

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated _____ ("Effective Date") and is between the City of Manhattan Beach, a California municipal corporation ("City") and Magellan Advisors, LLC, a Florida limited liability company ("Contractor"). City and Contractor are sometimes referred to herein as the "Parties", and individually as a "Party".

RECITALS

A. City issued Request for Proposals No. 1099-17 on October 31, 2016, seeking proposals for the provision of Fiber Master Plan Professional Services. Contractor submitted a proposal dated November 22, 2016 and updated proposal from March 20, 2017 in response to the RFP.

B. Contractor 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 Contractor as an independent contractor and Contractor 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. Contractor's Services.

A. Scope of Services. Contractor shall perform the services described in the Scope of Services (the "Services"), attached as **Exhibit A**. City may request, in writing, changes in the Scope of Services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

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 Contractor Representative shall be Jory Wolf (the "Contractor Representative"). The Contractor Representative shall directly manage Contractor's Services under this Agreement. Contractor shall not change the Contractor Representative without City's prior written consent.

C. Time for Performance. Contractor shall commence the Services on the Effective Date and shall perform all Services in conformance with the project timeline, set forth in **Exhibit A**.

D. Standard of Performance. Contractor 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. Contractor 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 Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such Services.

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

G. Permits and Licenses. Contractor 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 and shall terminate when the project is completed, 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 Contractor at the hourly rates set forth in the Approved Fee Schedule attached hereto as **Exhibit B**. In no event shall Contractor be paid more than \$144,375 (the "Maximum Compensation").

B. Expenses. City shall only reimburse Contractor for those expenses expressly set forth in **Exhibit B**. In no event shall reimbursable expenses collectively exceed the total sum of \$5,500.

C. Additional Services. City shall not allow any claims for additional Services performed by Contractor, unless the City Council or City Representative, if applicable, and the Contractor Representative authorize the additional Services in writing prior to Contractor's performance of the additional Services or incurrence of additional expenses. Any additional Services or expenses authorized by the City Council or City Representative shall be compensated at the rates set forth in **Exhibit B**, or, if not specified, at a rate mutually agreed to by the Parties. City shall make payment for additional Services and expenses in accordance with Section 4 of this Agreement.

4. Method of Payment.

A. Invoices. Contractor 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 Contractor 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 Contractor.

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

5. Independent Contractor. Contractor is, and shall at all times remain as to City, a wholly independent contractor. Contractor 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 Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor 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. Contractor covenants that all data, reports, documents, discussion, or other information (collectively "Data") developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed or released by Contractor without prior written authorization by City. City shall grant such authorization if applicable law requires disclosure. Contractor, 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. Response to a subpoena or court order shall not be considered "voluntary," provided Contractor gives City notice of such court order or subpoena.

B. Contractor shall promptly notify City should Contractor, 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 Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. 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 Contractor 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 Contractor's permission. Contractor 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 Contractor.

D. Contractor's covenants under this Section 6 shall survive the expiration or termination of this Agreement.

7. Conflicts of Interest. Contractor and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Contractor'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, Contractor may perform similar Services for other clients, but Contractor 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 Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Contractor shall incorporate a clause substantially similar to this Section 7 into any subcontract that Contractor executes in connection with the performance of this Agreement.

8. Indemnification.

A. Indemnities for Third Party Claims.

1) To the fullest extent permitted by law, Contractor shall, at its sole cost and expense, defend, hold harmless and indemnify 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 any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, expenses, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith and the payment of all consequential damages (collectively "Liabilities"), in law or equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. Contractor shall defend the Indemnitees in any action or actions filed in connection with any Liabilities with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense.

Contractor shall reimburse the Indemnitees for any and all legal expenses and costs incurred by Indemnitees in connection therewith.

2) Contractor shall pay all required taxes on amounts paid to Contractor 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. Contractor shall fully comply with the workers' compensation law regarding Contractor and Contractor's employees. Contractor shall indemnify and hold City harmless from any failure of Contractor to comply with applicable workers' compensation laws. City may offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this subparagraph A.2).

3) Contractor shall obtain executed indemnity agreements with provisions identical to those in this Section 8 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Contractor in the performance of this Agreement. If Contractor fails to obtain such indemnity obligations, Contractor shall be fully responsible and indemnify, hold harmless and defend the Indemnitees from and against any and all Liabilities at law or in equity, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to the acts or omissions of Contractor's subcontractor, its officers, agents, servants, employees, subcontractors, materialmen, contractors or their officers, agents, servants or employees (or any entity or individual that Contractor's subcontractor shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Liabilities arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties.

