



AGENDA REPORT

Meeting Date: May 4, 2010

Item Number: F-9

To: Honorable Mayor and City Council

From: Daniel E. Cartagena, Senior Management Analyst

Subject: **AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE CAPITALIST GROUP, LLC, FOR CONSULTING SERVICES AND FIXED ASSET INVENTORY SITE ASSESSMENT**

APPROVE A PURCHASE ORDER IN THE NOT-TO-EXCEED AMOUNT OF \$99,110.00

Attachments: 1. Agreement

RECOMMENDATION

Staff recommends that the City Council approve an "Agreement between the City of Beverly Hills and Capitalist Group, LLC for Consulting Services and Inventory Site Assessment; and approve a Purchase Order in the amount not-to-exceed \$99,110.00.

INTRODUCTION

In 2009, the City of Beverly Hills contracted with the Capitalist Group to perform inventory services relative to the City's Fund 40 assets. The focus of this work was directed towards review, verify and evaluate the City's furniture, fixtures and equipment (FF&E) in all nine (9) of the City's departments valued from \$1,000 to \$25,000.

As it was stated, the Fund 40 inventory involved assets valued to \$25,000. However, the City has additional equipment throughout its facilities with values exceeding \$25,000. This contract would allow additional inventory of City equipment and fixed assets valued over \$25,000 in its commercial buildings throughout the City. The deliverables culminating from this agreement add to the City efforts to assemble a comprehensive inventory of fixed assets that will include present value and condition of the equipment. Lastly, the agreement calls for on-going maintenance to the Fund 40 inventory work performed in 2009 to keep the list current and up-to-date.

DISCUSSION

For the past few years, the City has undertaken efforts to identify and evaluate its assets in its public facilities. Throughout the year, the City set aside funds to repair or replace its equipment. Gaining a better understanding of the condition of this equipment will assist the City in future budgeting efforts.

Phase I

Phase I of the contract is to inventory fixed assets in the City's commercial buildings. Using a list provided by the City, the Capitalist Group will verify the location of the equipment, assess its current condition and review product information to understand its life cycle or recommended replacement date. The data gathered in phase I will be useful in determining what the City's operating expenses are for each building and in establishing future lease rates for current or future tenants. It is a common practice in property management industry for a commercial landlord to pass along proportional costs of a building's operation expenses to its tenants. The City endeavors to implement this practice with its commercial tenants.

The cost for Phase I work is \$29,200.00. This phase will be completed by June 30, 2010.

Phase II

For Phase II, Capitalist Group would provide support service to the City's Accounting Division. On an annual basis, the City's Accounting Division reviews invoices for expenditures made throughout the year to determine the depreciation of City's assets. Since 2006, a significant number of invoices paid by the City were related to expenses for the City's fixed assets. The Accounting Division requests the assistance of the Capitalist Group to identify depreciation expenses for fixed assets in support of the City's annual Comprehensive Financial Accounting Report (CAFR).

The cost for Phase II work is \$4,900. This phase will be completed by June 30, 2010.

Phase III – 2010 & 2011

Schedule to begin in Fiscal Year 2010-11, Phase III involves on-going maintenance the City's FF&E Fund 40 item. The work the Capitalist Group completed involving Fund 40 was completed in 2009. The City desires to maintain the FF&E Fund 40 list. As a result, over the next two years, a partial assessment across a portion of the City's departments is scheduled in 2010. A complete assessment involving all nine of the City's departments will take place in 2011.

Funding for the work scheduled in 2010 will come from the City's Fiscal Year 2010-11 budget. Moreover, the Phase III work scheduled in 2011 will be budgeted in Fiscal Year 2011-12 budget.

It should be mentioned this agreement includes two one-year options for additional inventory services. Should the City desire on-going maintenance of the FF&E Fund 40 work in 2012 and 2013, it may extend the time of the agreement to include these years.

The cost for Phase III-2010 (Partial) is \$9,500.00. This phase is planned to start and be completed in Fiscal Year 2010-11.

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The cost for Phase III-2011 (Complete) is \$18,500.00. This phase is planned to start and be completed in Fiscal Year 2011-2012.

Phase III – 2012 & 2013 (Optional)

This agreement also includes two one-year options for additional services. The City may desire to enlist Capitalist Group to perform an additional assessment of the Fund 40 FF&E. The City may extend this agreement to Fiscal Years 2011-12 and Fiscal Year 2012-13.

