

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated April 15, 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 services as described in Exhibit A.

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 annual administration of City's Special Districts, 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 Donna Segura, 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 June 30, 2030, 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 rates set forth in the Approved Fee Schedule attached hereto as **Exhibit A**, plus a three (3) percent increase for each subsequent year following the initial year of this Agreement. In no event shall Consultant be paid more than \$40,000 annually (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 A**, 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, agents, 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 indemnity 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's subcontractor 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.

B. Workers' Compensation Acts not Limiting. Consultant's indemnifications and 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 indemnities in this Section shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liabilities, tax, assessment, penalty or interest asserted against City.

D. Survival of Terms. Consultant's indemnifications and obligations under 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 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: Julie Bondarchuk
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266
Telephone: 310-802-5564

If to Consultant:

Donna Segura
Harris & Associates
101 Progress, Suite 210
Irvine, CA 92618
Telephone: 949-536-2512
Donna.Segura@wearHarris.com

Email: jbondarchuk@manhattanbeach.gov

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. Exhibit A constitutes a part of this Agreement and is 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

By: _____

Name: Talyn Mirzakhanian

Title: City Manager

Date:

ATTEST:

By: _____

Name: Liza Tamura

Title: City Clerk

Date:

APPROVED AS TO FORM:

By: _____

Name: Quinn M. Barrow

Title: City Attorney

Date: 5/6/2025

APPROVED AS TO FISCAL IMPACT:

By: _____

Name: Libby Bretthauer

Title: Acting Finance Director

Date: 5/2/2025

APPROVED AS TO CONTENT:

By: _____

Name: Libby Bretthauer

Title: Acting Finance Director

Date: 5/2/2025

DocuSigned by:

By: *Alison Bouley*

Name: Alison Bouley, P.E.

Title: Vice President

By: _____

Name: _____

Title: _____

EXHIBIT A
SCOPE OF SERVICES
and
APPROVED FEE SCHEDULE



Harris & Associates

April 4, 2025

City of Manhattan Beach
Attn: Julie Bondarchuk
Financial Services Manager
1400 Highland Avenue
Manhattan Beach, CA 90266

PROPOSAL FOR PROFESSIONAL SERVICES FOR ANNUAL ADMINISTRATION OF THE CITY'S SPECIAL DISTRICTS

Dear Julie:

Harris & Associates ("Harris") is pleased to submit this proposed to continue our relationship with the City of Manhattan Beach (the "City"). Our Scope of Services and Fees are proposed for City's Landscape and Lighting Assessment District, Stormwater Fee, and Utility Undergrounding Assessment Districts, collectively, the Districts.

Familiarity with the City. Harris has been providing annual administrative and support services to the City for over 10 years. We value this relationship and will continue to utilize our knowledge and experience provide the City with quality service.

Experience. Our team has consistently demonstrated its ability to respond to the needs of our clients. Our MDF team has decades of experience having assisted agencies throughout California and Nevada on a variety of public finance projects. This has included the formation and administrating Landscape and Lighting Districts, Community Facilities Districts, Assessment Districts, and Development Impact Fee Programs. Our management team has over 24 years of public finance, district formation, district administration, and financial analysis experience.

Communication. We pride ourselves on client communication. We provide regular updates and work with clients to address potential issues as early as they are identified. We understand the importance of completing tasks in a timely manner and communicating with City staff regularly regarding any project issues. When working on projects of this nature, we know that our ability to perform and deliver information reflects directly on your staff. Our team understands the importance of meeting our commitments and communicating regularly and openly with your staff. We also know that staff is pulled in many different directions and understand the need to utilize your time wisely. We will work with you to determine the best method of communication and decision-making processes.

PROJECT TEAM

Harris has assembled the following project team to work with the City.

Alison Bouley, PE, will serve as the Assessment Engineer on the project. Mrs. Bouley is a registered engineer and is Vice President of our Municipal and District Finance team. She has over 24 years of experience in managing the programming and financing of infrastructure improvements consulting to cities, counties and special districts throughout the State. She has assisted agencies with the analysis of special benefit from various types of improvements, in accordance with the requirements of Article XIII D of the California State Constitution (Proposition 218). She will be in *“responsible charge”* as required by Section 4(b) of Article XIII D of the State Constitution, which requires that *“all assessments be supported by a detailed engineer’s report prepared by a registered professional engineer certified by the State of California.”* Ultimately, Mrs. Bouley will serve as the licensed professional who will oversee authorship of and sign the Engineer’s Report.

