



**REQUEST FOR PROPOSAL**  
**FOR**  
***PROFESSIONAL BILL STATEMENT PRINTING & PROCESSING SERVICES***

**Finance Department**  
**CITY OF HUNTINGTON BEACH**

**Released on May 6, 2015**

**PROFESSIONAL UTILITY BILL STATEMENT PRINTING & PROCESSING SERVICES  
REQUEST FOR PROPOSAL (RFP)**

**1. BACKGROUND**

The City of Huntington Beach, California (City) is soliciting proposals from qualified vendors for the purpose of designing, printing, sorting, inserting and delivering/ mailing documents including, but not limited to, utility bills for both residential and commercial customers. Delivery methods should include traditional postal mail and electronic delivery. The specific nature of the scope of work for the project is outlined in the following Request for Proposal (RFP). Firms submitting a proposal must be, at a minimum, USPS CASS certified as well as meet the requirements of Section 3- Scope of Work.

**2. SCHEDULE OF EVENTS**

This request for proposal will be governed by the following schedule:

Release of RFP	May 6, 2015
Deadline for Written Questions	May 13, 2015
Responses to Questions Posted on Web	May 18, 2015
Proposals are Due	June 1, 2015
Proposal Evaluation Completed (tentative)	June 11, 2015
Approval of Contract (tentative)	July 2015

**3. SCOPE OF WORK**

The City of Huntington Beach is soliciting proposals for utility bill printing and delivery services. The City bills approximately 55,000 Utility and Paramedic Subscription Service accounts monthly. The billing process is generated four days a week with billing data files delivered to the vendor electronically the following day. The bills must be in the mail no later than 5:00 p.m. of the second day following delivery of the billing data file to the vendor (one business day). If a legal holiday occurs between these days, the deadline is extended accordingly. All bills produced shall be available electronically for each daily cycle for City review and approval before each full cycle is printed.

In addition, we process an average of 1,000 delinquent notices each week. The files are created in a CSV file format and currently uploaded to our vendor web site by 10:00am. All delinquent notices should be available for review by the City within 60 minutes of upload.

We are seeking to maintain customer service options including electronic bill presentment, e-mail notifications, on-line payments, on-line account history, electronic messaging and consumption graph capabilities.

The Finance Department oversees scheduled bill preparation and mailing of billing statements and any delinquent notice for Utilities. The City currently uses utility billing software from AMX Inc. to produce both the Utility and Paramedic subscription statements. The City also uses the cashing software PayPoint, also developed by AMX Inc. The City will be selecting a new utility billing software vendor in 2015 with an implementation Go Live date of 4<sup>th</sup> quarter 2016. The City's current financial system is JD Edwards version 9.1. The City currently banks with Union Bank of California. All Utility Bill payments are collected by the Cashiering Division of Finance via mail, drop box, in person or through ACH payments with their bank and AutoPay (direct bank debit) with the City. The City accepts cash, bank draft, debit or credit cards. Credit cards (Visa & MasterCard) are accepted over the phone & online through our current vendor, Official Payments. The City currently absorbs the credit card fees processed online and over our IVR system.

**Please describe your ability to meet each of the requirements below. If a requirement cannot be met, please provide an alternative approach.**

**Statement Design**

1. Ability to provide in house design services for the redesign of the utility bill.
2. Ability to provide proof copies of redesigned bill statement.
3. The City currently prints a duplex designed bill and is interested in quotes for both a duplex design and single sided design with a preprinted back.
4. Ability to assist with a bill statement design for business license renewal notices and business license tax certificates

**Daily Processing**

1. The selected vendor will be required to produce the printed bill statement, fold, insert and process for mailing all from the same facility location. No sub-contracting of this work is allowed. The exception will be the bill statement stock, envelopes (mailing and return) and inserts all of which will be the responsibility of the vendor to maintain adequate inventory levels.
2. Ability to accept daily bill files using a secure online upload or a standard FTP or SFTP transmission. The City must be able to log into the Vendor's server and transmit the files daily. An e-mail file transmission is not acceptable.
3. The vendor should be able to accept the City's bill files in their current format, using the current transmission method at a minimum.