B. Workers' Compensation Acts not Limiting. Contractor's indemnifications and obligations under this Section 8, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Contractor 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 Contractor 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 8 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. Contractor's indemnifications and obligations under this Section 8 shall survive the expiration or termination of this Agreement.

9. Insurance.

A. Minimum Scope and Limits of Insurance. Contractor 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 Contractor is a limited liability company, the commercial general liability coverage shall be amended so that Contractor 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 \$1,000,000.00 per accident for bodily injury and property damage. If Contractor does not use any owned, non-owned or hired vehicles in the performance of Services under this Agreement, Contractor shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under subparagraph A.1) of this Section 9.

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 Contractor has no employees while performing Services under this Agreement, workers' compensation policy is not required, but Contractor 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 9 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 9.

C. Additional Insured. The commercial general and automobile liability policies shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds.

D. Primary and Non-Contributing. The insurance policies required under this Section 9 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 officers, employees, agents or volunteers, shall be in excess of Contractor's insurance and shall not contribute with it.

E. Contractor's Waiver of Subrogation. The insurance policies required under this Section 9 shall not prohibit Contractor and Contractor's employees, agents or subcontractors from waiving the right of subrogation prior to a loss. Contractor 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, Contractor shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Contractor shall procure a bond guaranteeing payment of losses and expenses.

G. Cancellations or Modifications to Coverage. Contractor shall not cancel, reduce or otherwise modify the insurance policies required by this Section 9 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 9 is canceled or reduced in coverage or limits, Contractor 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 Contractor does not maintain the policies of insurance required under this Section 9 in full force and effect during the term of this Agreement, or in the event any of Contractor's policies do not comply with the requirements under this Section 9, 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 Contractor's expense, the premium thereon. Contractor shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to Contractor.

I. Evidence of Insurance. Prior to the performance of Services under this Agreement, Contractor 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 9. The endorsements are subject to City's approval. Contractor may provide complete, certified copies of all required insurance policies to City. Contractor shall maintain current endorsements on file with City's Risk Manager. Contractor 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. Contractor shall furnish such proof at least two weeks prior to the expiration of the coverages.

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

K. Subcontractor Insurance Requirements. Contractor 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 9.

10. Mutual Cooperation.

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

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

11. Records and Inspections. Contractor 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. Contractor 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 Contractor at least five calendar days before the termination is to be effective. Contractor 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. Contractor 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 Contractor, City shall pay Contractor based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Contractor be entitled to receive more than the amount that would be paid to Contractor for the full performance of the Services required by this Agreement. Contractor shall have no other claim against City by reason of such termination, including any claim for compensation.

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

14. Default.

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

B. If the City Manager or his delegate determines that Contractor is in default in the performance of any of the terms or conditions of this Agreement, City shall serve Contractor with written notice of the default. Contractor 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 Contractor 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 Contractor'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: Sanford Taylor
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, California 90266
Telephone: (310) 802-5067
Email: staylor@citymb.info

If to Contractor:
Magellan Advisors, LLC
999 18th Street, Suite 3000
Denver, CO 80202
Attn: John Honker
Email: jhonker@magellan-advisors.com

With a courtesy copy to:

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

16. Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Contractor 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. Contractor 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. Contractor 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 Contractor 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 17 shall be void and of no effect and shall entitle City to terminate this Agreement. As used in this Section 17, "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 Contractor 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 Contractor for anything done, furnished or relating to Contractor'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 Contractor, its employees, sub-contractors 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 Contractor, its employees, sub-contractors and agents.

21. Corrections. In addition to the above indemnification obligations, Contractor shall correct, at its expense, all errors in the work which may be disclosed during City's review of Contractor's report or plans. Should Contractor 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 Contractor. 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 Contractor under this Agreement up to the amount of the cost of correction.

22. Non-Appropriation of Funds. Payments to be made to Contractor 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 Contractor's services beyond the current fiscal year, the Agreement shall cover payment for Contractor'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 Contractor'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 or federal 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 actual attorneys' fees, experts' fees, and other costs, 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

By: _____

Name: _____

Title: _____

Contractor:

Magellan Advisors,
a Florida Limited Liability Company

By: _____

Name: John Honker

Title: President & CEO

ATTEST:

By: _____

Name: _____

Title: _____

**PROOF OF AUTHORITY TO BIND CONTRACTING
PARTY REQUIRED**

By: _____

Name: Liza Tamura

Title: City Clerk

APPROVED AS TO FORM:

By: 

Name: Quinn M. Barrow

Title: City Attorney

APPROVED AS TO CONTENT:

