



Request for Proposals for Treasury and Investment Advising Services

Proposals must be received no later than 4:00 p.m. on
Friday, March 20, 2026, via email:

calba@malibucity.org
Cynthia Alba
Senior Management Analyst
City of Malibu
City Manager's Office
23825 Stuart Ranch Road
Malibu CA, 90265

Date Issued: February 19, 2026

BACKGROUND

The City of Malibu (“City”) is seeking proposals from qualified consultants to service as the City Treasurer. The City of Malibu (City) is a coastal city located in the northwestern portion of Los Angeles County, California, along 21 miles of the Pacific Ocean and has a population of approximately 10,604. The City hosts approximately 15 million visitors a year. The City is a general law city incorporated under California law in 1991. It operates under the Council/Manager form of government and is considered a contract city. The five Members of the City Council are elected at-large and serve staggered four-year terms, with the Mayor being selected from among the Councilmembers on a rotational basis. The City offers a full range of municipal services and currently has 113 full-time employees and 15.58 full-time equivalent part-time employees. The City, organized into six departments, provides a number of services in-house, including management and administrative services, public safety, building and safety, community services, environmental sustainability, planning, public works and engineering.

The City’s Adopted Fiscal Year 2025-26 General Fund Operating Budget for ongoing expenditures is \$89.1 million, and the City’s Total Expenditure Budget is \$110.3 million. For further information, City’s past years ACFRs and adopted budgets are located on the City’s website at: <https://www.malibucity.org/315/Budgets>. The City also has adopted financial policies that govern City investments (attachment 1).

The City is seeking a qualified firm to serve as the City Treasurer. The City Treasurer is appointed by the City Council in accordance with Malibu Municipal Code Section 2.16.010. The City Treasurer shall be responsible for the safe deposit of all moneys in the custody of the City and shall perform all the duties prescribed by law and as may be assigned by the City Council. Given the City’s current fiscal position, the City may not be able to utilize all of these services in the near term; however, the City is seeking a firm with the ability to perform the tasks as needed. This scope will be performed remotely, with virtual coordination and communication as needed to fulfill the scope of work.

PRELIMINARY SCOPE OF SERVICES

The selected firm shall serve as the City Treasurer and perform the duties of City Treasurer including but not limited to the following tasks:

Core Treasurer Responsibilities

1. Serve as a proactive financial partner to City staff by monitoring inflows, outflows, and short-term cash needs.
2. Be responsible for the safe deposit of all moneys in the custody of the City.
3. Conduct periodic review of surplus cash investments in accordance with City Council adopted investment policies.
4. Review warrant registers.
5. Review of Receipts and Disbursement Schedules.
6. Prepare monthly investment reports.
7. Review City Budget.

8. Review monthly bank reconciliations.
9. Review annual independent audit and other audits as requested.
10. Conduct annual review of banking services.
11. Attend Investment Advisory Committee or City Council meetings as necessary.
12. Coordinate with City Manager, Assistant City Manager, and Financial Controller on City financial matters.
13. Report to the City Council as required.
14. Other duties as approved by the City Council.

Cash Management and Treasury Operations

15. Provide active, ongoing review of cash balances, bank accounts, liquidity positions, and treasury operations.
16. Conduct routine monitoring of all City bank accounts, ensuring accuracy, security, and compliance with the City's banking services agreement.
17. Provide alerts and recommendations regarding unusual activity, account structure optimization, or opportunities to reduce banking costs.
18. Advise on the timing of transfers, withdrawals, and investment purchases or liquidations to maximize interest earnings while protecting liquidity.
19. Enhanced Internal Control & Financial Operations Support: Conduct detailed review of both check-cutting functions and bank reconciliations, ensuring accuracy, segregation of duties, and strong internal controls.
20. Recommend improvements to strengthen fraud prevention, financial transparency, and operational reliability.

Investment Policy, Strategy, and Market Monitoring

21. Perform a comprehensive annual review of the City's Investment Policy.
22. Assist the City in developing a fully revised investment policy that is modern, compliant, and tailored to City objectives.
23. Continually monitor market conditions and circumstances and report on any recommended changes to policies, strategies, and specific positions. Propose additional updates based on industry best practices, regulatory changes, and risk-management considerations.

Financial Forecasting and Long-Term Planning

24. Conduct interest forecasting, including:
 - a. Short-term rate projections
 - b. Multi-year interest rate forecasting
 - c. Sensitivity analysis to support financial planning and long-term modeling
25. Provide multi-year financial forecasting to support budget development, capital planning, and long-term fiscal strategy.

26. Support the City in developing, reviewing, and updating fund balance policies, including minimum reserve requirements, emergency reserves, disaster contingencies, and stabilization targets.
27. Ensure the City is financially prepared to respond to emergencies or disasters, including advising on accessible liquidity, short-term borrowing strategies, and the sequencing of available funds.

Professional Qualifications and Independence Requirements

28. Designation as a Certified Public Accountant or Certified Public Finance Officer is desirable
29. Be an independent Investment Advisor, registered as such with the Securities and Exchange Commission (SEC) or the State of California, and must not act as a broker/dealer.
30. Be independent of any financial institution or securities brokerage firm or shall fully disclose any relationships with such financial institution and/or securities brokerage firm relevant to the firm's relationship with the entity.
31. Have no record of unsatisfactory performance as evidenced by complaints filed with the SEC or any federal or state agency with jurisdiction over the services provided by the firm.

