



## AGENDA REPORT

**Meeting Date:** March 4, 2014  
**Item Number:** D-11  
**To:** Honorable Mayor & City Council  
**From:** Noel Marquis, Assistant Director of Administrative Services - Finance  
**Subject:** **APPROVALS RELATED TO VARIOUS CITY PURCHASING AND BUDGET TRANSACTIONS AS DESCRIBED HEREIN**  
**Attachments:** 1. Agreements (2)

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**Item A. APPROVAL OF A PURCHASE ORDER IN THE NOT TO EXCEED AMOUNT OF \$180,000 TO LIEBERT CASSIDY WHITMORE, A PROFESSIONAL CORPORATION FOR EMPLOYEE RELATIONS AND NEGOTIATIONS SERVICES**

### **RECOMMENDATION**

Staff recommends approval of a purchase order to Liebert Cassidy Whitmore for labor relations in the not to exceed amount of \$180,000 for labor negotiation and employment law services.

### **INTRODUCTION**

On December 18, 2013, the City Council approved the labor negotiations services provided by Liebert Cassidy & Whitmore and this request is for a purchase order that coincides with that agreement.

### **DISCUSSION**

Labor negotiations are currently in progress and a purchase order is being requested so that payment for services can take place.

### **FISCAL IMPACT**

Funds are budgeted in the Labor Relations account and are available for this purpose.

**Item B. APPROVAL OF A CHANGE ORDER IN THE AMOUNT OF \$13,300 TO THE PURCHASE ORDER OF AON CONSULTING FOR ACUTUARIAL SERVICES FOR A TOTAL NOT TO EXCEED AMOUNT OF \$58,300**

**RECOMMENDATION**

Staff recommends approval of a change order to the purchase order with Aon Consulting for actuarial consulting services related to the City's liabilities stemming from its contractual obligations with its bargaining units for a total not to exceed amount of \$58,300.

**INTRODUCTION**

The City engaged Aon to prepare its Actuarial Accrued Liability and Annual Required Contribution for Other Post-Employment Benefits (OPEB), which is reported in the City's CAFR annually.

**DISCUSSION**

The City's five year contract with Aon is expiring in FY 2013 – 2014, and a new RFP was done for Actuarial services. The winner of the RFP process was Bartel and Associates. The change order is being requested to cover the final services on the contract with Aon Consulting, which include forty-year projections on funding and liability valuation, as well as an analysis done on Fire Chief Benefits.

**FISCAL IMPACT**

Funds are budgeted and available for this purpose.

**Item C. AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FIRST CLASS VENDING, INC. FOR INSTALLATION, SERVICING AND STOCKING OF VENDING MACHINES AT CERTAIN CITY FACILITIES**

**RECOMMENDATION**

Staff recommends the approval of the agreement with the City of Beverly Hills and First Class Vending, Inc.

**INTRODUCTION**

In 2010, the City of Beverly Hills originally contracted with Vendetta Vending Solutions to administer the installation and stocking of vending machines at City owned properties. Recently, Vendetta decided to terminate the service agreement with the City. As a result a comprehensive Request for Proposal (RFP) was conducted and First Class Vending, Inc. was the company that was selected to be the City's new vending machine contractor.

**DISCUSSION**

The City of Beverly Hills had 16 vending machines spread throughout City Hall, the Public Works facilities and various City parks with Vendetta Solutions, Inc. First Class Vending, Inc. has agreed to service the same number of machines with comparable food and beverage

offerings.

**FISCAL IMPACT**

There is no expenditure outlay to the City as First Class Vending administers all of the inventory maintenance and stocking of their machines and collects all proceeds from its vending machine operations. The City will receive a monthly rental fee for the spaces used by the vending machines that will total \$8,112 per year. This rate is comprised of a rental fee of \$52.00 per machine (13 total) per month and is in line with the previous vending machine vendor's rental rate.

**Item D.        **AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND PMAM, INC. FOR CONSULTING SERVICES TO MANAGE AND ADMINISTER CITY'S FALSE ALARM ORDINANCE****

**RECOMMENDATION**

Staff recommends the approval of the agreement with the City of Beverly Hills and PMAM, Inc.

