipment, computers, communications, and reproduction.

	Harris & Associates Labor						Total Harris Estimated Fee
	Project Director \$310/hr Hours	Project Manager \$285/hr Hours	Deputy Project Manager \$200/hr Hours	Senior Analyst/ Project Engineer \$185/hr Hours	Project Analyst \$160/hr Hours	Total Harris Estimated Hours	
Task 1: Kick-Off Meeting	1	4	4	0	1	10	\$2,410
Task 2: Data Collection and Analysis (6 Meetings)	2	8	12	25	25	72	\$13,925
Task 3: Identify Potential New Mitigation Fees	1	4	10	14	0	29	\$6,040
Task 4: Conduct Nexus Analysis and Develop Fee Schedule	2	8	16	20	40	86	\$16,200
Task 5: Draft Comparative Fee Study	2	4	6	10	40	62	\$11,210
Task 5: Final Report and Community Meetings							
<i>Task 5.1: Final Report</i>	2	8	6	10	5	31	\$6,750
<i>Task 5.2: City Council Meeting</i>	2	10	4	6	2	24	\$5,700
Total Without Optional Meetings	12	46	58	85	113	314	\$62,235
Optional Tasks:							
<i>Task 5.3: Developer Meeting (virtual)</i>	1	4	6	6	0	17	\$3,760
<i>Task 5.4: Additional City Council Meeting</i>	1	6	6	6	0	19	\$4,330
Total With Optional Tasks	14	56	70	97	113	350	\$70,325

Note: Hourly rates subject to annual increase based on CPI beginning January 1, 2026, and each year there