By: _____

Name: Bruce Moe

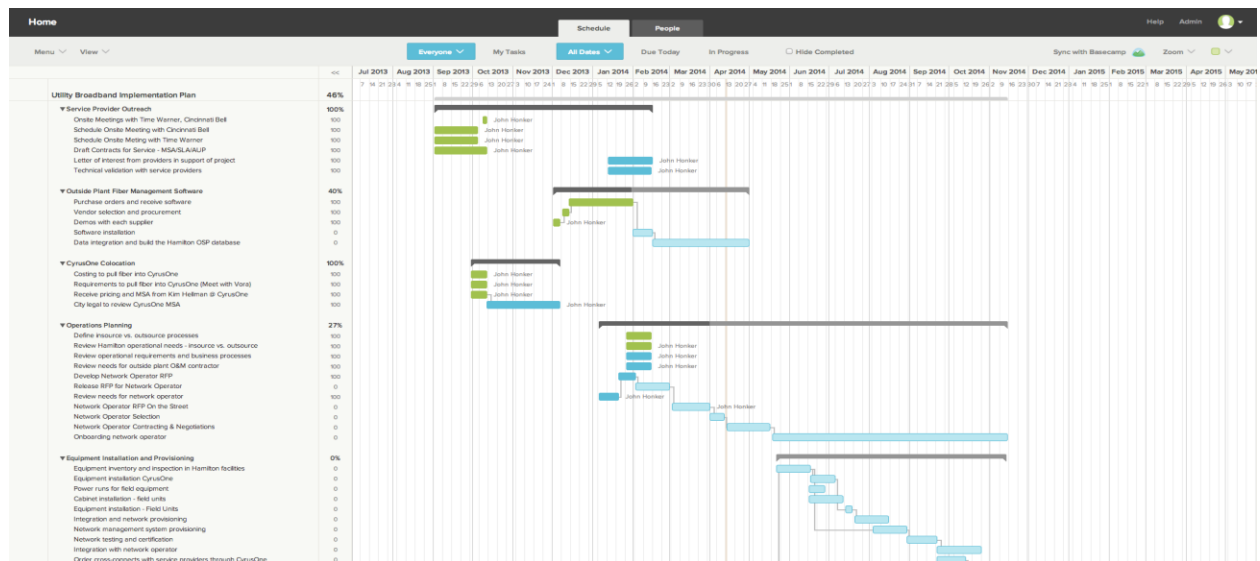
Title: Finance Director

EXHIBIT A SCOPE OF SERVICES

Task 1: Kick off Meeting and Project Management Plan

Magellan Advisors maintains formal project management methodologies for all broadband-planning engagements. Because these projects are often times multi-faceted and involve many parallel tasks, we have tailored our processes to efficiently execute the projects for our clients. Our years of broadband planning with many public sector clients has given us a deep understanding of how to manage these critical projects and ensure that milestones are met on time and on budget.

A testament to our project management abilities, Magellan has never missed a milestone or exceeded a project budget in over 10 years of broadband planning. We conduct strict QA/QC review of our projects by our independent project management staff to verify the best quality products for our clients. Our online project management system allows for tracking of key milestones, deliverables, critical path items, documents and works-in-progress. We will use this tool to periodically provide status updates and performance progress reports.



At the onset of the project, Magellan will work with the Manhattan Beach project team to review the scope, set expectations and identify key milestones and timelines in a formal project kick-off meeting. We want to understand your priorities for completion of the project to determine how work should be carried out and in what sequence. These projects often involve coordination with a large number of stakeholders; it will be important to define the best approach to involving stakeholders in the project. We will build a work plan that lays out the timeline and milestones for the tasks of the project

and any interim deliverables that the City would like to receive at the end of each phase. Since this is a significant, multi-phase project, we believe that interim deliverables will help ensure that Magellan and the City stay aligned throughout the project and that the work product meets the requirements of Manhattan Beach.

We will work with Manhattan Beach staff to incorporate any feedback and changes into the Plan.

Task 2: Inventory of Existing Systems, Service Availability

Magellan maintains a comprehensive database of Southern California broadband infrastructure, providers, fiber routes, capacity, services, pricing and territories. We will use this database and gather additional information from the City to design and build a comprehensive broadband map of the City. The inventory will provide documentation on all telecom and broadband providers, services and infrastructure serving Manhattan Beach, which will become an important planning tool to determine locations for new infrastructure developed for the Master Plan.

We will provide you a “State of Broadband” report in Manhattan Beach to help you understand how your community is served, gaps, planned upgrades, competition, opportunities to leverage vertical pole assets and other information. This will provide detailed analysis of the broadband environment and its potential expansion across the City. We will work with you to identify the key focus areas within the City where fiber is especially important, targeting business and technology parks, business corridors, schools, city facilities, anchor institutions, siting for wireless carrier LTE/5G and smart poles and economic development zones. Through our inventory and maps, Manhattan Beach will gain critical insight into where fiber infrastructure is required to meet stakeholder needs.