4. The City must be able to connect to the vendor's server.
5. The City must have the ability to view and approve sample bills online before they are printed and mailed.
6. Bills must be mailed within one business day of receipt. Same day printing and mailing is preferred.
7. The vendor must have the capability to suppress the printing of bills and/or envelopes for certain customers, based on City requirements. Suppression could be on a one-time or continual basis.
8. The vendor must be able to produce the City's bill in the current format or propose a new bill format.
9. The bill stub is designed to meet the specification of other city billing statements, so the vendor must produce the same format.
10. The scan line on the stub includes account information and a check digit that is calculated via a specific algorithm.
11. The vendor must have the capability to print:
  - Intelligent bill messages based on customer type
  - Logos and usage history graphs
  - Multiple page bills as needed
12. Bills must be mailed via presorted first class mail. More details about mailing requirements are provided in section B below.
13. Production reports - The City should be able to track all files that have been sent to the vendor - before, during, and after processing.
14. Status reports must be provided daily after processing is complete.
15. Bill Inserts and Messages
  - a. The vendor must provide an interface that will allow the city to update requirements for bill messages and bill inserts on a monthly basis.
  - b. The interface must allow the City to include/exclude inserts and messages based on City requirements.
  - c. Please provide specific information about this interface, including screen shots and details about the process for new requests and updates to existing requests.
16. Inserts may be black ink or color, 1/3 page or 8 1/2" x 11" with a tri-fold. Provide quotes accordingly.
17. Please provide details about the following:

- a. Quality control procedures
- b. Ability to pull a bill from production processing, and the process for doing so
- c. Procedures for ensuring that the bill file transmissions are completed successfully and procedures for correcting issues.

18. Delinquent Notices:

- a. Ability to receive electronic data of delinquent only accounts.
- b. Must be able to post PDF proof versions online for City review and approval.

19. Business License Renewal notices. We will upload data files to populate onto renewal invoice design. Fold and prepare for USPS mailing.

20. Business License tax certificates. We will upload data files to populate onto renewal invoice design. Fold and prepare for USPS mailing.

21. Electronic Bill Presentment

A daily secure interface with the City's Utility Billing program would be required. The selected vendor shall be able to read and write files that are compatible with the City's current system.

- a. Provide the customer with a minimum of 12 months of billing history, payment history and consumption history. The preference is 18 months.
- b. Ability for the customer to print their bill statement.
- c. Ability for customer to view their consumption history in a graph format.
- d. Ability for the customer to opt-out of receiving paper billing statements.
- e. The billing statement shall post to the website on the same day the bills are mailed.
- f. Ability for customer to request various options such as password or paperless bill processing.
- g. Provide an e-mail notification to the customer each time a bill is available for viewing and payment. A link to the login screen shall be provided in the e-mail.

22. Electronic Payment

- a. Vendor must be able to interface with various 3<sup>rd</sup> party suppliers providing credit card and e-check payment services. List those vendors that you have successfully integrated with for direct debit payment, and online payment options.
- b. Provide information about the payment processor and whether additional processors are available.
- c. Provide the time required to post a payment file to the city for processing into its utility billing software and the time required to transmit funds to the City's bank account.
- d. Describe the process for handling payments returned by the bank.
- e. Payment accounts shall be securely stored for easy login and repeated use by the customer.
- f. The customer should have the ability to self-enroll in a direct debit (AutoPay) service.

## **Archive and Mail**

1. Bill Image Archives
2. All “valid” (bills not in error) bill images must be archived as PDF files on the same day the bill files are received by the vendor. This includes bills that are not printed based on requirements from the City.
3. Archive files must be easily accessible to City staff via an online interface.
4. Bill images must be stored for 24 months.
5. Please provide specific details about the archive system:
  - Screen shots of the interface
  - Search capability
  - Print capability
  - Process for viewing archived bill images
  - Process for emailing archived bill images to specific customers
6. Mailing
  - Bills must be mailed via presorted first class mail to maximize postal discounts.
  - The City should be able to verify proof of delivery to the USPS on an as-needed basis.
  - Customer addresses must be validated and updated as necessary by the vendor using CASS (USPS-certified) software.
  - The vendor must provide NCOALink or ACS service.
  - Multiple bills to the same customer and mailing address shall be matched and inserted in one appropriate size envelope and metered first-class separately, and delivered to the USPS at the same time as all other bills are delivered. These bills require only a single return envelope and single inserts.

## **Reporting**

1. File Confirmation Report – Confirm receipt of file transmission.
2. Daily Production Confirmation Reports via email – immediately after processing is complete:
  1. Volume of bills
    - a. received for processing
    - b. printed
    - c. not printed
  2. Move Update changes: Addresses changed
    - a. Customer Name
    - b. Utility Account number
    - c. Previous address
    - d. New address

## **Security**

1. The vendor must provide necessary security to protect the City's data from unauthorized access. Please provide details about the security measures that are in place. Include procedures for ensuring that only authorized persons are admitted to the production floor.
2. Describe in detail how security is handled for information shared between the vendor and the City via email or online.
3. The vendor must allow site visits by City personnel.

## **Paper Supplies**

1. The vendor must be able to reproduce the preprinted and perforated paper stock that can match or exceed the quality of the current stock and provide the same number of preprinted colors.
2. The following envelopes must be provided by the vendor:
  - A double window #10 mailing envelope
  - A single window #9 security return envelope
3. The vendor must accept inserts printed by other vendors, and provide insert printing services as well. Please provide insert specifications and pricing.
4. The vendor must agree to receive shipments of inserts and store/warehouse all forms and envelopes used to process the City's bills.
5. Ability to provide paper sources that are products made/manufactured in the United States of America.