PROPOSAL SUBMITTAL GUIDELINES

The City is requiring all proposals submitted in response to this RFP to follow a specific format. A cover letter guarantee that key personnel, or equally qualified replacements, will be committed to perform the required tasks throughout the duration of the contract. A cost schedule shall be included with the proposal submittal. One electronic copy of the technical qualifications and cost proposal will be required with each submission having been signed by the company official with the power to bind the company in its proposal.

Technical Qualifications and Cost Proposals shall be submitted electronically to calba@malibucity.org, and must be received no later than **4:00 p.m. on Friday, March 20, 2026**. Proposals may be withdrawn prior to the established date and time. No extensions will be granted.

All Technical Qualifications and Cost Proposals will become the property of the City of Malibu and will be made available for public inspection after an award is made or rejected.

TECHNICAL QUALIFICATIONS/COST PROPOSAL FORMAT

The Technical Qualifications shall be organized in the following sections to facilitate review by the City. Consultants shall adhere to the page limit stated below. If additional

information is needed, it may be included in the Appendix. However, due to time constraints, the City may not be able to review the items in the Appendix as thoroughly as Sections a. through f.

Technical Qualifications shall be limited to a total maximum of fifteen (15) double sided pages or thirty (30) single sided pages, all letter size. This total page limit may be split across the Section a through f as deemed appropriate by the consultant. Large format pages, including 11" x 17" pages, will be counted as two (2) pages.

Technical Qualifications shall include the following:

a. Cover Letter/Executive Summary

Provide a cover letter/executive summary emphasizing the strong points of the project team, qualifications, and experience. The cover letter/executive summary shall include the name, address, telephone number, title and signature of the firm's contact person for this proposal, and state that the submittal is valid for 150 days. The cover letter constitutes certification by the consultant, under penalty of perjury, that the consultant complies with nondiscrimination requirements of the State and the Federal Government. The cover letter/executive summary shall also include a statement by the consultant informing the City whether or not they have any exceptions with the City's terms and contract conditions stated in this RFP, including, but not limited to, insurance and the Agreement for Professional Services, and stating that only those exceptions noted in the consultant's proposal will be subject to discussion and negotiation with the City. The cover letter/executive summary shall be signed by a person with the official authority to bind the company. An unsigned proposal or one signed by an individual unauthorized to bind the consultant may be rejected.

b. Experience of Firm(s) and Individuals

Provide a summary of the company's qualifications, credentials and related past experience. List up to five (5) experiences consistent with the Preliminary Scope of Work. Preferably with public agencies. The references should include the start date of the project and the date of completion for each project.

Include summary descriptions of the company's (or companies') and individuals' applicable experience, and resumes detailing their experience with the scope above. Detailed resumes highlighting experience pertinent to this project should be provided in an Appendix. These resumes will not be counted in the page limit.

c. Team Organization

Provide an organization chart of your team. Describe its organization, and the responsibilities and level of commitment of individuals within the team. Identify team's "key" personnel members. Describe why each team member is proposed for their respective positions or roles on the team. Identify who will be the Project Manager responsible for services requested and interaction with City staff. Provide the availability (in percentage) of each key personnel that will be assigned to this contract.

d. Project Understanding and Approach/Methodology

Prepare a summary description of how the consultant will address the Scope of Work presented above. Briefly describe your firm's investment management philosophy, including your approach to managing governmental portfolios.

e. Conflict of Interest

The Consultant shall disclose any financial, business, or other relationships with the City that may have an impact on the outcome of this contract. The Consultant shall also list current clients who may have a financial interest in the outcome of this contract.

f. Exceptions

This section shall discuss any exceptions or requested changes that Proposer has to the City's RFQ/P conditions, requirements, and sample contract. If there are no exceptions noted, it is assumed the Proposer will accept all conditions and requirements identified in the "Agreement for Professional Services" (attachment 2). Items not excepted will not be open to later negotiation.

g. Cost Proposal

Describe in detail the fee structure you propose for providing engagement services. The cost proposal is considered a criteria once the final recommendation has been made, but is not the sole factor in the selection process. The cost proposal shall contain the following:

- The cost proposal shall be submitted for the consultant services outlined in the scope of work.
- The proposed cost budget should present the names and associated billing rates of the proposed staff for each work task described in the consultant's proposal, as well as other direct costs.

- The total proposed budget should include the consultant's assumptions regarding billing rate increases over the assumed duration of services.

h. References

Provide at least three (3) references including the name of contact, affiliation, address, direct telephone number and email address which the City can contact. References may be added to the appendix.

Selection Procedure

The following is an outline of the procedure the City will use in the selection process:

- a. A Selection Committee is formed comprising of City personnel, City Council Administration and Finance Subcommittee, and, if the City chooses other agency personnel.
- b. City Personnel reviews and evaluates the proposals submitted by the prospective consultants to determine minimum eligibility.
- c. City Personnel determines which of the prospective consultants will be invited to the oral interview process.
- d. The City Council Administration and Finance Subcommittee evaluates and ranks the firms based on the oral interview and completeness of the proposal and makes a final recommendation to the City Council.
- e. Negotiations will take place with the primary firm on the final scope of work, contract, and proposal price.
- f. The City Council reviews and approves of an agreement.