Should the City extends this agreement into Fiscal Year 2011-12, a Partial assessment would be performed similar to the work completed in 2011. The cost for this Partial assessment would be \$9,500.00

Moreover, should the City extend this agreement into Fiscal Year 2012-13, a Complete assessment would also be performed. The cost for this phase would be \$18,500.00.

This multi-year approach will provide the City with a comprehensive understanding of its inventory of equipment and fixed assets, their existing condition that will be helpful in future budgeting efforts. By indentifying the need and amount to fund for future repairs and replacements, the City will benefit from a more stable budgeting approach.

A contingency of \$9,100.00 for unanticipated services is included in this agreement.

Funding

Funds for this project are provided as follows:

Budget Unit	Account #	Description of Fund Source/Account #	Amount
4801802	73122	On-going Contractual Services	\$32,120.00
4801601	73122	On-going Contractual Services	\$ 5,390.00
Total			\$37,510.00

FISCAL IMPACT

Funds are available from two accounts in the Administrative Services Department budget for this purpose.



Noel Marquis
Finance Approval



Scott Miller
Approved By

Attachment 1

Agreement

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND CAPITALIST GROUP, LLC, FOR CONSULTING
SERVICES AND INVENTORY SITE ASSESSMENT

NAME OF CONSULTANT: Capitalist Group, LLC

RESPONSIBLE PRINCIPAL
OF CONSULTANT: Paul Brower, President & Chief Executive
Officer

CONSULTANT'S ADDRESS: 4197 La Junta Drive
Claremont, California
Attention: Paul Brower

CITY'S ADDRESS: City of Beverly Hills
455 N. Rexford Drive
Beverly Hills, CA 90210
Attention: Daniel E. Cartagena,
Senior Management Analyst

COMMENCEMENT DATE: Upon Written Notice to Proceed

TERMINATION DATE: June 30, 2012

CONSIDERATION: Professional fees not-to-exceed \$90,100.00
based on the rates set forth in Exhibit B-1;
Contingency for additional work not-to-
exceed \$9,010.00.
Total compensation, including Professional
Fees and Contingency not-to-exceed
\$99,110

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS
AND CAPITALIST GROUP, LLC, FOR CONSULTING
SERVICES AND INVENTORY SITE ASSESSMENT

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Capitalist Group, LLC, (hereinafter called "CONSULTANT").

RECITALS

A. CITY desires to have certain services provided (the "services") as set forth in Exhibit A, attached hereto and incorporated herein.

B. CONSULTANT represents that it is qualified and able to perform the services.

NOW, THEREFORE, the parties agree as follows:

Section 1. CONSULTANT's Services. CONSULTANT shall perform the services described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.

Section 2. Time of Performance. CONSULTANT shall perform the services on or by the Termination Date set forth above. The City Manager or his designee may extend the time of performance in writing for two additional one-year periods pursuant to the same terms and conditions of the Agreement.

Section 3. Compensation. CITY agrees to compensate CONSULTANT, and CONSULTANT agrees to accept in full satisfaction for the services required by this Agreement the Consideration set forth above and more particularly described in Exhibit B-1, attached hereto and incorporated herein. Said Consideration shall constitute reimbursement of CONSULTANT's fee for the services as well as the actual cost of any equipment, materials, and supplies necessary to provide the services (including all labor, materials, delivery, tax, assembly, and installation, as applicable). CITY shall pay CONSULTANT said Consideration in accordance with the schedule of payment set forth in Exhibit B-2, attached hereto and incorporated herein.

Section 4. Independent Contractor. CONSULTANT is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CONSULTANT or any of CONSULTANT's employees, except as herein set forth. CONSULTANT shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 5. Assignment. CONSULTANT shall not assign or attempt to assign any portion of this Agreement without the prior written approval of CITY.

Section 6. Responsible Principal(s)

(a) CONSULTANT's Responsible Principal set forth above shall be principally responsible for CONSULTANT's obligations under this Agreement and shall serve as principal liaison between CITY and CONSULTANT. Designation of another Responsible by CONSULTANT shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 7. Personnel. CONSULTANT represents that it has, or shall secure at its own expense, all personnel required to perform CONSULTANT's services under this Agreement. All personnel engaged in the work shall be qualified to perform such services.

Section 8. Interests of CONSULTANT. CONSULTANT affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the services contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONSULTANT.

Section 9. Insurance.

(a) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CONSULTANT.

(b) CONSULTANT shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, a policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CONSULTANT in performing the services required by this Agreement.

(c) Affidavit. CONSULTANT represents that it is not required by law to maintain workers' compensation insurance coverage and shall sign an affidavit to this effect, attached hereto as Exhibit D, and incorporated herein by this reference.