**INTRODUCTION**

The City Council adopted a False Security Alarm Reduction program in April of 2009. The goal of this program was to modify security alarm user behavior and divert public safety resources to legitimate activities, helping maintain the City's response times.

Since the program's inception, false security alarms have been reduced by nearly 15% and multiple false security alarm responses to a single address in a calendar year were reduced 37%. The false alarm fees collected help offset the costs associated with responding to false alarms.

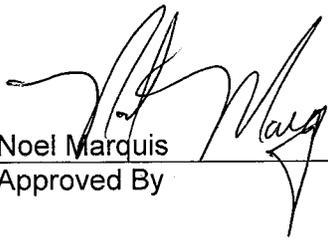
**DISCUSSION**

The City of Beverly Hills originally contracted with ATB Security Systems to support its false alarm reduction program. ATB was acquired by PMAM in 2011 and the company has continued to provide excellent service in administering the program within the City.

**FISCAL IMPACT**

There is no set fee that the City pays directly to PMAM for their services. Instead, the City collects fees from false alarm events and then remits a percentage of these fees to PMAM for their services. The City will remit 21% of all service charges to PMAM; previous years' remittances are as follows:

| <b>Fiscal Year</b> | <b>Remitted to PMAM</b> |
|--------------------|-------------------------|
| 2009/2010          | \$65,305                |
| 2010/2011          | \$72,571                |
| 2011/2012          | \$88,320                |
| 2012/2013          | \$80,655                |

  
Noel Marquis  
Approved By

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# **Attachment 1**

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FIRST CLASS VENDING, INC. FOR INSTALLATION, SERVICING AND STOCKING OF VENDING MACHINES AT CERTAIN CITY FACILITIES

NAME OF CONTRACTOR: FIRST CLASS VENDING, INC.

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Matthew Marsh, President

CONTRACTOR'S ADDRESS: 6875 Suva Street  
Bell Gardens, CA 90201  
Attention: Matthew Marsh, President

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Don Rhoads, Director of Administrative Services/Chief Financial Officer

COMMENCEMENT DATE: March 4, 2014

TERMINATION DATE: June 30, 2016, unless extended pursuant to Section 2 of the Agreement

CONSIDERATION: CONTRACTOR shall pay CITY a monthly space rental as set forth in Exhibit A

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND FIRST CLASS VENDING, INC. FOR INSTALLATION, SERVICING AND STOCKING OF VENDING MACHINES AT CERTAIN CITY FACILITIES

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and FIRST CLASS VENDING, INC. (hereinafter called "CONTRACTOR").

RECITALS

A. CITY desires to enter into a three year Agreement with CONTRACTOR to install, service and stock vending machines at various CITY facilities identified in Exhibit A of this Agreement, attached hereto and incorporated herein by this reference.

B. CONTRACTOR has the experience and qualifications to provide such equipment and services, and CITY desires to retain the CONTRACTOR to provide such equipment and services.

NOW, THEREFORE, the parties agree as follows:

Section 1. Purpose. The purpose of the Agreement is to retain CONTRACTOR to install, maintain, service and stock vending machines at the CITY locations specified in Exhibit A.

Section 2. Time of Performance. CONTRACTOR shall commence its services under this Agreement upon receipt of a written notice to proceed from CITY. CONTRACTOR shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

The City Manager or his designee may extend the time of performance in writing for two additional one-year terms or such other term not to exceed two years from the date of termination pursuant to the same terms and conditions of this Agreement.

Section 3. Obligations of the CONTRACTOR.

(a) CONTRACTOR shall maintain service and stock a combination of the following vending machines at the locations selected by CITY on the CITY's premises specified in Exhibit A.

- (i) A soft drink machine with at least six (6) selections to be approved by CITY, which soft drink machine shall have a coin changer that will accommodate one dollar (\$1) bills.
- (ii) A snack machine with the product selection to be approved by CITY, which snack machine will have a coin changer that will accommodate one dollar (\$1) bills.
- (iii) A carousel multi-purpose cold food/ microwavable hot food vending machine with the product selection to be approved by CITY, which multi-purpose food machine shall have a coin changer that will accommodate both one dollar (\$1) and five dollar (\$5) bills; and a microwave oven for heating microwavable food.