1. Evaluation Criteria

The City will be the sole determiner of suitability for the project and City's needs. The proposals will be rated according to their completeness and understanding of the project's scope, conformance to the requirements, prior experience with the similar scope of work, and delivery. The proposals will be reviewed by the Selection Committee to determine if they meet the RFP requirements, Failure to meet the requirements of the RFP may be cause for rejection of a proposal. The Selection Committee will make a recommendation of the Contractor for a contract to be awarded by the City Council. The City reserves the right to reject any or all submittals and to determine which proposal is, in the City judgment, the most responsive. The Selection Committee will evaluate, rate, and rank the proposals based on the following criteria:

CRITERIA	SUGGESTED POINTS
Understanding of project, scope of work and completeness of proposal	30
Qualifications, experience, and certification of the project manager assigned to the project	30
Experience of the firm in managing state/local government portfolios.	10
Interview	10
References from similar past and current projects	10
Cost	10

2. Time Schedule

The dates below are subject to change at the City’s discretion.

• Solicit for Proposals	February 19, 2026
• Last Day to Submit Questions	March 13, 2026
• Last Day for City to Respond to Questions	March 17, 2026
• Proposal Deadline	March 20, 2026 at 4:00 PM
• Complete Review, Rank Proposals	TBD
• Oral Interviews (if recommended)	April
• Negotiate Agreement	Early May
• Award of Contract	June (to start July 1, 2026)

SUBMITTAL DEADLINE

All Proposals are due no later than **4:00 p.m. on Friday, March 20, 2026**. Response Preparations: No reimbursement will be made by the City for costs incurred in the preparation of the response to this Request for Proposals. Submitted materials will not be returned and become the property of the City of Malibu. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal unless clearly and specifically noted in the proposal submitted and confirmed in the agreement between the City of Malibu and the firm selected. The City of Malibu reserves the right without prejudice to reject any or all proposals. The City reserves the right to select consultants without interviews however, shortlisted firms *may* be invited to meet

with the selection committee. The presentation portion of the interview will be limited to no more than 10 minutes, with up to another 20 minutes set aside for questions and answers. The presenters must include the personnel who will be engaged in the project.

TERM OF CONTRACT

The term of any agreement is expected to begin July 1, 2026, and continue for two (2) years with the possibility to extend as needed.

COMMUNICATION

In order to create a fair and orderly process, during the RFP process (commencing as of the date of this RFP and continuing until selection of a firm or cancellation of this RFP), no employee, member or agent of any proposing firm shall have any ex parte communications regarding this RFP with any City Official, its advisors or any of its contractors or consultants involved with the solicitation process, except for communications expressly permitted by this RFP. Any proposing firm engaging in such prohibited communications may be disqualified at the sole discretion of the City.

PROPOSAL PROCEDURE

Clarifications: The City will respond to requests for clarification to the RFP in written Addendum(s) as needed. Inquiries should be directed by email only to calba@malibucity.org. No verbal requests will be accepted. All requests for clarification must be received by 4:00 p.m. on Friday, March 13, 2026.

Proposal Deadline: Submit a digital copy of the complete proposal to:

calba@malibucity.org
Cynthia Alba
Senior Management Analyst
City of Malibu
City Manager's Office

RESOLUTION NO. 21-19

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MALIBU
 RESCINDING RESOLUTION NOS. 07-01, 13-12, AND 14-17 AND
 APPROVING THE CITY OF MALIBU INVESTMENT POLICY

The City Council of the City of Malibu does hereby find, order and resolve as follows:

SECTION 1. Section 53646 of the Government Code of the State of California requires the City of Malibu to adopt an investment policy.

SECTION 2. On January 8, 2007, the City Council adopted Resolution No. 07-01 approving the City of Malibu's Investment Policy.

SECTION 3. On April 22, 2013, the City Council adopted Resolution No. 13-12 approving a revision of the Investment Policy.

SECTION 4. On May 12, 2014, the City Council adopted Resolution No. 14-17 approving further revisions to the Investment Policy.

SECTION 5. Since May 12, 2014, changes to the City of Malibu Investment Policy are needed.

SECTION 6. Resolution Nos. 07-01, 13-12, and 14-17 are hereby rescinded.

SECTION 7. The City Council hereby approves the City of Malibu Investment Policy, hereby attached as Exhibit A.

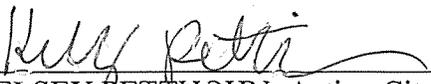
SECTION 8. This resolution shall become effective on April 26, 2021.

SECTION 9. The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

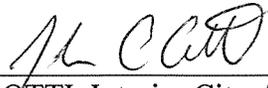
PASSED, APPROVED AND ADOPTED this 26th day of April 2021.


 PAUL GRISANTI, Mayor

ATTEST:


 KELSEY PETTIJOHN, Acting City Clerk
 (seal)

APPROVED AS TO FORM:


 JOHN COTTI, Interim City Attorney

I CERTIFY THAT THE FOREGOING RESOLUTION NO. 21-19 was passed and adopted by the City Council of the City of Malibu at the Regular meeting thereof held on the 26th day of April 2021 by the following vote:

AYES: 5 Councilmembers: Farrer, Pierson, Uhring, Silverstein, Grisanti
NOES: 0
ABSTAIN: 0
ABSENT: 0



KELSEY PETTIJOHN, Acting City Clerk
(seal)

Exhibit A

I. POLICY STATEMENT

This policy establishes the limits within which the City's Investment Program shall be conducted. Investment goals and objectives are defined. Qualified investment instrumentalities and reporting requirements are identified. Authority, accountability, audit control and procedures governing the investment program are delineated.

The investment policies and practices of the City of Malibu are based upon state law, city ordinance and prudent treasury management.

II. SCOPE

This Investment Policy applies to all funds under the control of the Investment Officer, unless there exists express prohibitions against the investment of such funds. These funds are accounted for in the City of Malibu's Comprehensive Annual Financial Report and include the general fund, special revenue funds, internal service funds, capital improvement funds, trust funds, any new fund created from proceeds of bond sales in the custody of the Investment Officer or any other funds under his/her control. This policy does not apply to the employees' deferred compensation funds, the Public Employee Retirement System (CalPERS) funds or the Public Agency Retirement Service funds (PARS), which are administered separately.