Task 3: Needs Assessment and Goal Setting

The objective of this task is to conduct a needs assessment to gather information on current telecommunications needs and usage by the City, businesses, anchor institutions and residential sectors of the community. This task will also include an in-depth assessment of department’s goals and objectives to identify and outline known and potential smart city initiatives to be planned and budgeted by the City of Manhattan Beach. The assessment of smart city initiatives and needs is an important element of the study and will be used to complete subsequent tasks in this project. The consultant will prepare a Technical Memorandum that will:

1. Identify project areas and trends in broadband use to support Fiber to the Home (FTTH) and Digital Inclusion for multi-family dwelling units (MDU) and single family residences;
2. Identify and assess opportunities for micro cell consolidation to improve cell coverage areas and reduce blight;

3. Identify potential uses and placement of existing and new public assets for wired and wireless deployments for municipal broadband and commercial wireless carriers, including buildings, underground conduits, aerial cable, traffic signal poles and cabinets, street light poles and new smart poles;
4. Develop projections of broadband service demand in the community by all sectors including government, businesses, anchor institutions and residents;
5. Identify and map potential businesses, schools, government facilities, smart city initiatives and applications, and other locations that have need for broadband wired and wireless services; and
6. Articulate system goals and objectives for use of wired and wireless broadband services.

Needs Assessment

We will work with you to define the best outreach strategy, a combination of the items below, and the best way to execute the strategy. The goals of the outreach are twofold:

1. To understand the current “on the ground” broadband environment and how stakeholder’s needs are currently being met, challenges they face and the root cause of broadband issues;
2. To document broadband needs and the applications that drive broadband demand in Manhattan Beach to ensure we are planning fiber infrastructure to meet those needs;

We propose to conduct several types of outreach to develop the community needs assessment, which will be tailored specifically to the City’s goals that we collaboratively develop in the project. The outreach may include a number of tools, tailored specifically to the City’s needs:

1. Online Broadband Surveys

Magellan’s online surveys will provide important information to understand the current state of broadband services, inventory current services, test speeds across Manhattan Beach’s stakeholders and identify issues. We propose to survey key stakeholders across municipal, education, public safety, regional transportation and economic development.

2. Community Anchor Interviews

We will hold interviews with each community anchor institutions in Manhattan Beach to gain an understanding of their current and future broadband and technology needs. Community anchors include municipalities, schools, healthcare organizations, public safety organizations, regional authorities and other public organizations with significant broadband requirements.

The format for these may be one-on-one in some cases or groups in other cases; depending on the size of each community anchor and importance to the project. We will educate, document, and define the needs of the anchors (now and in the future) and help Manhattan Beach determine what its key community organizations will need in terms of type, quantity, and cost of broadband services.

We will collect important information from community anchors in Manhattan Beach to develop an inventory of their broadband services, speeds, costs, issues and future needs. This inventory will help Manhattan Beach develop a long-range forecast for community anchor broadband services that will be used to project the infrastructure that will be required to meet their needs.

3. Enterprise Business Interviews (If Desirable)

If the City desires, Magellan will conduct outreach with some of the City's larger enterprise businesses to determine their current needs for broadband and connectivity solutions. We would propose to hold one-on-one interviews to understand their current and future broadband and technology needs. We find that individual interviews work best for large businesses because they are able to share more information with us one-on-one versus a group setting.

4. Small & Medium Business Interviews

Magellan will conduct outreach with business associations, chambers of commerce and other business and economic development stakeholders in the region. Due to the size of the region, we would recommend finding organizations that represent small and medium business needs in Manhattan Beach, rather than meeting with individual businesses.

5. Smart City Interviews with City Departments and Regional Service Providers

Magellan will interview City departments and regional service providers to identify smart city applications, locate them geographically and to weave them into the design and planning of a wired and wireless broadband network. These include but are not limited to intelligent transportation, traffic signal synchronization, mass transit priority, public safety, parking and traffic, WiFi, streaming video, credit card services, EV charging, environmental sensors, vehicle and pedestrian counting and access control. This assessment will dovetail with identifying and assessing the viability of using existing or installing new assets such as conduits, buildings, traffic signal poles and cabinets, street light poles and smart poles.