## **Customer Support and Disaster Recovery**

1. Customer Support
  - The vendor must provide unlimited customer support during the hours of 8:00 am – 5:00 pm, Pacific Time
  - Provide procedures for after-hours support.
  - Provide a list of company holidays.
  - Provide contact points for customer service.
2. Disaster Recovery
  - The vendor must have a disaster recovery facility to process the City's bills if the main facility becomes inoperable.
  - Provide locations and information about these facilities.
  - Provide a summary of the disaster recovery plan.

- Indicate the resources the City will be required to provide if a disaster recovery plan is implemented.

#### **4. PROPOSAL FORMAT GUIDELINES**

Interested contractors are to provide the City of Huntington Beach with a thorough proposal using the following guidelines:

Proposal should be typed and should contain no more than 20 typed pages using a 12-point font size, including transmittal letter and resumes of key people, but excluding Index/Table of Contents, tables, charts, and graphic exhibits. Each proposal will adhere to the following order and content of sections. Proposal should be straightforward, concise and provide “layman” explanations of technical terms that are used. Emphasis should be concentrated on conforming to the RFP instructions, responding to the RFP requirements, and on providing a complete and clear description of the offer. Proposals, which appear unrealistic in the terms of technical commitments, lack of technical competence or are indicative of failure to comprehend the complexity and risk of this contract, may be rejected. The following proposal sections are to be included in the bidder’s response:

A. Vendor Application Form and Cover Letter

Complete Appendix A, “Request for Proposal-Vendor Application Form” and attach this form to the cover letter. A cover letter, not to exceed three pages in length, should summarize key elements of the proposal. An individual authorized to bind the consultant must sign the letter. The letter must stipulate that the proposal price will be valid for a period of at least 180 days. Indicate the address and telephone number of the contractor’s office located nearest to Huntington Beach, California and the office from which the project will be managed.

B. Background and Project Summary Section

The Background and Project Summary Section should describe your understanding of the City, the work to be done, and the objectives to be accomplished. Refer to Scope of Work of this RFP.

C. Methodology Section

Provide a detailed description of the approach and methodology to be used to accomplish the Scope of Work of this RFP. The Methodology Section should include:

- 1) An implementation plan that describes in detail (i) the methods, including controls by which your firm manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
- 2) Detailed description of efforts your firm will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.



- 3) Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion.
- 4) Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.

D. Staffing

Provide a list of individual(s) who will be working on this project and indicate the functions that each will perform. Include a resume for each designated individual.

Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit their names and qualifications including information listed above to the City for approval before they begin work.

E. Qualifications

The information requested in this section should describe the qualifications of the firm, key staff and sub-contractors performing projects within the past five years that are similar in size and scope to demonstrate competence to perform these services. Information shall include:

- 1) Names of key staff that participated on named projects and their specific responsibilities with respect to this scope of work.
- 2) A summary of the your firm's demonstrated capability, including length of time that your firm has provided the services being requested in this Request for Proposal.
- 3) Provide at least five local references that received similar services from your firm. The City of Huntington Beach reserves the right to contact any of the organizations or individuals listed. Information provided shall include:
  - ◆ Client Name
  - ◆ Project Description
  - ◆ Project start and end dates
  - ◆ Client project manager name, telephone number, and e-mail address

**F. Fee Proposal**

Complete the table below.

<b>Initial and Ongoing Professional Services Fees</b>		
<b>One-Time Implementation Fee</b> Includes all phases of the project prior to the production phase: initial programming, testing, and implementation.	\$	One-Time Fee
<b>Professional Services Charges</b> For requested programming changes after initial implementation.	\$	Per Hour

<b>Cost of Materials</b>		
<b>Statement Paper Stock Cost</b> 8.5x11", 24 pound paper stock with a micro-perforation.	\$	Per Sheet
<b>Outgoing Envelope Cost</b> Double window #10 envelope with security tint.	\$	Per Envelope
<b>Return Envelope Cost</b> Single window #9 envelope with security tint.	\$	Per Envelope
<b>Flat Envelope Cost</b> Applies only to multi-page bills that do not fit in the standard double window #10 envelope.	\$	Per Envelope

<b>Service Fees</b>		
<b>1 Page Bill Service Fee</b> Includes file transmission, data processing, duplex black plus one color (blue, red, or green) bill printing, mail preparation (folding, inserting a 1-page bill and the return envelope into an outgoing envelope), and delivery to the USPS.	\$	Per 1 Page Bill
<b>Additional Bill Pages Service Fee</b> Per-page cost to print and insert additional pages if the bill contains more than 1 page.	\$	Per Additional Page
<b>Optional Marketing Insert Fee</b> Charge for inserting client-provided marketing insert. For example: Monthly newsletter	\$	Per Additional Insert
<b>Optional Move Update Service Fees</b> NCOALink or ACS service.	\$	Per Reported Change
<b>Optional Archive Fee</b> Images must be stored in PDF format for 36 months.	\$	Per PDF Archived

## 5. PROCESS FOR SUBMITTING PROPOSALS

### ◆ **Content of Proposal**

The proposal must be submitted using the format as indicated in the proposal format guidelines.