III. PRUDENCE

Pursuant to California Government Code Section 53606.3 as amended, the City Council and all people authorized to make investment decisions on behalf of the City are trustees of the public funds and therefore fiduciaries subject to the following prudent investor standard:

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The Investment Officer and other individuals who are assigned to manage the investment portfolio will be relieved of personal responsibility as individual security's credit risk or market price changes, provided that they are acting in accordance with the City's Investment Policy and in reasonable reliance on existing California statutes and have properly exercised due diligence, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

IV. INVESTMENT OBJECTIVES

The City invests in full compliance with all governing laws and its own investment policy adopted by the City Council. It ensures that all investments are safe by preserving the principal of the investment. It seeks to maximize the amount of cash on hand, which is invested, but only after assuring adequate liquidity (accessible cash or other readily marketable assets), which allows the City to properly satisfy its short-term liabilities when they are due.

The criteria for selecting investments by order of priority shall be:

1. **Safety:** Safety of principal is the City of Malibu's foremost objective. Investments shall seek to ensure that capital losses resulting from institution default, broker-dealer default or the erosion of market value are avoided. The City of Malibu shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.
 - a. Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in only the highest quality securities (see Section XII Authorized and Suitable Investments) and by diversifying the investment portfolio so that the failure of any one issuer would not unduly harm the City's cash flow.
 - b. Market risk, defined as the risk of market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by structuring the portfolio to eliminate the need to sell securities prior to maturity and by prohibiting the taking of short positions, that is, selling securities that the City does not own. It is explicitly recognized, however, that in a diversified portfolio, occasional measured losses may occur and must be considered within the context of overall investment return.
2. **Liquidity:** The portfolio will be structured with sufficient liquidity to allow the City to meet expected cash requirements. It is the City's objective to maintain at least 50 percent of the General Fund operating budget in short-term securities of one year or less (see Section XIII Maturity Goals).
3. **Yield:** In a manner consistent with the objectives of safety of principal and liquidity uppermost, a yield higher than the market rate of return shall be sought.
4. **Cash Obligation:** It shall be the policy of the City that all idle funds shall be invested consistent with providing adequate cash to meet the City's obligation.

V. INVESTMENT COMMITTEE

The City Manager, City Treasurer, Assistant City Manager and the Administration and Finance Subcommittee of the City Council shall serve as the Investment Committee. This committee will meet as needed to review the City's investments and related policies.

VI. REQUIRED REPORTING

The following report shall be provided to the City Council:

1. A quarterly investment report (as required by Government Code Section 53601 which will include the type of investment, issuer, date of maturity, par and dollar amount invested and market value for each security held by the City. The report shall state the source of the market value valuation and include a statement denoting the ability to meet the City's expected expenditure requirements for the next six months. This report shall be issued in coordination with the quarterly financial reports to the City Council.

VII. AUTHORIZED FINANCIAL INSTITUTIONS AND BROKER/DEALERS

- A. General criteria for the selection of financial institutions and broker/dealers have been developed by the City Manager and are contained herein.
- B. Selection of financial institutions and broker/dealers shall be performed by authorized City staff under direction of the Investment Committee. Every three to five years, the City will distribute a Broker/Dealer Questionnaire to interested and known financial institutions and broker/dealers. The Investment Officer will maintain a list of qualified broker/dealers authorized to provide investment service to the City of Malibu. Qualified broker/dealers selected to do business with the City shall submit annually a current audited financial statement. After the adoption of the City's Investment Policy by the City Council, a copy shall be sent to all broker/dealers approved to do business with the City. Confirmation of receipt of this policy shall be considered evidence that the dealer understands the City's investment policies and intends to sell the City only appropriate investments authorized by this investment policy.
- C. Selection of specific institutions in which City funds may be invested shall be performed by the Investment Officer and reviewed by the City Investment Committee.

VIII. SAFEKEEPING AND CUSTODY

To protect against potential losses by the collapse of individual securities dealers, all securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of a custody agreement executed by the bank and the City. All securities will be received and delivered using standard delivery versus payment procedures.

IX. ACCOUNTABILITY AND AUTHORITY

The Malibu Municipal Code vests authority for and control of investments to the City Treasurer. In the event that the office of the City Treasurer is vacant, the City Manager assumes the responsibilities of the City Treasurer. Daily management responsibility of the investment program may be delegated to other qualified employees of the City, who shall follow procedures for operation consistent with the investment policy.

X. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program or impairs their ability to make impartial investment decisions. Additionally, the Investment Officer is required to annually file a Statement of Economic Interest as mandated by Government Code Section 91013.

XI. INTERNAL CONTROL

The Investment Officer shall establish procedures for controlling daily investment transactions and monthly reconciliations of accounts. The investment portfolio and all related transactions are balanced to appropriate general ledger accounts by the Administrative Services Department on a monthly basis. Such procedures and controls shall be subject to review and comments by the City's independent auditor.