- (iv) A cold drink machine with the product selection to be approved by CITY, which machine shall have a coin changer that will accommodate one dollar (\$1) bills.
- (v) A bill changer machine.

(b) The vending machines installed pursuant to this Agreement shall remain the property and responsibility of the CONTRACTOR. The vending machines shall not be replaced during the term of this Agreement except with machines of the same model and with the same number and type of selections, unless such changes are approved in writing by the Deputy Director of Finance Administration.

(c) CONTRACTOR shall maintain and service the vending machines installed by CONTRACTOR as follows:

- (i) Respond to any product change requests made by CITY within one (1) business day.
- (ii) Maintain all equipment in good working order; provide service to vending machines on an as needed basis, and emergency maintenance service upon twenty-four (24) hour oral or written notice.
- (iii) Repair or replace vending machines in the event of damage, loss or destruction and assume any losses for moneys stolen or lost from the machines.
- (iv) Stock and restock soft drink and snack machines on an as needed basis, but not less than three times a week, based on need as determined by the CITY.
- (v) Stock and restock the cold food machines with fresh sandwiches and salads as determined by the CITY and according to health department guidelines.
- (vi) Stock and restock the cold food machines with all other cold food items having a shelf life of more than one week at least once a week with fresh food and remove food stocked the previous week.
- (vii) Stock carousel multi-purpose cold food/hot food vending machines by 11:30 a.m. on the days such machines are stocked.
- (viii) In the event a refund is required to be given, CONTRACTOR shall contact the persons for the locations listed in Exhibit A-1, attached hereto and incorporated by this reference.
- (ix) Provide a petty cash fund for reimbursement of any moneys lost in the vending machines of \$ 20.00 at each location to the designated responsible person listed on Exhibit A-1.

(d) CONTRACTOR shall be responsible for the payment of all required sales taxes which are applicable to the products sold in the vending machines.

(e) CONTRACTOR shall obtain and maintain all permits and licenses required by all applicable licensing and regulatory agencies.

Section 4. Obligations of the CITY

(a) CITY shall provide CONTRACTOR access during normal business hours to CITY facilities listed in Exhibit A of this Agreement for installation and servicing of CONTRACTOR's equipment on a regular and as needed basis.

(b) CITY shall furnish the CONTRACTOR adequate space and utility services for the installation and operation of the CONTRACTOR's equipment.

(c) CITY shall not change the location of equipment installed by CONTRACTOR, make any alterations to that equipment or install or allow the installation of other vending equipment during the term of this Agreement unless agreed to by CONTRACTOR.

Section 5. Space Rental.

(a) CONTRACTOR shall pay to CITY for the use of space for the installation and servicing of vending equipment the amounts listed in Exhibit A of this Agreement

(b) In the event CITY requests the removal of vending equipment or installation of additional vending equipment, CONTRACTOR shall decrease or increase the total monthly rental payment to CITY based on the amount specified in Exhibit A of this Agreement.

(c) The monthly rental check shall be made payable to City of Beverly Hills and shall be mailed to the following address:

City of Beverly Hills  
Finance Administration  
455 North Rexford Dr., Room 350  
Beverly Hills, California 90210-4817

(d) CITY may request in writing , as needed, changes in the obligations of CONTRACTOR under this Agreement.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CONTRACTOR without the prior written approval of CITY. Any attempt by CONTRACTOR to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CONTRACTOR's Responsible Principal set forth above shall be principally responsible for CONTRACTOR's obligations under this Agreement and shall serve as principal liaison between CITY and CONTRACTOR. Designation of another Responsible Principle by CONTRACTOR 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 8. Personnel. CONTRACTOR represents that it has, or shall secure at its own expense, all personnel required to perform CONTRACTOR's Scope of Work outlined in Section 3 of this Agreement. All personnel engaged in the work shall be qualified to perform such Scope of Work.

Section 9. 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.

Section 10. Interests of CONTRACTOR. CONTRACTOR 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 Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CONTRACTOR.

Section 11. Insurance.

(a) CONTRACTOR shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

- (i) 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 CONTRACTOR.
- (ii) 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 CONTRACTOR in performing the Scope of Work required by this Agreement.
- (iii) Workers' compensation insurance as required by the State of California.