### ◆ **Preparation of Proposal**

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond those sufficient to provide a complete, accurate and reliable presentation.

### ◆ **Submission of Proposals**

Complete proposals must be submitted electronically via PlanetBids Online in PDF format and received no later than 4:00 PM (PST) on June 1, 2015. Proposals will not be accepted after this deadline. Faxed or e-mailed proposals will not be accepted.

### ◆ **Inquiries**

*Questions about this RFP must be directed in writing, via e-mail to:*

Jim Slobojan, Fiscal Services Manager

[jslobojan@surfcity-hb.org](mailto:jslobojan@surfcity-hb.org)

From the date that this RFP is issued until a firm is selected and the selection is announced, firms are not allowed to communicate for any reason with any City employee other than the contracting officer listed above regarding this RFP, except during the pre-proposal conference. Refer to the Schedule of Events of this RFP or the City webpage to determine if a pre-proposal conference has been scheduled. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

### ◆ **Conditions for Proposal Acceptance**

This RFP does not commit the City to award a contract or to pay any costs incurred for any services. The City, at its sole discretion, reserves the right to accept or reject any or all proposals received as a result of this RFP, to negotiate with any qualified source, or to cancel this RFP in part or in its entirety. All proposals will become the property of the City of Huntington Beach, USA. If any proprietary information is contained in the proposal, it should be clearly identified.

## 6. EVALUATION CRITERIA

The City's consultant evaluation and selection process is based upon Qualifications Based Selection (QBS) for professional services. The City of Huntington Beach may use some or all of the following criteria in its evaluation and comparison of proposals submitted. The criteria listed are not necessarily an all-inclusive list. The order in which they appear is not intended to indicate their relative importance:

- A. Compliance with RFP requirements

- B. Understanding of the project
- C. Recent experience in conducting similar scope, complexity, and magnitude for other public agencies
- D. Educational background, work experience, and directly related consulting experiences
- E. Price
- F. References

The City may also contact and evaluate the bidder's and subcontractor's references; contact any bidder to clarify any response; contact any current users of a bidder's services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process. The evaluation committee shall not be obligated to accept the lowest priced proposal, but shall make an award in the best interests of the City.

After written proposals have been reviewed, discussions with prospective firms may or may not be required. If scheduled, the oral interview will be a question/answer format for the purpose of clarifying the intent of any portions of the proposal. The individual from your firm that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview.

A Notification of Intent to Award may be sent to the vendor selected. Award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing vendors unless an agreement is reached. If contract negotiations cannot be concluded successfully, the City may negotiate a contract with the next highest scoring vendor or withdraw the RFP.

## 7. STANDARD TERMS AND CONDITIONS

- ◆ Amendments  
The City reserves the right to amend this RFP prior to the proposal due date. All amendments and additional information will be posted to the Huntington Beach Procurement Registry, [Huntington Beach - Official City Web Site - Business - Bids & RFP's](#); bidders should check this web page daily for new information.
- ◆ Cost for Preparing Proposal  
The cost for developing the proposal is the sole responsibility of the bidder. All proposals submitted become the property of the City.
- ◆ Contract Discussions  
Prior to award, the apparent successful firm may be required to enter into discussions with the City to resolve any contractual differences. These discussions are to be finalized and all exceptions resolved within one (1) week from notification. If no resolution is reached, the proposal may be rejected and discussions will be initiated with the second highest scoring firm. See Exhibit B for a sample agreement.
- ◆ Confidentiality Requirements  
The staff members assigned to this project may be required to sign a departmental non-disclosure statement. Proposals are subject to the Freedom of Information Act. The City cannot protect proprietary data submitted in proposals.

◆ Financial Information

The City is concerned about bidders' financial capability to perform, therefore, may ask you to provide sufficient data to allow for an evaluation of your firm's financial capabilities.

◆ Insurance Requirements

City Resolution 2008-63 requires that licensees, lessees, and vendors have an **approved** Certificate of Insurance (not a declaration or policy) on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful bidder must furnish the City with the Certificates of Insurance proving coverage as specified in Appendix C. Failure to furnish the required certificates within the time allowed will result in forfeiture of the Proposal Security.