Donna Segura will serve as Principal-in-Charge/Project Director. Donna is a Director of in our Municipal and District Finance team and leads the district formation and administration team. She has over 24 years of special district formation and administration experience consulting to cities, counties and special districts throughout the State of California. She has assisted agencies with the analysis of special benefit from various types of improvements, in accordance with the requirements of Article XIII D of the California State Constitution (Proposition 218). She has also performed formation and annual administration services for Mello-Roos Community Facilities Districts, and various other fee and special tax districts.

Francisco Rojas will serve as the Deputy Project Manager. Francisco is a Deputy Project Manager on our Municipal + District Finance Team and will be working closely with the project director and assessment engineer. Francisco has more than 9 years of experience in administration, 4.5 of those directly in municipal finance district administration and formations. Specifically, Francisco has direct experience administering Special assessments and Non-Ad Valorem Property Assessed Clean Energy assessments. He specializes in special assessment reporting and administration. This experience along with his strong communication and analytic skills enables Francisco to effectively work closely with clients and perform well on Special Assessments that require a high level of detail and analysis.

The project team will be supported by additional members of Harris’ Municipal + District Finance team as needed.

SCOPE OF SERVICES

Utility Undergrounding Assessment Districts (UUAD)

Annual Administrative Services

- **Review UUAD Budgets.** Review City Budgets for the upcoming fiscal year to verify that all appropriate components have been included in the annual budgets.
- **Preliminary Assessment Calculations.** Determine assessment rates for each parcel based on the new budgets and any changes to the UUAD.
- **County Submittal.** Calculate and submit the levy to the County in the appropriate format. Parcels rejected by the County Auditor Controller will need to be researched; with corrected data submitted for collection on the County Tax Roll. Any parcels that are not submitted to the County for collection should be produced as handbills by the consultant with payment directed to the City.
- **Reports.** Provide reports throughout the year coinciding with the performance of the annual administration. These reports will include, a detail of the amounts submitted to the levy, details of

delinquent assessments, fund analysis, paid off parcels and release of liens, all bond call activity, and assessed valuation information.

- **Payoff Calculation (Optional).** Provide assessment payoff calculations to interested parties.
- **Release of Lien (Optional).** Prepare all documents required to release the liens of parcels that have prepaid the assessment.
- **Delinquency Reporting.** Research the records of the County Tax Collector for payment information to determine which parcels are delinquent after the property tax installment due dates. Delinquency reports will include parcel lists showing the Assessor Parcel Numbers, property owner and delinquent amount for each parcel. Reports will be prepared once annually, at the request of the City. Additional reports may be subject to additional fees.

Foreclosure Assistance Services

- Assist in preparing documents submitted to City requesting authorization of foreclosure action. Harris will provide initial delinquent amounts (including penalty and interest) to Foreclosure Counsel in the event that foreclosure proceedings are initiated.
- Prepare and forward letters (on City letterhead) to City for mailing, via first-class mail, registered return receipt (if requested), to the current property owners at the time and in the format required by the delinquency policy. Harris will respond to public requests regarding delinquent notices and can prepare, if necessary, statements to the requesting party of all amount's delinquent including penalties, interest, and roll removal fees.

Assessment Apportionment Services

- Perform 1915 Act lien apportionments pursuant to Part 10.5 of Division 10 of the California Streets and Highway Code, Section 8740 et seq., consisting of the following services in conjunction with functions performed by the City of Manhattan Beach. This scope assumes that the apportionments will be initiated at the time an application for any tract map, parcel map or lot line adjustment is filed at the City.
- Apportion the special assessment according to the method of spread as described in the Engineer's Report.
- Prepare an amended assessment diagram, notice and report. The diagram and notice will be filed and recorded with the County Recorder.
- Prepare and deliver a notice of apportionment via certified mail to the issuing underwriter.

Stormwater Fee Services

- **Preliminary Assessment Calculations.** Determine assessment rates for each parcel based on the applicable assessment rate.
- **County Submittal.** Calculate and submit the levy to the County in the appropriate format. Parcels rejected by the County Auditor Controller will need to be researched; with corrected data submitted for collection on the County Tax Roll. Any parcels that are not submitted to the County for collection should be produced as handbills by the consultant with payment directed to the City.
- **Update Database (Optional).** Harris will obtain updated Measure W data from the County of Los Angeles Flood Control District and update the parcel database for any changes in impervious area.