Task 4: Conceptual Network Routes and Infrastructure Requirements

Magellan will assist Manhattan Beach in developing the most appropriate broadband network design based on the needs of municipal services, smart city initiatives, businesses, anchor institutions and residents. The infrastructure design will target key areas for new fiber and wireless infrastructure and provide a range of options that determine how this infrastructure may be financed, owned, operated and managed. The

design will provide a conceptual model for a network that will serve businesses, anchor institutions and residents. The conceptual model will be used to lay out the backbone loop to support these sectors of the community as well as associated costs and will be used in optional Task 10 to complete an engineering design of the network backbone.

We propose to leverage existing public assets wherever possible, which may include conduit, fiber, facilities, traffic signal poles and cabinets, street lights, smart poles and other assets as a foundation to develop an expanded fiber-optic network capable of serving the needs of the City. We will document how the infrastructure design leverages existing resources to meet the goals and objectives of the overall plan.

This task will entail network design elements for last-mile and middle-mile connectivity. We will help Manhattan Beach develop a strategy for last-mile connectivity – the connections from current conduit and fiber to end-users and possibly new wireless services. We will also help the City develop a strategy for the middle-mile connectivity and interconnection points within the current fiber network. We will identify any data centers or colocation facilities in or close to Manhattan Beach and determine if/how the current network can interconnect to them. We will make recommendations on routes and locations of fiber infrastructure, points of connection and locations for wired and wireless equipment.

This will facilitate fiber connectivity between any planned fiber infrastructure and many potential ISPs and content providers. It will also enable Manhattan Beach to allow businesses, anchors and other potential subscribers the choice of their broadband provider. These strategies should all be based on sound business cases and real-world opportunities that the City can consider for expanding fiber and wireless broadband infrastructure in Manhattan Beach. These are key factors that are needed in order to create a critical mass of network customers, service providers and public/private partnerships.

We believe that the network should employ the concept of an open architecture, able to accommodate a range of technologies and applications. This open architecture should be carried through the entire network design so the network is deployed consistently and affords maximum compatibility with other local governments, providers and future broadband applications. As part of Magellan's proposed network design, we will provide a comprehensive set of development standards that should be employed in the final engineering design for the fiber network. These design standards should also be adopted for any capital projects that may enable the installation of conduit, fiber-optic cable and wireless equipment in conjunction with public works projects.

We will also design the network for multi-service capabilities to meet a variety of needs for the City, businesses, anchor institutions and smart city initiatives. As the infrastructure is designed, we will provide documentation on the allocations of network capacity for different users, across City, utility, community anchor and wired and wireless broadband applications. This capacity plan will ensure that the City creates the necessary fiber allocations for all potential users on the network and maintain enough reserve capacity for other future needs. This component is critical in identifying the

infrastructure and technical requirements of building a network to meet the diverse needs of all broadband customer sectors in Manhattan Beach.

Task 5: Technical Specifications and Cost Estimation

Magellan will develop the most appropriate broadband institutional network design based on the needs of the community. We propose to utilize the City's existing conduit, fiber, facilities, traffic signal poles and cabinets, street lights, smart poles and other assets as a foundation to develop an expanded fiber-optic network capable of serving the needs of the City and its relevant stakeholders.

We believe that the network should employ the concept of an open architecture, able to accommodate a range of technologies and applications. This open architecture should be carried through the entire network design so the network is deployed consistently and affords maximum compatibility with the City's systems, other public networks, smart city applications and future broadband applications. As part of Magellan's proposed network design, we will provide a comprehensive set of development standards that should be employed in the design for the fiber network. We will also assist in identifying and assessing the viability and location of smart poles for smart city applications.

We will also design the network for multi-service capabilities to meet a variety of end user needs, meeting the essential specifications defined in Task 4. As the network is designed, we will provide documentation on the allocations of network capacity for different users, across City, utility, community anchor, smart city initiatives and future broadband applications. This capacity plan will ensure that the City creates the necessary fiber allocations for all potential users on the network and maintains enough reserve capacity for other future needs. The capacity plan will give the City a systematic way to assign, identify and manage the fiber network, which, as the network grows will become a critical process to ensure the City maintains accurate records.