***Please carefully review the Sample Agreement and Insurance Requirements before responding to the Request for Proposal enclosed herein. The terms of the agreement, including insurance requirements have been mandated by City Council and can be modified only if extraordinary circumstances exist. Your response to the Request for Proposal must indicate if you are unwilling or unable to execute the agreement as drafted as well as providing the insurance requirements. The City will consider this in determining responsiveness to the Request for Proposal.***

# APPENDIX A

**REQUEST FOR PROPOSAL**  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT:                     NEW             CURRENT VENDOR

Legal Contractual Name of Corporation: \_\_\_\_\_

Contact Person for Agreement: \_\_\_\_\_

Corporate Mailing Address: \_\_\_\_\_

City, State and Zip Code: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Contact Person for Proposals: \_\_\_\_\_

Title: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Business Telephone: \_\_\_\_\_ Business Fax: \_\_\_\_\_

Is your business: (check one)

NON PROFIT CORPORATION             FOR PROFIT CORPORATION

Is your business: (check one)

<input type="checkbox"/> CORPORATION	<input type="checkbox"/> LIMITED LIABILITY PARTNERSHIP
<input type="checkbox"/> INDIVIDUAL	<input type="checkbox"/> SOLE PROPRIETORSHIP
<input type="checkbox"/> PARTNERSHIP	<input type="checkbox"/> UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**  
(Also list Names & Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Federal Tax Identification Number: \_\_\_\_\_

City of Huntington Beach Business License Number: \_\_\_\_\_  
(If none, you must obtain a Huntington Beach Business License upon award of contract.)

City of Huntington Beach Business License Expiration Date: \_\_\_\_\_



# APPENDIX B

**SERVICE AGREEMENT BETWEEN  
THE CITY OF HUNTINGTON BEACH AND**

\_\_\_\_\_  
**FOR**  
\_\_\_\_\_

THIS AGREEMENT ("Agreement") is made and entered into by and between the City of Huntington Beach a municipal corporation of the State of California, hereinafter called "City," and \_\_\_\_\_, a \_\_\_\_\_ hereinafter referred to as "Contractor."

**Recitals**

- A. The City desires to retain a Contractor having special skill and knowledge in the field of \_\_\_\_\_.
- B. Contractor represents that Contractor is able and willing to provide such services to the City.
- C. In undertaking the performance of this Agreement, Contractor represents that it is knowledgeable in its field and that any services performed by Contractor under this Agreement will be performed in compliance with such standards as may reasonably be expected from a comparable company or firm in the field.

Contractor has been selected to perform these services pursuant to Huntington Beach Municipal Code Chapter 3.02,

NOW, THEREFORE, it is agreed by City and Contractor as follows:

**1. Scope of Services**

Contractor shall provide all services as described in Exhibit "A," which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the "Project."

Contractor hereby designates \_\_\_\_\_ who shall represent it and be its sole contact and agent in all consultations with City during the performance of this Agreement.

**2. City Staff Assistance**

City shall assign a staff coordinator to work directly with Contractor in the performance of this Agreement.

**3. Compensation**

a. City agrees to pay, and Contractor agrees to accept as total payment for its services, the rates and charges identified in Exhibit A. The total sum to be expended under this Agreement, shall not exceed \$ \_\_\_\_\_ during the term of this Agreement.

b. Payment by City shall be made within thirty (30) days following receipt of proper invoice evidencing work performed, subject to City accounting procedures. Payment need not be made for work which fails to meet the standards of performance set forth in the Recitals which may reasonably be expected by City.

c. Contractor shall be paid pursuant to the terms of Exhibit "B."

#### **4. Term**

Time is of the essence of this Agreement. The services of Contractor are to commence as soon as practicable after the execution of this Agreement by City (the "Commencement Date") and terminate \_\_\_\_\_, unless terminated earlier in accordance with the provisions of this Agreement. All tasks specified in Exhibit "A" shall be completed no later than \_\_\_\_\_ [designate] years working days from the Commencement Date. The time for performance of the tasks identified in Exhibit "A" are generally to be shown in Exhibit "A." This schedule and Term may be amended to benefit the Project if mutually agreed to in writing by City and Contractor.

In the event the Commencement Date precedes the Effective Date, Contractor shall be bound by all terms and conditions as provided herein.

#### **5. Extra Work**

In the event City requires additional services not included in Exhibit "A" or changes in the scope of services described in Exhibit "A," Contractor will undertake such work only after receiving written authorization from City. Additional compensation for such extra work shall be allowed only if the prior written approval of City is obtained.

#### **6. Disposition of Plans, Estimates and Other Documents**

Contractor agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to City, and Contractor shall turn these materials over to City upon expiration or termination of this Agreement or upon Project completion, whichever shall occur first. These materials may be used by City as it sees fit.