XII. AUTHORIZED AND SUITABLE INVESTMENTS

A. Qualifying Investment Instruments Policy:

1. The following instruments are generally approved as qualifying investment instruments for City funds:
 - a. Local Agency Investment Fund (LAIF) of the State of California
 - b. Obligations of the U.S. Government, its agencies and instrumentalities
 - c. Certificates of deposit with banks and savings and loans doing business in the State of California
 - d. Prime Banker's Acceptances
 - e. Prime Commercial Paper
 - f. Municipal Bonds of governmental agencies in the State of California rated AAA or AA. This shall include cities, counties, universities, community colleges and school districts
 - g. Repurchase Agreements and Money Market Funds whose underlying collateral consists of the foregoing. (The City may invest in repurchase agreements with which the City has entered into a master repurchase contract, which specifies terms and conditions of repurchase agreements.)
 - h. Pools and other investments structures incorporating investments listed in a. through f.

B. Diversions by Type of Investment:

The City is governed by California Government Code, Sections 53600 et seq. It shall be the policy of the City that investments shall be diversified with respect to the type of investment instruments used. Within the context of these limitations, the following investments are generally approved as qualifying investment instruments for City funds, as further limited herein:

1. Local Agency Investment Fund. The City may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer for the benefit of local agencies up to the maximum amount permitted by State Law. It shall be the goal of the City of Malibu to maintain a minimum balance of 50 percent of the General Fund operating budget in LAIF or other short-term securities of one year or less.
2. United States Treasury Bills, Bonds and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no limitation as to the percentage of the portfolio which can be invested in this category.
3. Obligation issued by the United States Government Agencies, such as the Federal Farm Credit Bank System (FFCB) and the Federal Home Loan Bank Board (FHLB).
4. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 20 percent of the market value of the portfolio. No more than 10 percent of the market value of the portfolio may be invested in banker's acceptances issued by any one bank.
5. Commercial paper ranked P1 by Moody's Investor Services and A1 by Standard and Poor's and issued by a domestic corporation having assets in excess of \$500 million and having an A or better rating on its long-term debentures as provided by Moody's or Standard and Poor's. Purchases of eligible commercial paper may not exceed 15 percent of the market value of the portfolio. No more than 5 percent of the market value of the portfolio may be invested in commercial paper issued by any one corporation.
6. Money market funds are limited to 20 percent of the market value of the portfolio. The funds must be rated in the highest category of Moody's or Standard and Poor's, or must be administered by a domestic bank with long-term debt rated in one of the top two categories of Moody's or Standard and Poor's. A thorough investigation of any money market fund or investment pool is required prior to investing, as well as on an ongoing basis. The following information should be obtained and analyzed:
 - a. A description of eligible investment securities
 - b. A written statement of investment policies and objectives
 - c. A description of interest calculations and their distribution, and the treatment of gains and losses
 - d. A description of how the securities are safeguarded and how often the securities are priced and the program audited
 - e. Information about the size and frequency of deposits and withdrawals allowed and how much notice is needed for withdrawals

- f. A schedule for receiving statements and portfolio listings
- g. A fee schedule, as well as how and when the fees are assessed
- h. The rating of the pool/fund
- i. Information about investment advisors, including registration with the Securities and Exchange Commission, length of experience and total assets under management

C. Ineligible Investments.

Investments not described herein, including, but not limited to common stocks and corporate bonds, are prohibited from use in this portfolio. Investments which exceed five years in maturity require authorization by the City Council prior to purchase. Further, any investments that are in the form of inverse floaters, range notes or mortgage-derived interest-only strips are prohibited.

D. Diversification by Institution.

1. Not more than \$100,000 shall be placed in any qualifying institution unless collateralized in accordance with this policy.
2. All certificates of deposit investments shall be collateralized by government securities with a market value of 110 percent of the City's investment or mortgages in value equal to 150 percent of the City's investments. Each investment institution must meet specific financial criteria as determined by the City Treasurer.
3. With the exception of LAIF, in no event may any institution have City investments exceeding \$5,000,000 without approval of the Investment Committee. This restriction shall not apply for periods of seven days or less when the City is receiving substantial funds (e.g., proceeds of bond sales) or is consolidating funds for a major transaction.

E. Collateralization

1. An independent third party with whom the City has a current custodial agreement must always hold collateral.
2. State law regarding collateralization of deposits of public funds requires that securities be held by an agent (i.e. a trust company) of the bank, which may include the bank's trust department only if acceptable to both the bank and the Treasurer, pursuant to California Government Code Section 53656 and 53658. Under the provision of California Government Code Section 53652, banks are required to secure the deposits of public funds, including certificates of deposits, by: a) pledging government securities with a value of 110 percent of the principal and accrued interest; b) pledging first trust deed mortgage notes having a value 150 percent of the total agency deposit; or c) a letter of credit drawn on the Federal

Home Loan Bank of 105 percent of the total agency deposit. Deposits must be secured at all times with eligible securities pursuant to Section 53651.

3. Collateralization of repurchase agreements must be at least 102 percent of the market value of principal and accrued interest. Collateral must consist of U.S. Treasury obligations or U.S. Agency obligations. Other specific requirements on repurchase agreements must be addressed in a master repurchase agreement by the City and the financial institution or broker/dealer.

XIII. MATURITY GOALS

- A. Subject to the availability of funds short-term investments (maturity of one year or less) of the City shall not be less than 50 percent of the General Fund's annual operating budget of the City.
- B. The percentage of the City's portfolio that may be invested intermediate- term (maturity term over one year and not greater than five years) shall be determined by the Investment Officer based on cash requirements.
- C. Long-term investments (over five years to maturity date) shall be made only after review and approval by the City Council. Accordingly, no fixed percentage of the City's portfolio is designated for long-term investments.
- D. Additional and/or clarifying maturity guidelines shall be adopted from time to time as devised by the Investment Officer and reviewed by the Investment Committee.