(b) CONTRACTOR shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) 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.

(d) CONTRACTOR 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 CONTRACTOR's expense, the premium thereon.

(e) At all times during the term of this Agreement, CONTRACTOR shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit B, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CONTRACTOR shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general and auto liability insurance 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.

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

(g) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, 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.

Section 12. Indemnification. CONTRACTOR 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 CONTRACTOR or any person employed by CONTRACTOR in the performance of this Agreement.

Section 13. Termination.

(a) CITY shall have the right to terminate this Agreement for any reason or for no reason upon five calendar days' written notice to CONTRACTOR. CONTRACTOR 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 CONTRACTOR, CONTRACTOR shall be paid based on the percentage of work satisfactorily performed at the time of termination.

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 CONTRACTOR must be made in writing and approved by both parties.

Section 15. Records and Inspections. CONTRACTOR shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of 3 years. CITY shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make copies and transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

Section 16. Additional Services. CITY may from time to time require CONTRACTOR to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section 17. Independent Contractor. CONTRACTOR 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 CONTRACTOR or any of CONTRACTOR's employees, except as herein set forth. CONTRACTOR 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 18. Notice. Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

Section 19. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such

action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 20. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CONTRACTOR, 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 CONTRACTOR.

Section 21. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 22. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

Section 23. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CONTRACTOR.

Section 24. 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

\_\_\_\_\_  
JOHN A. MIRISCH  
Mayor of the City of Beverly Hills, California

ATTEST:

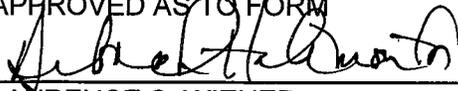
\_\_\_\_\_  
BYRON POPE  
City Clerk

CONTRACTOR :  
FIRST CLASS VENDING, INC.

  
\_\_\_\_\_  
MATTHEW MARSH  
President

  
\_\_\_\_\_  
MICHELLE MARSH  
Secretary

APPROVED AS TO FORM



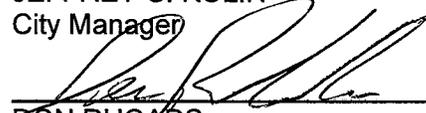
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LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT

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JEFFREY C. KOLIN  
City Manager



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DON RHOADS  
Director of Public Administrative Services/  
Chief Financial Officer



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KARL KIRKMAN  
Risk Manager

EXHIBIT A  
EQUIPMENT REQUIREMENTS AND LOCATIONS AND MONTHLY RENTAL

| <u>LOCATION</u>  | <u>EQUIPMENT TYPE</u>   | <u>**SQ.<br/>FOOTAGE</u> | <u>RENTAL<br/>PRICE PER<br/>MONTH</u> |
|--|---|--------------------------|---------------------------------------|
| <b>City Hall Employee<br/>Lunchroom</b><br>455 North Rexford Drive<br>Room 275           | One (1) snack machine<br>One (1) bottle and can machine<br>(Will accept \$1 and \$5 dollar bills)   | 32 sq. ft                | \$ 52.00<br>per machine<br>per month  |
| <b>Library-Lunchroom</b><br>444 North Rexford Drive<br>2 <sup>nd</sup> floor, staff room | One (1) cold drink machine<br>One (1) snack machine<br>(Will accept \$1 and \$5 dollar bills)       | 28 sq. ft                | \$ 52.00<br>per machine<br>per month  |
| <b>Police</b><br>464 North Rexford Drive<br>Lunchroom                                    | One (1) soft drink machine<br>One (1) snack machine<br>(Will accept \$1 and \$5 dollar bills)       | 26 sq. ft                | \$ 52.00<br>per machine<br>per month  |
| <b>***Roxbury Park</b><br>471 South Roxbury Drive  | One (1) cold drink machine<br>(Subject to change at direction of<br>CITY)                           | 35 sq. ft                | \$ 52.00<br>per machine<br>per month  |
| <b>*La Cienega Community<br/>Center</b><br>8400 Gregory Way                              | One (1) soft drink and fruit juice<br>machine<br>One (1) snack machine                              | 28 sq. ft                | \$ 52.00<br>per machine<br>per month  |
| <b>HR Training Room</b><br>455 N. Rexford Drive Third<br>Floor                           | One (1) soft drink machine (JR<br>Vending machine)<br>One (1) snack machine (JR<br>Vending machine) | 26 sq. ft                | \$ 52.00<br>per machine<br>per month  |
| <b>Vehicle Shop</b><br>345 North Foothill Road   | One (1) soft drink machine<br>One (1) snack machine   | 26 sq. ft                | \$ 52.00<br>per machine<br>per month  |