#### **7. Hold Harmless**

Contractor hereby agrees to protect, defend, indemnify and hold harmless City, its officers, elected or appointed officials, employees, agents, and volunteers from and against any and all, claims, damages, losses, expenses, judgments, demands and defense costs, and consequential damage or liability of any kind or nature, however caused, including those resulting from death or injury to Contractor's employees and damage to Contractor's property, arising directly or indirectly out of the obligations or operations herein undertaken by Contractor, caused in whole or in part by any negligent act or omission of the Contractor, any subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including but not

limited to concurrent active or passive negligence, except where caused by the active negligence, sole negligence, or willful misconduct of the City. Contractor will conduct all defense at its sole cost and expense and City shall approve selection of Contractor's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor.

## **8. Workers Compensation Insurance**

Pursuant to California Labor Code Section 1861, Contractor acknowledges awareness of Section 3700 *et seq.* of this Code, which requires every employer to be insured against liability for workers' compensation; Contractor covenants that it will comply with such provisions prior to commencing performance of the work hereunder.

Contractor shall obtain and furnish to City workers' compensation and employer's liability insurance in an amount of not less than the State statutory limits.

Contractor shall require all subcontractors to provide such workers' compensation and employer's liability insurance for all of the subcontractors' employees. Contractor shall furnish to City a certificate of waiver of subrogation under the terms of the workers' compensation and employer's liability insurance and Contractor shall similarly require all subcontractors to waive subrogation.

## **9. General Liability Insurance**

In addition to the workers' compensation and employer's liability insurance and Contractor's covenant to defend, hold harmless and indemnify City, Contractor shall obtain and furnish to City, a policy of general public liability insurance, including motor vehicle coverage covering the Project/Service. This policy shall indemnify Contractor, its officers, employees and agents while acting within the scope of their duties, against any and all claims arising out or in connection with the Project/Service, and shall provide coverage in not less than the following amount: combined single limit bodily injury and property damage, including products/completed operations liability and blanket contractual liability, of One Million Dollars (\$1,000,000) per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the aggregate limit must be no less than One Million Dollars (\$1,000,000) for this Project/Service. This policy shall name City, its officers, elected or appointed officials, employees, agents, and volunteers as Additional Insureds, and shall specifically provide that any other insurance coverage which may be applicable to the Project/Service shall be deemed excess coverage and that Contractor's insurance shall be primary.

Under no circumstances shall said above-mentioned insurance contain a self-insured retention, or a "deductible" or any other similar form of limitation on the required coverage.

## **10. Automobile Liability Insurance**

Contractor shall obtain and furnish to City an automotive liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for Contractor's automotive liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and a

separate “Additional Insured Endorsement” page listing both the policy number and naming the “*City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers*” as additional insured on the endorsement. The above-mentioned insurance shall not contain a self-insured retention, “deductible” or any other similar form of limitation on the required coverage except with the express written consent of City.

#### **11. Certificate of Insurance**

Prior to commencing performance of the work hereunder, Contractor shall furnish to City a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- a. provide the name and policy number of each carrier and policy;
- b. state that the policy is currently in force; and
- c. promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days’ prior written notice; however, ten (10) days’ prior written notice in the event of cancellation for nonpayment of premium.

Contractor shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by City.

The requirement for carrying the foregoing insurance coverage shall not derogate from Contractor’s defense, hold harmless and indemnification obligations as set forth in this Agreement. City or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. Contractor shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

#### **12. Independent Contractor**

Contractor is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of City. Contractor shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for Contractor and its officers, agents and employees and all business licenses, if any, in connection with the Project and/or the services to be performed hereunder.

#### **13. Conflict of Interest**

Contractor covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

#### **14. Termination**

This Agreement may be terminated by the City upon thirty (30) days written notice of termination. In such event, Contractor shall be entitled to receive and the City shall pay Contractor

compensation for all services performed by Contractor prior to receipt of such notice of termination, subject to the following conditions:

a. As a condition of such payment, the Executive Director may require Contractor to deliver to the City all work product completed as of such date, and in such case such work product shall be the property of the City unless prohibited by law, and Contractor consents to the City's use thereof for such purposes as the City deems appropriate.

b. Payment need not be made for work which fails to meet the standard of performance specified in the Recitals of this Agreement.

#### **15. Exclusivity and Amendment**

This Agreement represents the complete and exclusive statement between the City and Contractor, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of Contractor. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Contractor or the City. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein.

#### **16. Assignment**

Inasmuch as this Agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the City and any such assignment, transfer, delegation or subcontract without the City's prior written consent shall be considered null and void. Nothing in this Agreement shall be construed to limit the City's ability to have any of the services which are the subject to this Agreement performed by City personnel or by other Contractors retained by City.