XIV. POLICY REVIEW

This Investment Policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity, yield and its relevance to current law and financial and economic trends. If changes are made, the City of Malibu's Investment Policy must be approved by the City Council.

XV. INVESTMENT PROCEDURES

The Investment Officer shall establish written investment policy procedures for the day-to-day operations of the investment program consistent with this policy. The procedures should include reference to cash balancing, safekeeping, wire transfer agreements, collateral/depository agreements and the selection process for financial institutions and broker/dealers. The procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Investment Officer.

XVI. INVESTMENT STRATEGY AND PERFORMANCE STANDARDS

The City shall maintain a laddered portfolio of various maturity dates ranging from 30 days to 5 years and the investment strategy will generally be passive (buy and hold). Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the City's portfolio

investment duration. Given the liquidity objective and the portfolio duration, the 2-year U.S. Treasury Note shall be the City's selected benchmark.

GLOSSARY OF TERMS

Agencies - Agencies of the Federal government set up to supply credit to various classes of institutions (e.g., S&Ls, small business firms, students, farmers, housing agencies, etc.)

Asked - The price at which securities are offered

Bankers Acceptance (BA) - A draft, bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Benchmark - A comparative base for measuring the performance or risk tolerance of the investment portfolio. A benchmark should represent a close correlation to the level of risk and the average duration of the portfolio's investments.

Bid - Price a prospective buyer is ready to pay

Brokered CD - A Certificate of Deposit account established at an insured bank by an agent or broker that represents the deposits of one or multiple investors

Broker/Dealer - Individual or firm acting as principal in securities transactions

Callables - Securities that the issuer has the right to redeem prior to maturity

Certificates of Deposit (CD) - A time deposit with a specific maturity evidenced by a certificate

Collateral - Securities pledged to secure repayment of a loan

Comprehensive Annual Financial Report (CAFR) - An official annual financial report. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance-related legal and contractual provisions, extensive introductory material and a detailed statistical section.

Coupon - a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value; and b) A certificate attached to a bond evidencing interest due on a payment date.

Custody - A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement, which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Debenture - A bond secured only by the general credit of the issuer

Delivery vs. Payment - There are two methods of delivery of securities: Delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with a simultaneous exchange of money. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

Derivatives - a) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor; b) Financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities)

Discount - The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

Discount Securities - Non-interest bearing money market instruments that are issued a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills

Diversification - Dividing investment funds among a variety of securities offering independent returns

Federal Credit Agencies - Agencies of the Federal government set up to supply credit to various classes on institutions and individuals, e.g., S&Ls, small business firms, students, farmers, farm cooperatives and exporters

Federal Deposit Insurance Corporation (FDIC) - A federal agency that insures bank deposits. The basic FDIC insurance amount is \$250,000 per depositor, per bank, per ownership category. Deposits held in different ownership categories, such as single, joint, trust, and retirement, are separately insured, when the requirements for each ownership category are met, even if held at the same bank.

Federal Funds Rate - The rate of interest associated with borrowing a federal reserve bank's excess reserves. This rate is currently pegged by the Federal Reserve through open-market operations.

Federal Home Loan Banks (FHLB) – Government-sponsored wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, draft institutions, credit unions and insurance companies. The mission of FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district bank.

Intermediate Maturity- Investment period greater than one year but less than five years and one day.

Investment Officer - The Investment Officer shall be the City Treasurer or, in his/her absence, the City Manager (see Section IX).

Liquidity - The ability to turn an asset into cash. The ability to buy or sell an asset quickly and in

large volume without substantially affecting the asset's price.

Long-Term Maturity- Investment period greater than five years.

Market Value - The price at which a security is trading, usually the liquidation value.

Master Repurchase Agreement - A written contract covering all future transactions between the parties to repurchase reverse repurchase agreements that establish each party's rights in the transactions. A master repurchase agreement will often specify the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity - The date upon which the principal or stated value of an investment becomes due and payable.

Money Market - The market in which short-term debt instruments (e.g. Treasury bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

Offer - The price at which someone who owns a security offers to sell it; also known as the asked price.

Qualified Investment - An investment instrument which is approved by this policy or pursuant to procedures set forth in this policy.

Safety- The ability of a security issuer to guarantee redemption of their security.

Treasury Bills -A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

Treasury Bonds - Medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities of more than 10 years.

Treasury Notes - Medium-term coupon bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.

Yield- Percentage rate of interest received versus the purchase price of the instrument if held to maturity.

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of [date] by and between the City of Malibu (hereinafter referred to as the "City"), and _____ (hereinafter referred to as "Consultant").

The City and the Consultant agree as follows:

RECITALS

A. The City does not have the personnel able and/or available to perform the services required under this Agreement.

B. The City desires to contract out for consulting services for certain projects relating
_____.

C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.

D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, the City and the Consultant agree as follows:

1.0 SCOPE OF THE CONSULTANT'S SERVICES. The Consultant agrees to provide the services and perform the tasks set forth in the Scope of Work, attached to and made part of this Agreement, except that, to the extent that any provision in Exhibit A conflicts with this Agreement, the provisions of this Agreement govern. The Scope of Work may be amended from time to time by way of a written directive from the City.

2.0 TERM OF AGREEMENT. This Agreement will become effective on [date], and will remain in effect for a period of ____ years from said date unless otherwise expressly extended and agreed to by both parties or terminated by either party as provided herein.

3.0 CITY AGENT. The City Manager, or his or her designee, for the purposes of this Agreement, is the agent for the City; whenever approval or authorization is required, Consultant understands that the City Manager, or his or her designee, has the authority to provide that approval or authorization.