We will help the City evaluate the feasibility and costs associated with different types of infrastructure to ensure that the final design meets the needs of the City, its partners and its stakeholders. We will work with the City to determine the pros/cons of creating a true "lit transport backbone" versus a dark fiber-only backbone. This concept of a "lit transport network" is important to evaluate because it can provide significantly greater capabilities, improved redundancy and more flexibility than a dark fiber backbone alone. Magellan will create a comprehensive fiber network technical design, based on the needs of the City and community. The design will incorporate the following aspects:

- Outside and Inside Plant facilities
- Utility easements and ROW planning
- Fiber-Optic backbone routing
- Capacity plan and fiber allocation
- Lateral connectivity to key facilities
- Equipment (if required)

- Open architecture fiber standards
- Fiber network capacity plan
- Phasing and integration plan
- Documentation and record keeping
- Protocols, Routing and Service Delivery
- Splicing & terminations
- QOS, Security, and Accounting
- High Availability and Redundancy
- Support systems required
- Key points of connection and assets needed for smart city applications
- Operations & management

Task 6: Governance Ownership and Strategy Analysis

We will work with Manhattan Beach to discuss and determine appropriate governance structures for the City's network and smart city initiatives, relying on valuable real-world examples of how other successful municipalities that have deployed these open networks using public/private partnerships. Our project team has worked for many local government organizations in leadership roles where municipal networks have been deployed. We'll bring this real-world experience to Manhattan Beach to help you craft effective policy to build, manage, operate and expand the network so it meets its mission and business objectives for the City. We will develop a governance plan for Manhattan Beach that includes the following areas:

- Political Will
 - Engage Councils, Commissions and Community Stakeholders
 - Educate and Achieve Support of Internal Champions
 - Organize Diverse Task Force and Project Advocates
 - Articulate Project Goals and Objectives in Public Documents
- Governance and Ownership
 - Appoint Leaders to Internal Governance Board
 - Hold Regular Meetings of Task Force and Governance Board
 - Establish Operating and CIP Budgets for broadband and smart city projects
 - Create Mechanisms for Synchronizing Project Budgets
- Internal and External Policy Development
 - Right of Way Management Ordinance
 - Dig Once and Joint Trench

- Wireless Ordinance
- Policy on Public/Private Partnerships for Telecommunications
- Internal Cooperation, Communication and Alignment
 - Remove Department Silos
 - Establish Partnerships – Public Works, Traffic Signals, Utilities, Planning, Economic Development, IT
 - Approval Authority for Chair of Governance Board over Right of Way Projects (public and private) and Development Agreements
 - Document and organize timelines, budgets and partnerships for synergies between smart city initiatives
- Internal Best Practice and Workflow
 - Document and Share Municipal, Utility and Private Sector Assets
 - Invite Private Sector Participation in Public Works Projects
 - Trade and Lease Public and Private Assets for Network Expansion
 - Utilize GIS for Asset Tracking, Management and Expansion
 - Streamline Excavation and Pole Permitting Processes
 - Streamline Wireless Permitting Processes
 - Combine Public Works Schedules for Lowering Construction Costs
 - Build on Demand and for Savings
 - Bid Multi-year Infrastructure Design and Construction Contracts
- Internal Budget Considerations
 - Combine Telecommunications Budgets for Efficiencies
 - Create Master Fund and Fund Balance to Manage and Reinvest Savings
 - Budget Resources and Materials for Dig Once and Joint Trench Opportunities
 - Provide guidance in coordinating budgets for smart city projects and applications
- Ownership and Public Private Partnerships
 - Incentives for private sector participation
 - Strategies to maintain public control over network futures
 - Identification of legal barriers including federal, state and local legislation
 - Strategies for businesses and anchor institutions to affordably connect to the network

Task 7: Business Model and Financial Analysis

We will help Manhattan Beach analyze a range of business model options in the framework of financial, operational, and organizational requirements to determine which models are “best fit” for the City, have the greatest chance of success, and will be the most financially sustainable. These include joint powers agreements, public/private partnerships, economic development corporations and self-owned utilities. We will present each analysis of every business model to the Manhattan Beach team and provide an analysis of how each meets the City’s goals in the project.

Based on our analysis and feedback from the City, we will help you determine the most favorable business model that meets the needs of Manhattan Beach and its community for the long-term. We are prepared to use our Broadband Financial Sustainability Model, described below, to help Manhattan Beach evaluate the financial performance of each business model and decide which is most feasible from a return on investment and funding perspective.

We also believe that the City should “keep its options open.” We’ll help the City identify immediate opportunities that it can use to positively affect broadband in the City. We believe Manhattan Beach should use a crawl, walk, run approach that starts with small steps and builds momentum over time. Many business model options may be considered along the way as the City builds its roadmap for broadband over the long-term. We will help the City understand how and when it should consider different business models and the conditions under which it should move forward with a range of potential options.

Financial Planning and Our Broadband Financial Model

Magellan proposes using our Broadband Financial Sustainability Model to ensure that Manhattan Beach has a full understanding of the business and financial sustainability of various broadband initiatives. Using these tools will allow the City to evaluate different business models and make informed decisions on which are most adequate for the City and community – including environments that require no funding. These models will take into account federal/state/private grants, general obligation bonds, revenue bonds and private sector investments. The advantages and disadvantages of each of these funding opportunities will be compared and contrasted with each of the ownership and operational models.