#### **17. City Employees and Officials**

Contractor shall employ no City official nor any regular City employee in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

#### **18. Notices**

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to Contractor's agent (as designated in Section 1 hereinabove) or to City as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses below. City and Contractor may designate different addresses to which subsequent notices, certificates or other communications

will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U.S. certified U.S. certified mail-return receipt requested:

To City:

To Contractor:

City of Huntington Beach  
Attn:  
2000 Main Street  
Huntington Beach, CA 92648

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**19. Consent**

When City’s consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transactions or event.

**20. Modification**

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

**21. Section Headings**

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

**22. Interpretation of this Agreement**

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

**23. Duplicate Original**

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the

date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

**24. Immigration**

Contractor shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

**25. Legal Services Subcontracting Prohibited**

Contractor and City agree that City is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. Contractor understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for City; and City shall not be liable for payment of any legal services expenses incurred by Contractor.

**26. Confidentiality**

Contractor recognizes that in the performance of its duties under this Agreement, it must conduct its activities in a manner designed to protect information of a sensitive nature from improper use or disclosure. Contractor warrants that it will use reasonable efforts consistent with practices customary in the facilities management industry in recruiting, training and supervising employees and in otherwise performing its duties hereunder in order to achieve this result. In the furtherance of this, Contractor agrees, at the request of the City, to require its employees to execute written undertakings to comply with the foregoing confidentiality provision.

**27. Discrimination**

Contractor shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, training, utilization, promotion, termination or other employment related activities. Contractor affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

**28. Jurisdiction - Venue**

This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be government and construed in accordance with the laws of the State of California. This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.



**29. Professional Licenses**

Contractor shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Huntington Beach and all other governmental agencies. Contractor shall notify the City immediately and in writing of her inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.

**30. Attorney's Fees**

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the nonprevailing party.

**31. Survival**

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

**32. Governing Law**

This Agreement shall be governed and construed in accordance with the laws of the State of California.

**33. Signatories**

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify City fully for any injuries or damages to City in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

**34. Entirety**

(a) The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement warranty, fact or circumstance not expressly set forth in this Agreement.

(b) All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement.

**35. Effective Date**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers. This Agreement shall be effective on the date of its approval by the \_\_\_\_\_. This Agreement shall expire when terminated as provided herein.

CONTRACTOR

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_

print name

ITS: *(circle one)* Chairman/President/Vice President

**AND**

By: \_\_\_\_\_

print name

ITS: *(circle one)* Secretary/Chief Financial Officer/Asst. Secretary - Treasurer

CITY OF HUNTINGTON BEACH, a  
municipal corporation of the State of  
California

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Clerk

INITIATED AND APPROVED:

\_\_\_\_\_  
\_\_\_\_\_  
Director /  
Chief

REVIEWED AND APPROVED:

\_\_\_\_\_  
City Administrator

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

# APPENDIX C

## CITY OF HUNTINGTON BEACH INSURANCE REQUIREMENTS

Vendor Type	Minimum Insurance Requirements					
	Automobile Liability	General Liability	Professional Liability	Property Insurance	Workers' Comp	Additional Insured Endorsements
<p><i>Huntington Beach City Council Resolution No. 2008-63 requires submittal of certificates of insurance evidencing the following minimum limits with a California admitted carrier with a current A.M. Best's Rating of no less than A:VII. See Exhibits A1 - 4 for sample forms.</i></p>						
<p><i>Any deductible other than those allowed in this matrix, self-insured retentions or similar forms of coverage limitations or modifications must be approved by the Risk Manager and City Attorney of the City of Huntington Beach. NOTE: Waivers and / or modifications are discouraged and will be considered only under extraordinary circumstances.</i></p>						
<p><b>Contractors:</b> Any persons or entities who contract with the City and/or provide services to the City which are readily available and efficiently procured by competitive bidding.</p>	<p>Minimum of \$1,000,000 per occurrence for bodily injury, personal injury and property damages. Allows up to \$1,000 deductible. (See Note 1 below.)</p>	<p>Combined single limit bodily injury and property damage. Minimum of \$1,000,000 per occurrence. Allows up to \$5,000 deductible. (Additional Insured Endorsement is always required with General Liability Ins.)</p>			<p>State statutory limits of \$250,000 bodily injury by disease, policy limit, and \$100,000 bodily injury each employee for accident or disease per occurrence. (See Note 2 below.)</p>	<p>Include the policy number and Additional Insured Endorsement Requirement statement below. (See Note 3 below.)</p>
<p><b>Permittees:</b> Any persons or entities who make application to the City for any use of or encroachment upon any public street, waterway, pier, or City property.</p>						
<p><b>Vendors:</b> Any persons or entities who transfers property or goods to the City which may or may not involve delivery and/or installation.</p>						
<p>Note 1 - Automobile Liability: The City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers must be named as certificate holder and as additional insured by separate attached endorsement. Permittees who do not use vehicles or equipment in connection with the permit shall not be required to provide auto insurance. To be exempt from this requirement, permittees must execute a declaration such as Exhibit 1 attached.</p>						
<p>Note 2 - Workers' Compensation Exemption: If entity has no employees, a signed Declaration of Non-Employee Status form is required.</p>						
<p>Note 3 - Additional Insured Endorsement Requirements: The City, its officers, elected or appointed officials, employees agents, and volunteers are to be covered as additional insureds by separate attached endorsement(s) as respects liability arising out of action performed by or on behalf of the contractor, products and completed operations of the contractor, premises owned, occupied or used by the contractor, or automobiles owned, leased or borrowed by the contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City.</p>						