4.0 COMPENSATION FOR SERVICES. The City shall pay the Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with the Scope of Work's fee and cost schedule. The cost of services shall not exceed \$ _____ per month, for a total amount not to exceed an annual cost of \$ _____ for the term of the agreement. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager, or his or her designee.

4.1 The Consultant shall submit to the City, by no later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

5.0 CONFLICT OF INTEREST. The Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Consultant under this Agreement. The Consultant further represents that in performance of this Agreement, no person having any such interest shall be employed by it.

5.1 The Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this contract, the Consultant shall not offer, encourage or accept any financial interest in the Consultant's business by any City employee or official.

5.2 If a portion of the Consultant's services called for under this Agreement shall ultimately be paid for by reimbursement from and through an agreement with a developer of any land within the City or with a City franchisee, the Consultant warrants that it has not performed any work for such developer/franchisee within the last 12 months, and shall not negotiate, offer or accept any contract or request to perform services for that identified developer/franchisee during the term of this Agreement.

6.0 GENERAL TERMS AND CONDITIONS.

6.1 Termination. Either the City Manager or the Consultant may terminate this Agreement, without cause, by giving the other party ten (10) days written notice of such termination and the effective date thereof.

6.1.1 In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of the Consultant under this Agreement shall be returned to the City. If the City terminates this Agreement without cause, the Consultant shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Consultant terminates this Agreement without cause, the Consultant shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Consultant or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Consultant or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Consultant or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Consultant shall be entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Consultants shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

6.2 Non-Assignability. The Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

6.3 Non-Discrimination. The Consultant shall not discriminate as to race, creed, gender, color, national origin, or sexual orientation in the performance of its services and duties pursuant to this Agreement, and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

6.4 Insurance. The Consultant shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement. Consultant further agrees to comply with all provisions in the attached Exhibit B which is incorporated herein.

6.5 Indemnification.

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless City and any and all of its officials, employees, agents, and/or volunteers (“Indemnified Parties”) from and against any and all losses, liabilities, damages, costs, and expenses, including attorney’s fees and costs, caused in whole or in part by the negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of services under this Agreement. Consultant’s duty to indemnify and hold harmless City shall not extend to the City’s sole or active negligence or willful misconduct.

6.5.1. Duty to defend:

In the event the Indemnified Parties, individually or collectively, are made a party to any action, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall defend the Indemnified Parties at Consultant’s cost or at City’s option, to reimburse City for its costs of defense, including reasonable attorney’s fees and costs incurred in the defense of such matters to the extent the matters arise from, relate to or are caused by Consultant’s negligent acts, errors or omissions. Payment by City is not a condition precedent to enforcement of this provision. In the event of any dispute between Consultant and City, as to whether liability arises from the sole or active negligence or willful misconduct of the City or its officers, employees, or agents, Consultant will be obligated to pay for City’s defense until such time as a final judgment has been entered adjudicating the Indemnified Parties as solely or actively negligent or to have acted with willful misconduct. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney’s fees, expert fees, and costs of litigation.

6.6 Compliance with Applicable Law. The Consultant and the City shall comply with all applicable laws, ordinances, and codes of the federal, state, county, and city governments, including, without limitation, Malibu Municipal Code Chapter 5.36 Minimum Wage.

6.7 Independent Contractor. This Agreement is by and between the City and the Consultant and is not intended, and shall not be construed, to create the relationship of agency, servant, employee, partnership, joint venture, or association, as between the City and the

Consultant.

6.7.1. The Consultant shall be an independent contractor and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Consultant, or any of the Consultant's employees, except as herein set forth, and the Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Consultant is and shall at all times remain to the City a wholly independent contractor and the Consultant's obligations to the City are solely such as are prescribed by this Agreement.

6.8 Copyright. No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant.

6.9 Legal Construction.

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced, and governed under the laws of the State of California.

(b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

(c) The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

(d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

6.10 Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an agreement which shall be binding upon all parties hereto.

6.11 Final Payment Acceptance Constitutes Release. The acceptance by the Consultant of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Consultant for anything done, furnished or relating to the Consultant's work or services. Acceptance of payment shall be any negotiation of the City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Consultant, its employees, sub-consultants and agents for the accuracy and competency of the information

provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

6.12 Corrections. In addition to the above indemnification obligations, the Consultant shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Consultant's report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the City, and the cost thereof shall be charged to the Consultant.

6.13 Files. All files of the Consultant pertaining to the City shall be and remain the property of the City. The Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

6.14 Waiver; Remedies Cumulative. Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

6.15 Mitigation of Damages. In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

6.16 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

6.17 Attorneys' Fees. The parties hereto acknowledge and agree that each will bear his/her or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

6.18 Entire Agreement. This Agreement constitutes the whole agreement between the City and the Consultant, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or

modifications to this Agreement must be made in writing appropriately executed by both the City and the Consultant.

6.19 Notices. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

CITY: Joseph D. Toney
Acting City Manager
City of Malibu
23825 Stuart Ranch Road
Malibu, CA 90265-4861
TEL (310) 456-2489 x 226
FAX (310) 456-2760

CONSULTANT:

6.20 Warranty of Authorized Signatories and Acceptance of Facsimile or Electronic Signatures. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered physically or by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.

7.0 GENERAL TERMS AND CONDITIONS. (City and Consultant initials required at EITHER 7.1 or 7.2)

7.1 Disclosure Required. By their respective initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is a “consultant” for the purposes of the California Political Reform Act because Consultant’s duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18700.3(a) or otherwise serves in a staff capacity for which disclosure would otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City’s Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City’s Manager shall prepare and deliver to consultant a memorandum detailing the extent of Consultant’s disclosure obligations in accordance with the City’s Conflict of Interest Code.