\*Standard pricing areas; CONTRACTOR needs key to La Cienega Center when there is a roll-up area door to stock and do repairs

\*\* Square footage occupied by each machine

\*\*\*Roxbury Park will have one vending machine available until the park reopens in June 2014. At that point, there is expected to be space available for four (4) machines total. La Cienega Community Center will have limited hours of operation listed below.

- (a) January 4 to April 1 (Monday through Friday 12:00 p.m. to 6:00 p.m.)
- (b) April 2 to July 1 (Monday - Friday 12:00 p.m. to 8:00 p.m., Saturday - Sunday 9:00 a.m. to 6:00 p.m.)
- (c) July 2 to September 1 (Monday - Friday 12:00 p.m. to 6:00 p.m., Saturday - Sunday 10:00 a.m. to 6:00 p.m.)
- (d) September 2 to December 20 (Monday - Friday 12:00 p.m. to 8:00 p.m., Saturday - Sunday 8:00 a.m. to 6:00 p.m.)
- (e) December 21 through January 3 (Closed)

EXHIBIT A-1

VENDING MACHINE LOCATIONS

Following are the vending machine locations and the names and telephone numbers of CITY employees to contact for refunds at each location:

| <u>LOCATION</u>  | <u>Contact Name</u>       | <u>Phone #</u>                   |
|--|---------------------------|----------------------------------|
| <b>City Hall</b><br>455 North Rexford Drive,<br>Room 275                       | Anne Baylon               | (310) 285-2439<br>(310) 285-1150 |
| <b>Library</b><br>9355 Civic Center Drive<br>2 <sup>nd</sup> floor, staff room | Lois Foraker<br>Aida Thau | (310) 288-2201<br>(310)288-2265  |
| <b>Police</b><br>464 North Rexford Drive<br>Lunchroom                          | Stephanie Szwajkos        | (310) 285-2111                   |
| <b>Roxbury Park</b><br>471 South Roxbury Drive                                 | Patty Acuna               | (310) 285-6811                   |
| <b>La Cienega Community Center</b><br>8400 Gregory Way                         | Chris Best                | (310) 285-6811                   |
| <b>HR Training Room</b><br>455 N. Rexford Drive Third Floor                    | Joan Williams             | (310) 285-1066                   |
| <b>Vehicle Shop</b><br>345 North Foothill Blvd.                                | Craig Crowder             | (310) 285-2484                   |

**EXHIBIT B**

**CERTIFICATE OF INSURANCE**

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

**NAMED INSURED**

**COMPANIES AFFORDING COVERAGE**

**ADDRESS**

- A.
- B.
- C.

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

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 : \_\_\_\_\_  
 \_\_\_\_\_

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS  
AND PMAM, INC. FOR CONSULTING SERVICES TO  
MANAGE AND ADMINISTER CITY'S FALSE ALARM  
ORDINANCE

NAME OF CONSULTANT: PMAM, Inc.

RESPONSIBLE PRINCIPAL  
OF CONSULTANT: Pankaj Kumar, President

CONSULTANT'S ADDRESS: 5430 LBJ Freeway  
Suite 370  
Dallas, TX 75240  
Attention: Pankaj Kumar, President

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Don Rhoads, Director of  
Administrative Services/Chief Financial  
Officer

COMMENCEMENT DATE: Upon Written Notice to Proceed

TERMINATION DATE: 3 years from Commencement Date, unless  
extended pursuant to Section 2 of the  
Agreement

CONSIDERATION: Not to exceed the annual amount set forth in  
City Purchase Orders, based on the rates set  
forth in Exhibit B-1

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS  
AND PMAM, INC. FOR CONSULTING SERVICES TO  
MANAGE AND ADMINISTER CITY'S FALSE ALARM  
ORDINANCE

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and PMAM, Inc. (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 up to 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).