## CITY OF HUNTINGTON BEACH INSURANCE REQUIREMENTS

Vendor Type	Minimum Insurance Requirements					
	Automobile Liability	General Liability	Professional Liability	Property Insurance	Workers' Comp	Additional Insured Endorsements
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<p><i>Any deductible other than those allowed in this matrix, self-insured retentions or similar forms of coverage limitations or modifications must be approved by the Risk Manager and City Attorney of the City of Huntington Beach. NOTE: Waivers and / or modifications are discouraged and will be considered only under extraordinary circumstances.</i></p>						
<p><b>Design Professionals:</b> Professional service contractors who contract with the City and/or provide architectural and/or engineering services to the City.</p>			<p>Minimum of \$1,000,000 per occurrence and in the aggregate. Allows up to \$10,000 deductible.</p>			
<p><b>Professional Services:</b> Services that involve the exercise of professional discretion and independent judgment based on an advanced or specialized knowledge, expertise or training gained by formal studies or experience or services which are not readily or efficiently procured by competitive bidding pursuant to HB Muni Code 3.02. Services includes but is not limited to those services provided by appraisers, architects, attorneys, engineers, instructors, insurance advisors, physicians and other specialized consultants.</p>						
<p>Claims made policies are acceptable if the policy further provides that :</p> <ol style="list-style-type: none"> <li>1) The policy retroactive date coincides with or precedes the professional services contractor's start of work (including subsequent policies purchased as renewals or replacements).</li> <li>2) The professional services contractor will make every effort to maintain similar insurance during the required extended period of coverage following project completion, including the requirement of adding all additional insureds.</li> <li>3) If insurance is terminated for any reason, professional services contractor agrees to purchase an extended reporting provision of at least two (2) years to report claims arising from work performed in connection with this agreement or permit.</li> <li>4) The reporting of circumstances or incidents that might give rise to future claims.</li> </ol>						

## CITY OF HUNTINGTON BEACH INSURANCE REQUIREMENTS

Vendor Type	Minimum Insurance Requirements					
	Automobile Liability	General Liability	Professional Liability	Property Insurance	Workers' Comp	Additional Insured Endorsements
<p><i>Huntington Beach City Council Resolution No. 2008-63 requires submittal of certificates of insurance evidencing the following minimum limits with a California admitted carrier with a current A.M. Best's Rating of no less than A:VII. See Exhibits A1 - 4 for sample forms.</i></p>						
<p><i>Any deductible other than those allowed in this matrix, self-insured retentions or similar forms of coverage limitations or modifications must be approved by the Risk Manager and City Attorney of the City of Huntington Beach. NOTE: Waivers and / or modifications are discouraged and will be considered only under extraordinary circumstances.</i></p>						
<p><b>Licenseses/Lessees:</b> Any persons or entities who contract with the City for the use of public property.</p>		<p>Combined single limit bodily injury and property damage. Minimum of \$1,000,000 per occurrence. Allows up to \$5,000 deductible. <i>(Additional Insurance Endorsement is always required with General Liability Ins.)</i></p>		<p>Full replacement cost with no coinsurance penalty provision.</p>	<p>State statutory limits of \$250,000 bodily injury by disease, policy limit, and \$100,000 bodily injury each employee for accident or disease per occurrence. <i>(See Note 1 below.)</i></p>	<p>Include the policy number and Additional Insured Endorsement Requirement statement below.<i>(See Note 2.)</i></p>
<p>Note 1 - Workers' Compensation Exemption: If entity has no employees, a signed Declaration of Non-Employee Status form is required.</p>						
<p>Note 2 - Additional Insured Endorsement Requirements: The City, its officers, elected or appointed officials, employees agents, and volunteers are to be covered as additional insureds by separate attached endorsement(s) as respects liability arising out of action performed by or on behalf of the contractor, products and completed operations of the contractor, premises owned, occupied or used by the contractor, or automobiles owned, leased or borrowed by the contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City.</p>						