City Initials _____

Consultant Initials _____

7.2 Disclosure not Required. By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a “consultant” for the purpose of the California Political Reform Act because Consultant’s duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation

18700.3(a) and is otherwise not serving in staff capacity in accordance with the City's Conflict of Interest Code.

City Initials _____

Consultant Initials _____

This Agreement is executed on _____, at Malibu, California, and effective as of *[date]*.

CONSULTANT:

By:

CITY OF MALIBU:

JOSEPH D. TONEY, Acting City Manager

ATTEST:

KELSEY PETTIJOHN, City Clerk
(seal)

APPROVED AS TO FORM:

TREVOR RUSIN, Interim City Attorney

**EXHIBIT A
SCOPE OF WORK**

EXHIBIT B INSURANCE LANGUAGE

Without limiting Consultant's indemnification of City, and prior to commencement of work and/or services under this Agreement, Consultant shall obtain, provide, and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General Liability Insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile Liability Insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned, or rented vehicles, in an amount not less than 1,000,000 combined single limit for each accident.

Professional Liability (Errors & Omissions) Insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

[Note: May need to delete workers' compensation and employer's liability insurance requirements for certain sole proprietorships, partnerships, or corporations without employees.]

Workers' Compensation Insurance. Consultant shall maintain Workers' Compensation Insurance (statutory limits) and Employer's Liability insurance (with limits of at least \$1,000,000).

Consultant shall submit to Agency, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

[Note: If the required limits for general liability, auto, and employer's liability are \$1 million or less, the following paragraph may be omitted.]

Umbrella or Excess Liability Insurance. [If required to meet higher limits.]. Consultant shall obtain and maintain an umbrella liability insurance policy with limits that will provide bodily injury, personal injury, and property damage liability coverage, including commercial general liability, automobile liability, and employer's liability. Such policy or policies shall include the following terms and conditions:

- A drop-down feature requiring the policy to respond if any primary insurance that would otherwise have applied proves to be uncollectible in whole or in part for any reason, other than bankruptcy or insolvency of said primary insurer;
- “Pay on behalf of” wording as opposed to “reimbursement”;
- Concurrency of effective dates with primary policies.

Should Consultant obtain and maintain an excess liability policy, such policy shall be excess over commercial general liability, automobile liability, and employer’s liability policies. Such policy or policies shall include wording that the excess liability policy follows the terms and conditions of the underlying policies.

OTHER PROVISIONS OR REQUIREMENTS

Proof of Insurance. Consultant shall provide certificates of insurance and required endorsements to City as evidence of the insurance coverage required herein. Insurance certificates and endorsements must be approved by City’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City for the contract period and any additional length of time required thereafter. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of Coverage. Consultant shall procure and maintain for the contract period, and any additional length of time required thereafter, insurance against claims for injuries to persons or damages to property, or financial loss which may arise from or in connection with the performance of the Work hereunder by Consultant, their agents, representatives, employees, or subconsultants.

Primary/Noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City’s own insurance or self- insurance shall be called upon to protect it as a named insured.

City’s Rights of Enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance or is on the List of Approved Surplus Line Insurers in the State of California, with an assigned policyholders’ Rating of A- (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best’s Key Rating Guide, unless otherwise approved by the City’s Risk Manager.

Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of Contract Provisions (Non Estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of Cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide the City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage. If any of the Consultant's insurers are unwilling to provide such notice, then Consultant shall have the responsibility of notifying the City immediately in the event of Consultant's failure to renew any of the required insurance coverages, or insurer's cancellation or non-renewal.

Additional Insured Status. General liability, automobile liability, and umbrella/excess liability insurance policies shall provide or be endorsed to provide that City and its officers, officials, employees, agents, and volunteers shall be additional insureds under such policies.

Prohibition Of Undisclosed Coverage Limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests' provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party who is brought onto or involved in the project/service by Consultant (hereinafter collectively "Subcontractor"), provide the same minimum insurance coverage and endorsements required of Consultant under this Agreement. Consultant agrees to monitor and review all such

coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. However, in the event Consultant's Subcontractor cannot comply with this requirement, which proof must be submitted to the City, Consultant may still be able to utilize the Subcontractor provided Consultant shall be required to ensure that its Subcontractor provide and maintain insurance coverage and endorsements sufficient to the specific risk of exposure involved with Subcontractor's scope of work and services, with limits less than required of the Consultant, but in all other terms consistent with the Consultant's requirements under this Agreement. This provision does not relieve the Consultant of its contractual obligations under the Agreement and/or limit its liability to the amount of insurance coverage provided by its subcontractors. This provision is intended solely to provide Consultant with the ability to utilize a Subcontractor who may be otherwise qualified to perform the work or services but may not carry the same insurance limits as required of the Consultant under this Agreement given the limited scope of work or services provided by the subcontractor. Consultant agrees that upon request, all agreements with Subcontractors, and others engaged in the project and/or services, will be submitted to City for review.

City's Right to Revise Specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days' advance written notice of such change. If such a change results in substantial additional costs to the Consultant, the City and Consultant may renegotiate the Consultant's compensation.

Self-Insured Retentions. Any self-insured retentions must be declared to and approved by the City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible, or require proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention through confirmation from the underwriter.

Timely Notice Of Claims. Consultant shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional Insurance. The consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.