(d) CONSULTANT shall require each of its sub-consultants or sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(e) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a B+;VII in the latest edition of Best's Insurance Guide.

(f) CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CONSULTANT's expense, the premium thereon.

(g) At all times during the term of this Agreement, CONSULTANT shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit D, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONSULTANT shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The policies of insurance required by this Agreement shall contain an endorsement naming the CITY as an additional insured. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty (30) days prior written notice to CITY, and specifically stating that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(h) The insurance provided by CONSULTANT shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(i) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

Section 10. Indemnification. CONSULTANT agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorneys fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CONSULTANT or any person employed by CONSULTANT in the performance of this Agreement.

Section 11. Termination.

(a) CITY may cancel this Agreement at any time upon five (5) days written notice to CONSULTANT. CONSULTANT agrees to cease all work under this Agreement on or before the effective date of such notice.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CONSULTANT, CONSULTANT shall be paid full compensation for all services performed by CONSULTANT, in an amount to be determined as follows: For work done in accordance with all of the terms and provisions of this Agreement, CONSULTANT shall be paid an amount equal to the amount of services performed prior to the effective date of termination or cancellation; provided, in no event shall the amount of money paid under the foregoing provisions of this paragraph exceed the amount which would be paid CONSULTANT for the full performance of the services required by this Agreement.

Section 12. CITY's Responsibility. CITY shall provide CONSULTANT with all pertinent data, documents, and other requested information as is available for the proper performance of CONSULTANT's services.

Section 13. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CONSULTANT and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 14. Changes in the Scope of Work. The CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CONSULTANT must be made in writing and approved by both parties.

Section 15. Notice. Any notice required to be given to CONSULTANT shall be deemed duly and properly given upon delivery, if sent to CONSULTANT postage prepaid to the CONSULTANT's address set forth above or personally delivered to CONSULTANT at such address or other address specified to CITY in writing by CONSULTANT.

Any notice required to be given to CITY shall be deemed duly and properly given upon delivery, if sent to CITY postage prepaid to CITY's address set forth above or personally delivered to CITY at such address or other address specified to CONSULTANT in writing by CITY.

Section 16. Attorney's Fees. In the event of litigation between the parties arising out of or connected with this Agreement, the prevailing party in such litigation shall be entitled to recover, in addition to any other amounts, reasonable attorney's fees and costs of such litigation.

Section 17. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONSULTANT, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CONSULTANT.

Section 18. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 19. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

EXECUTED the ____ day of _____ 20 __, at Beverly Hills,
California.

CITY OF BEVERLY HILLS
A Municipal Corporation

JIMMY DELSHAD
Mayor of the City of Beverly Hills

ATTEST:

_____(SEAL)
BYRON POPE
City Clerk

CONSULTANT:
CAPITALIST GROUP, LLC


PAUL BROWER
President and Chief Executive Officer



STEPHEN MONTEROS
Chief Financial Officer

APPROVED AS TO FORM


LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:


SCOTT G. MILLER
Director of Administrative Services/Chief
Financial Officer



KARL KIRKMAN
Risk Manager

EXHIBIT A
SCOPE OF SERVICES

CONSULTANT shall perform the following services:

Inventory Site Assessment

CONSULTANT shall provide a complete physical inventory of assets; the assets will be categorized across three areas. The following areas will be considered.

1. Real Estate and Property Management
2. Annual Report for Depreciation of expense for fixed assets
3. On-going FF&E Fund 40 inventory assessment

There are three phases of this project. Each phase may be initiated independently, but final data may be consolidated for the benefit of all departments.

CITY assets valued at \$25,000 and above shall be evaluated. The data collection will include physical counts and replacement costs. The assessment will contain, but not necessarily be limited to, groupings as required by CITY by quantity, life cycle and replacement costs. Data will be provided in an electronic format suitable for importation in the Hanson financial and management system utilized by the city. Data will also be provided in an Excel and CSV format for use within Excel or Crystal reports.

Phase One (Real Estate and Property Management

This will consist of a physical asset of equipment valued at over \$25,000.00 for 12 buildings. Anticipated counts will be between 25 - 50 items per building location.

1) Physical Inventory of current CITY property within the specified value range and will be segmented by department. The data compiled will be provided in an electronic format using Access database spreadsheet. The following areas will be reported:

- a) Item description
- b) Quantity
- c) Location
- d) SN and/or model number of the equipment
- e) Anticipated life cycle; dollars replacement cost per year

The process will consist of three distinct tasks. These tasks will be data collection and evaluation, data analysis and control, and reporting functions.