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 Principal by CONSULTANT shall not be made without prior written consent of CITY.

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, insurance as follows:

(1) 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.

(2) 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 CONTRACTOR in performing the Scope of Work required by this Agreement.

(3) Workers' compensation insurance as required by the State of California.

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

(c) 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.

(d) 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.

(e) 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 C, 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 general and vehicle liability 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.

(f) 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.

(g) 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 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 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 \_\_\_\_\_ 201\_\_, at Beverly Hills, California.

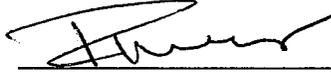
CITY OF BEVERLY HILLS  
A Municipal Corporation

\_\_\_\_\_  
JOHN A. MIRISCH  
Mayor of the City of Beverly Hills, California

ATTEST:

\_\_\_\_\_(SEAL)  
BYRON POPE  
City Clerk

CONSULTANT: PMAM, INC.

  
\_\_\_\_\_  
PANKAJ KUMAR  
Chief Executive Officer

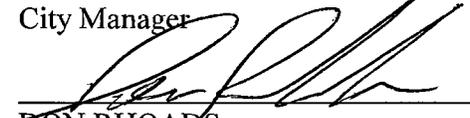
  
\_\_\_\_\_  
MAHIMA KUMAR  
Secretary

APPROVED AS TO FORM

  
\_\_\_\_\_  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

\_\_\_\_\_  
JEFFREY C. KOLIN  
City Manager

  
\_\_\_\_\_  
DON RHOADS  
Director of Administrative Services/Chief Financial  
Officer

  
\_\_\_\_\_  
KARL KIRKMAN  
Risk Manager

EXHIBIT A  
SCOPE OF SERVICES

CONSULTANT shall perform the following services:

1. **ALARM SYSTEM MANAGEMENT PROGRAM DEVELOPMENT AND IMPLEMENTATION** – CONSULTANT has previously worked with CITY to develop a proven and effective alarm system management program. CONSULTANT shall provide any necessary consulting services as appropriate and needed by CITY. CONSULTANT also agrees to provide informational and educational services for CITY and the public as may be needed.
2. **STANDARD OPERATING PROCEDURE** – CONSULTANT has developed, in coordination with CITY Police Department, Fire Department and the Administrative Services Department, standard operating procedures for the administration of the False Alarm Ordinance. These operating procedures shall continue to be followed.
3. **FORMS AND LETTERS** – Subject to the approval of the CFO / Director of Administrative Services or his designee, CONSULTANT shall develop all letters, permits, billing statements, warning letters, brochures, appeal forms, and correspondence to be used in conjunction with the administration of the CITY’s False Alarm Ordinance.
4. **FORMAT CAD DATA TO BE EXPORTED** – CONSULTANT shall continue to work directly with the Police and Fire Departments to develop a format for which false alarm data can be exported from CITY’s CAD systems via email to CONSULTANT.
5. **ENHANCED CALL VERIFICATION FOR DISPATCH** – CONSULTANT shall provide training to the CITY Dispatch team as needed on enhanced call verification in an effort to decrease false alarm responses.
6. **PROVIDE CUSTOMER SUPPORT** - CONSULTANT shall provide telephone support for all resident and business inquiries related to billing CITY’s false alarm service charges and general questions about false alarm billing and alarm systems. Telephone customer support for the residents of CITY shall be provided Monday through Friday 7:00 am to 5:00 pm Pacific time except on government holidays recognized by CITY. CONSULTANT shall provide a unique toll free number for the residents of CITY to call for inquiries and support. CONSULTANT shall publish the toll free support number on all warning letters, alarm brochures, and billing notices. CONSULTANT shall provide alarm users with online information about their individual accounts and additional educational material about how to reduce false alarms. CONSULTANT shall inform all residents or business assessed service charges of their right to appeal those charges under Section 4-4-109 of the Beverly Hills Municipal Code (“BHMC”) and of the procedure for making such appeals.
7. **PROCESSING OF APPEALS OF SERVICE CHARGES** – CONSULTANT shall immediately notify CITY of any written appeals of service charges it receives so CITY may conduct hearings on such appeals pursuant to the False Alarm Ordinance. CONSULTANT shall promptly update its information service charges based on CITY’S

dispositions of such appeals. For instance, if CITY reduces or waives a service charge in an appeal hearing, the CONSULTANT's shall be updated to reflect this decision.