Our financial models have been specifically developed for municipal and public utility broadband and are very similar to electric utility rate studies. Our models are widely used tools to model feasibility and financial performance for over 50 municipal broadband providers. Magellan’s financial modeling tools have been utilized to plan and manage broadband network investments for over \$500 Million in broadband projects nationwide, including \$250 Million in Broadband Stimulus investments under the NTIA BTOP grant program.

10 Year Financial Pro Forma

Magellan will use its proven financial modeling tools to develop a 10 Year Financial Pro Forma for Manhattan Beach's gigabit fiber network that includes services to businesses, anchor institutions and residents. The Pro Forma will include profit and loss, balance sheet and revenue projections. It will provide Manhattan Beach with cost estimates for a Fiber to the Home (FTTH) build. The Pro Forma will be based on a detailed set of projections, including revenues, expenses, debts and associated costs, take rate projections, capital expenses, design and construction, operations and administrative overhead. Detailed schedules will include:

- Operating income and cash flow
- Net present value analysis
- Projected revenues and benefits
- Uses and sources of funding
- Operational expenses
- Depreciation schedules
- Debt service
- Assumptions

Task 8: Development of a Phased Implementation Plan

The culmination of the study will lay out the core strategies for Manhattan Beach in development of its fiber infrastructure and smart city initiatives. We believe a phased approach to implementing such a project is key. We will help you develop a prioritized, phased approach that uses a "crawl, walk, run" approach to regional fiber development. We will identify near term, high-impact projects that will demonstrate capabilities and competence for the City, while minimizing capital investment. These small steps are important to help you build toward larger goals. Building on the initial successes, we will provide a year-by-year roadmap for fiber infrastructure deployment, based on the priorities of your community and with clear milestones that should be achieved along the way. We will also help you determine what activities, funding, resources and partnerships you will need along the way to be successful at developing the City's fiber infrastructure.

Task 9: Master Plan Compilation and Approval Process Support

Magellan will provide a final Fiber Master Plan to the City of Manhattan Beach at the conclusion of this engagement. The City of Manhattan Beach Fiber Master Plan will contain the blueprint for development of City infrastructure to interconnect all corridors with one another, serve municipal and community needs, support economic development, support identified smart city initiatives and prepare the City for the gigabit generation. We will work with you to refine this plan so it is 100% representative of your stakeholders needs and has a high degree of relevance to your community. The Master Plan will function as the guidebook for fiber-optic development across the City and will include all information necessary for Manhattan Beach to begin implementing the strategies within. All supporting information such as individual task analysis, raw data,

mapping (ESRI) shapefiles and the technical memoranda from each previous task will be included with the Master Plan. All documents generated to support delivery of the Plan will also be provided to the City.

Magellan's project team will be readily available for meetings with Manhattan Beach leadership to support the adoption of the Master Plan and we are happy to present the final report and findings to your leadership, city officials or other stakeholder you believe should be included in the final presentations.

Optional Tasks

Magellan Advisors prides itself on being a full service-consulting firm, working with our clients to bring these studies and plans to fruition. We stand ready to work with Manhattan Beach into implementation of the Fiber Master Plan and beyond should you feel we've earned the role of being your "trusted" broadband and telecommunications advisor. We have helped over 50 cities implement their broadband strategies which now serve over 1 million subscribers and connect more than 1,000 community anchor organizations. We have a full team of implementation and project management professionals ready to assist Manhattan Beach with implementation of the most effective strategies developed in the Fiber Master Plan. We have a strong track record of negotiating public-private partnerships on behalf of local governments and will bring this business, legal and regulatory expertise to the City of Manhattan Beach.

Task 10: Broadband Loop Design and Cost Engineering (Option)

Comprehensive Network Design

Magellan will assist Manhattan Beach to develop the most appropriate broadband design of a broadband loop (backbone) of not more than 9 linear miles as a starting point from which to grow a network for meeting the needs of the community, including municipal facilities, businesses, anchor institutions and residents. This estimate is based on good design/engineering costs of \$1.25 to \$1.50 per foot. We believe that the network should employ the concept of an open architecture, able to accommodate a range of technologies and applications. This open architecture should be carried through the entire network design so the network is deployed consistently and affords maximum compatibility with the City's systems, future smart city applications and connection to businesses, anchors and residents. As part of Magellan's proposed backbone loop design, we will provide a comprehensive set of development standards that should be employed in the final engineering design for the fiber network. We will also design the network for multi-service capabilities to meet a variety of end user needs. As the network is designed, we will provide documentation on the allocations of network capacity for different uses and users across the City. This capacity plan will ensure that the City creates the necessary fiber allocations for all potential uses and users on the network and maintains enough reserve capacity for other future needs. The capacity plan will give Manhattan Beach a systematic way to assign, identify and manage the fiber network, which, as the network grows will become a critical process to ensure the City maintains accurate records. Magellan will create a comprehensive

broadband technical design, based on the needs of the City and community. The design will incorporate the following aspects:

- Outside and Inside Plant facilities
- Fiber-Optic backbone routing
- Fiber-Optic feeder/distribution routing
- Capacity plan and fiber allocation
- Open architecture fiber standards
- Fiber network capacity plan
- Phasing and integration plan
- Splicing & terminations
- High Availability and Redundancy

Network Cost Estimates

Based on the network design, Magellan will provide cost estimates for all capital costs for construction of the backbone network. Magellan maintains a database of up to date costs for materials and labor required to build fiber in California (and other regions). Our cost estimates will be accurate and based on the current market, plus a hedging factor for any contingencies that may be encountered during the actual construction phase. We will “line item” each cost for the proposed network. The major cost categories for the proposed network include:

- Capital Cost Estimates
 - Outside plant design and construction (fiber and conduit)
 - Materials and labor costs
 - Project management costs
 - Construction management, inspections and quality control costs
 - Splicing, termination and testing
- Operational Cost Estimates
 - Outside plant maintenance
 - Emergency maintenance
 - Record keeping

Project Schedule

We estimate that over the 5-month duration of the project, approximately 15 days onsite will be required for successful completion of the project. During this time, Magellan will meet with City staff, hold meetings with stakeholders, review plans, visit regional sites and make presentations to the City’s project teams as well as other activities to be

determined between Manhattan Beach and Magellan. Schedules will be determined cooperatively between Manhattan Beach and Magellan. Magellan will require some resources of the City staff to gather relevant regional data, work with local stakeholder to schedule outreach meetings, conduct interviews of Manhattan Beach staff with Magellan, participate on status calls and onsite meetings and participate in final presentations. Should the City of Manhattan Beach elect to have Magellan perform the Optional Services in Task 10 below, those services will require 2 months to complete. The City of Manhattan Beach may elect to perform the Optional Services in Task 10 below at any time during the project.

Task	Description	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
1	Kick off Meeting & Project Management							
2	Inventory of Existing Systems & Service Availability							
3	Needs Assessment & Goal Setting							
4	Conceptual Network Routes & Infrastructure Requirements							
5	Technical Specifications & Cost Estimation							
6	Governance, Ownership & Management Strategy Analysis							
7	Business Models							
8	Development of a Phased Implementation Plan							
9	Master Plan Compilation & Approval Process Support							
10 Optional	Broadband Loop Design and Cost Engineering (Upon Approval) Per RFP							

EXHIBIT B APPROVED FEE SCHEDULE

Cost Proposal

The total cost to the City of Manhattan Beach as outlined in the chart below is \$79,875 and includes all work to be completed by Magellan for the City as stated in this Proposal. Our hourly rate for the proposal is \$175 per hour exclusive of overhead and travel, which is to be billed separately. We estimate completion of this project will require 425 billable hours of work. Should the City of Manhattan Beach elect to have Magellan perform the Optional Services in Task 10 below, the hourly rate remains \$175 per hour for an additional 400 hours and \$70,000 in cost for a new project total of 825 hours and a new total cost of \$149,875.

Task	Description	Hours	Hourly Rate	Total
1	Kick off Meeting & Project Management	80	\$175	\$14,000
2	Inventory of Existing Systems & Service Availability	30	\$175	\$5,250
3	Needs Assessment & Goal Setting	60	\$175	\$10,500
4	Conceptual Network Routes & Infrastructure Requirements	65	\$175	\$11,375
5	Technical Specifications & Cost Estimation	60	\$175	\$10,500
6	Governance, Ownership & Management Strategy Analysis	20	\$175	\$3,500
7	Business Models	30	\$175	\$5,250
8	Development of a Phased Implementation Plan	30	\$175	\$5,250
9	Master Plan Compilation & Approval Process Support	50	\$175	\$8,750
	Travel and Incidentals (Not-to-Exceed)			\$5,500
	Total Pricing (Not-to-Exceed)	425		\$79,875
10 Optional	Broadband Loop Design and Cost Engineering (Upon Approval) Per RFP	400	\$175	\$70,000
	Total Pricing with Optional Task 10 (Not-to-Exceed)	825	\$175	\$149,875