Data Collection

CITY will provide a base inventory sheet of assets to be included. A CONSULTANT inventory specialist will physically discover the assets on the inventory sheets in conjunction with a CITY escort. During this time assets that were overlooked will be discovered and added to the sheets.

Evaluation

The analyst will take the sheets and input the data into an Excel format. During this time, a depreciation schedule will be applied, based on CITY methodology.

Reporting

Data will be provided electronically or in a format to be prescribed by CITY.

Phase Two

Annual Report of Depreciation of Fixed Assets

CITY's accounting department reviews the previous year's invoices separating out those invoices that paid for fixed assets. From those invoices a list of fixed assets is compiled. The list is then entered into CITY's database. Annual work associated with the compilation of the lists has been completed up to 2005 and a portion of 2006. CONSULTANT shall complete the review of invoices for the portion of 2006 not completed and perform the review/reconciliation for all of 2007, 2008 and 2009.

Addition, it is also requested that your firm field inspect these assets.

Review/reconciliation of the list and data entry are estimated to take 40 hours, and the field review should be approximately 20 hours.

Phase Three

CITY entered into an agreement to identify, evaluate and manage the items and costs associated with FF&E Fund 40 items. These items with values of less than 25,000.00 exist across all CITY departments. The assessment completed was across all departments.

A partial assessment across three departments is scheduled for 2010 and 2012. At CITY's option, a complete assessment is scheduled for 2011 and 2013.

EXHIBIT B-1
SCHEDULE OF RATES

Pricing

Pricing for all three phases is as follows.

Phase One	\$29,200.00
Phase Two	\$ 4,900.00
Phase Three 2010 (Partial)	\$ 9,500.00
Phase Three 2011 (Complete)	\$18,500.00
Phase Three 2012 (Partial)	\$ 9,500.00 (Optional)
Phase Three 2013 (Complete)	\$18,500.00 (Optional)
Total not to exceed	\$90,100.00

Contingency not to exceed Nine Thousand Ten Dollars (\$9,010.00) for unanticipated services outside the scope of Exhibit A as mutually agreed upon in writing by the City Manager or his designee and CONSULTANT.

Total not to exceed Ninety-Nine Thousand One Hundred Ten Dollars (\$99,110.00)

EXHIBIT B-2

Schedule of Payment

CONSULTANT shall submit an itemized statement to CITY for its services performed in accordance with the schedule below, which shall include documentation setting forth in detail a description of the services rendered. CITY shall pay CONSULTANT the amount of such billing within thirty (30) days of receipt of same.

CITY shall pay CONSULTANT for the satisfactory completion of services as follows (includes contingencies):

Phase I	Not to Exceed
25% Fixed asset inventory and assessment of 3 of 12 City-owned buildings	\$8,030.00
25% Fixed asset inventory and assessment of 6 of 12 City-owned buildings	\$ 8,030.00
20% Fixed asset inventory and assessment of 9 of 12 City-owned buildings	\$ 6,424.00
20% Fixed asset inventory and assessment of 12 of 12 City-owned buildings	\$ 6,424.00
10% Completion of Phase I	<u>\$ 3,212.00</u>
Total:	\$32,120.00
Phase II	
25% Review and reconciliation of invoices for 2006	\$1,347.50
25% Review and reconciliation of invoices for 2007	\$1,347.50
20% Review and reconciliation of invoices for 2008	\$1,078.00
20% Review and reconciliation of invoices for 2009	\$1,078.00
10% Completion of Phase II	<u>\$ 539.00</u>
Total:	\$5,390.00
Phase III (2010)	
35% Inventory Site Assessment of 3 City Departments	\$ 3,657.50
35% Inventory Site Assessment of 3 City Departments	\$ 3,657.50
20% Inventory Site Assessment of 3 City Departments	\$ 2,090.00
10% Completion of Phase III 2010	<u>\$ 1,045.00</u>
Total:	\$10,450.00