8. REPORTING - CONSULTANT shall provide to CITY periodic reports of its services, including alarm users registered, billings issued for false alarms, service charges collected by CONSULTANT, and all unpaid service charges. Report information will be provided to CITY in a format and at an interval to be agreed upon by CONSULTANT and CITY Police Department and Fire Department. CONSULTANT shall provide to CITY online access to alarm users' information, remittance information, alarm companies' information and general false alarm statistics.

9. ALARM BILLING - CONSULTANT shall issue billings for false alarm service charges on an interval required by CITY's alarm ordinance. CONSULTANT shall issue a warning statement for all service charges that are more than 30 days past due. All billings shall include a return addressed envelope.

10. REMITTANCE PROCESSING - All payments by mail from residents under the False Alarm Ordinance shall be sent to a local retail lockbox provider selected by CITY.

The residents and businesses of CITY will be given the option to pay their false alarm service charges online with a credit card or electronic check. CONSULTANT will create and maintain a web site for the citizens of CITY to make credit card or electronic check payments. The residents of CITY will be charged a convenience fee, agreed upon by the parties, for making credit card or electronic check payments and this convenience fee will be charged on the credit card or bank account number used for payment. This convenience fee shall reflect the actual cost associated with processing credit card or electronic check payments.

11. EXPENSES - CONSULTANT shall be solely responsible for all of its expenses in performing its services under this Agreement.

12. CONFIDENTIALITY – The database of information of registered alarm users and false alarms maintained by CONSULTANT shall remain at all times the property of the CITY. CONSULTANT shall not disclose any information collected in connection with this agreement to anyone other than its employees. CONSULTANT shall notify its employees who are given access to this information that they have an obligation not to disclose or use this information except in the performance of services under this contract. CONSULTANT shall use all reasonable security measures to safeguard this information.

13. ALARM COMPANY COORDINATION – CITY authorizes CONSULTANT to have direct communication with local alarm businesses and local alarm service users on behalf of CITY and to communicate to the alarm businesses the requirements of CITY's alarm ordinance. CITY and CONSULTANT shall coordinate efforts to achieve alarm businesses' cooperation.

## EXHIBIT B-1

### SCHEDULE OF RATES

1. PERCENTAGE OF SERVICE CHARGES. CONSULTANT's compensation shall be based entirely on a percentage of the service charges paid to CITY by alarm users for violations of CITY'S False Alarm Ordinance. CONSULTANT's compensation shall be 23.5% of the gross receipts from all such service charges collected during the first year of the Agreement and 21% thereafter, excluding those service charges overturned on appeal pursuant to Section 4.4.109 of the Beverly Hills Municipal Code. The first year rate shall commence upon the first month that CONSULTANT invoices CITY. CITY receives payments of service charges from residents and businesses, and CITY pays CONSULTANT its percentage of the service charges as set forth in this Exhibit. CONSULTANT may retain any convenience fee charged for allowing residents or businesses to make credit card or electronic check payments.

2. PERCENTAGE OF COLLECTION SERVICE FEES. Alarm fees designated as "bad debt" by CITY shall be collected by CONSULTANT's collection agency. CITY shall pay CONSULTANT the following compensation for the collection services:

- 1) 33% of service charges collected by CONSULTANT's collection agency.
- 2) If bad debt is collected through the courts, 50% of service charges collected by CONSULTANT's collection agency.

Bad debt collection service fees are in addition to CONSULTANT's compensation for services.

## EXHIBIT B-2

### Schedule of Payment

CONSULTANT shall submit an itemized statement to CITY for its services performed in the prior month, which shall include documentation setting forth in detail a description of the services rendered on a form approved by CITY. CITY shall pay CONSULTANT the undisputed amount of such billing within thirty (30) days of receipt of same.

**EXHIBIT C**

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

RM02.DOC REVISED 10/14/96.