Landscape and Lighting Maintenance District (LLMD)

Provisions of the Landscaping and Lighting Act of 1972 will be used in completing the work. This scope of work is based on the assumption that there will be no increases in assessment rates as defined by Article XIID of the California Constitution (Prop. 218) and the Prop 218 Omnibus Implementation Act.

- **Review LLMD Budgets.** Review City Budgets for the upcoming fiscal year to verify that all appropriate components have been included in the annual budgets.
- **Update Database:** Research changes to the existing database.
- **Preliminary Assessment Calculations.** Determine assessment rates for each parcel based on the new budgets and any changes to the UUAD.
- **Engineer's Report.** Furnish an electronic copy of the Engineer's Report and Preliminary Assessment Roll, for processing and filing.
- **County Submittal.** Calculate and submit the levy to the County in the appropriate format. Parcels rejected by the County Auditor Controller will need to be researched; with corrected data submitted for collection on the County Tax Roll. Any parcels that are not submitted to the County for collection should be produced as handbills by the consultant with payment directed to the City.
- **City Council Meetings (Optional).** Attend the City Council meetings considering the Resolution of Intention and the Public Hearing to provide technical support and answer questions.

PROPOSED FEES

Based on our knowledge and understanding of the City's District and the services outlined herein, Harris will provide the services for the following lump sum fees for Fiscal Year 2025-26:

Task		FY 2025-26 Lump Sum Fees
Annual Administrative Services		
	UUAD ¹	\$12,800
	Stormwater Fee District	\$5,200
	Landscape and Lighting Maintenance District	\$8,500
TOTAL ANNUAL ADMINISTRATIVE SERVICES		\$26,500
Optional Tasks		
	UUAD - Assessment Apportionment Services, per application	\$1,250
	UUAD - Continuing Disclosure Report, per report	\$2,500
	UUAD - Payoff Calculation, per calculation	\$500
	UUAD - Release of Lien, per document	\$500
	UUAD – Foreclosure Assistance Services	To be determined ²
	Stormwater Fee District – Impervious Area Update	\$5,000
	City Council Meetings (In-Person), per meeting	\$1,500

¹Lump sum per UUAD is equal to \$3,200. Fee will be reduced in future years for UUAD's no longer requiring full annual administrative services.

²Fee will be dependent on number of parcels and complexity of proceedings. Scope and fee will be agreed upon before commencing work.

The lump sum fee will be increased annually for inflation by greater of 3% or the annual change in the Consumer Price Index (CPI) during the preceding calendar year, for all Urban Consumers for the Los Angeles-Long Beach-Anaheim area, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Should the index be discontinued, a reasonably equivalent index should be utilized annually.

Invoices for services will be submitted quarterly for services provided in the previous quarter and shall be paid within 30 days of receipt.

Payments by the City may be made by electronic funds transfer (EFT). If payment is made by EFT, Harris will provide the City with its bank ABA number, account number and designation of the account to which such EFT shall be made. Harris will be responsible for notifying the City when or if Harris' EFT information changes. Payments shall be for the invoiced amount, with no retention.

Additional Services not included in this proposal shall be approved by the City prior to work being performed and billed based on the Schedule of Hourly Rates shown below. Our hourly rates reflect our 2025 rates and will be adjusted by the greater of 3% or the consumer price index (CPI) as defined above on January first of each year.

Harris Title	2025 Hourly Rate
Vice President	\$320.00
Senior Consultant	\$310.00
Director	\$290.00
Assessment Engineer	\$270.00
Project Manager	\$195.00
Deputy Project Manager	\$185.00
GIS Specialist/Senior Analyst	\$170.00
Administrative	\$100.00

Our team is excited about continuing to work with the City and are ready to start work upon receipt of your Authorization to Proceed. If you agree with the scope of service described above and the proposed fee, please have the appropriate authorized person sign the concurrence and email the signed letter to me at Donna.Segura@WeAreHarris.com. Please call me at 949-536-2512 if you have any questions or need any further information about our proposal.

Please let us know if you have any questions or need any additional information.

Sincerely,

Harris & Associates, Inc.



Donna Segura

Director, Municipal + District Finance

Donna.Segura@WeAreHarris.com