Phase III (2011)	
35% Inventory Site Assessment of 3 City Departments	\$ 7,122.50
35% Inventory Site Assessment of 3 City Departments	\$ 7,122.50
20% Inventory Site Assessment of 3 City Departments	\$ 4,070.00
10% Completion of Phase III 2011	<u>\$ 2,035.00</u>
	Total: \$20,350.00
(Optional) Phase III (2012)	
35% Inventory Site Assessment of 3 City Departments	\$ 3,657.50
35% Inventory Site Assessment of 3 City Departments	\$ 3,657.50
20% Inventory Site Assessment of 3 City Departments	\$ 2,090.00
10% Completion of Phase III 2012	<u>\$ 1,045.00</u>
	Total: \$10,450.00
(Optional) Phase III (2013)	
35% Inventory Site Assessment of 3 City Departments	\$ 7,122.50
35% Inventory Site Assessment of 3 City Departments	\$ 7,122.50
20% Inventory Site Assessment of 3 City Departments	\$ 4,070.00
10% Completion of Phase III 2013	<u>\$ 2,035.00</u>
	Total: \$20,350.00
	TOTAL NOT TO EXCEED: \$99,110.00*

*Includes contingency not to exceed \$9,010.00. Payment as mutually agreed upon in writing by the City Manager or his designee and CONSULTANT



**CITY OF BEVERLY HILLS
WORKER'S COMPENSATION STATEMENT**

FY 2009-2010
July 1, 2009 TO JUNE 30, 2010

(For Vendor not Subject to California Worker's Compensation Laws)

I, Paul Brower, President of Capitalist Group, LLC, certify that in the performance of my agreement with the City of Beverly Hills, shall not employ any person in any manner so as to become subject to the Worker's Compensation Laws of California.

I agree that should I become subject to the Worker's Compensation Laws of California during the term of the agreement, I will notify the City of Beverly Hills and I will comply with those laws immediately.

VENDOR USE ONLY:

Capitalist Group LLC
(NAME AS IT APPEARS ON CONTRACT)

10006687
VENDOR NUMBER

Paul Brower
(SIGNATORY'S PRINTED NAME)

909 239-0044
(TELEPHONE NUMBER)

Paul Brower
(SIGNATURE)

4-20-10
(DATE SIGNED)

REVIEWED/APPROVED BY:

[Signature]
Risk Management Division

4/28/10
Date Signed



EXHIBIT D

CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below:

NAMED INSURED

COMPANIES AFFORDING COVERAGE

- A.
- B.
- C.

ADDRESS

COMPANY (A. B. C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	<u>LIMITS</u> P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CONTRACTOR'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKERS' COMPENSATION <input type="checkbox"/>					

It is hereby understood and agreed that the **City of Beverly Hills**, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the **City of Beverly Hills** and the named insured is covered under the policy: Contractor agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of contractor's officers, employees, agents or others employed by Contractor while engaged by Contractor in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the **City of Beverly Hills**.

In the event of cancellation or material change in the above coverage, the company will give **30 days** written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE: _____

BY: _____
Authorized Insurance Representative

AGENCY: _____

TITLE: _____
ADDRESS: _____



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

04/27/2010

PRODUCER
 RANDY PROUT
 440 W BASELINE RD
 CLAREMONT, CA 91711

THIS CERTIFICATE IS ISSUED AS MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.



INSURED
 CAPITALIST GROUP, LLC
 4197 LA JUNTA DR
 CLAREMONT CA 91711-2321

*DRKX
4/23/10*

INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: State Farm General Insurance Company 25151	25151
INSURER B: State Farm Mutual Auto Insurance Company 25178	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

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

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	92-BN-R853-0	04/20/2009	04/20/2010	EACH OCCURRENCE	\$ 2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$
						MED EXP (Any one person)	\$ 5,000
						PERSONAL & ADV INJURY	\$
						GENERAL AGGREGATE	\$ 4,000,000
						PRODUCTS - COMP/OP AGG	\$ 4,000,000
B		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	W17 9655-B24-75D	02/24/2010	08/24/2010	COMBINED SINGLE LIMIT (Ea accident)	\$
						BODILY INJURY (Per person)	\$ 1,000,000
						BODILY INJURY (Per accident)	\$ 1,000,000
						PROPERTY DAMAGE (Per accident)	\$ 10,00,000
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT	\$
						OTHER THAN AUTO ONLY: EA ACC	\$
						AGG	\$
A		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE RETENTION \$	71-GH-4141-6	02/07/2010	02/07/2011	EACH OCCURRENCE	\$ 1,000,000
						AGGREGATE	\$
							\$
							\$
							\$
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				WC STATUTORY LIMITS	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Additional Insured:
 City of Beverly Hills
 455 N. Rexford Dr.
 Beverly Hills, CA 90210

CERTIFICATE HOLDER

City of Beverly Hills
 Attn: Daniel Cartagena
 City of Manager's Office
 455 N. Rexford Dr.
 Beverly Hills, CA 90210

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 Randy Prout

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.