



City of  
**PACIFIC GROVE**

**REQUEST FOR PROPOSALS FOR  
PROFESSIONAL SERVICES**

to

**CONDUCT ENVIRONMENTAL REVIEW**

for the

**THE PACIFIC GROVE 6<sup>TH</sup>**

**CYCLE HOUSING ELEMENT / 2023-2031 and  
ASSOCIATED GENERAL PLAN ELEMENTS**

RFP Issued	Friday, April 15, 2022
Pre-Bid Conference Call & Question Submittal	Wednesday, May 4 at 2:00 pm
Posting of Answers from Pre-Bid Conference	Wednesday, May 11 at 11:00 am
Final Submittal	May 27 <sup>th</sup> at 4:00 pm
Consultant Interviews (if needed)	June 8 <sup>th</sup> , time TBD
City Council Authorization of Contract	July 2022
Contract Execution/Kick-Off Meeting	August 1, 2022

CONTACT: Anastacia Wyatt, Sr. Housing Program Manager  
[awyatt@cityofpacificgrove.org](mailto:awyatt@cityofpacificgrove.org)  
(831) 648-3182

PROPOSALS: Please see Section IV for the proposal submission and format requirements.  
Proposals can be submitted via email to:

Anastacia Wyatt, Sr. Housing Program Manager  
City of Pacific Grove  
300 Forest Ave., Pacific Grove, CA 93950  
[awyatt@cityofpacificgrove.org](mailto:awyatt@cityofpacificgrove.org)  
(831) 648-3182

## I. OVERVIEW

The City of Pacific Grove invites your firm to submit a proposal for the preparation and filing of documents necessary to meet the requirements of the California Environmental Quality Act (CEQA) for the City's 6<sup>th</sup> Cycle Housing Element Update and any resulting zoning and General Plan Element updates and modifications to accommodate the City's anticipated Regional Housing Needs Allocation (RHNA). As is consistent with CEQA, the environmental review will generally analyze the broad environmental effects of implementing the components in the Housing Element Update, related amendments to other General Plan elements, and updates to implementing tools such as the Zoning Ordinance and Subdivision Ordinance. The environmental review shall consider the maximum build-out allowed by the 6<sup>th</sup> Cycle Housing Element, related General Plan amendments, and related City Code amendments over the course of the 2023-2031 term. The environmental review is to be completed by August 2023 in accordance with the proposed Scope of Services and the sample Consultant Services Agreement (Attached). Also included is an update to the General Plan Elements identified through this process.

## II. INTRODUCTION

Located in Monterey County, on the Monterey Peninsula, the City is surrounded on the north and west by Monterey Bay and the Pacific Ocean, respectively, unincorporated Pebble Beach to the south, the Army Presidio of Monterey Bay (POM) to the southeast, and the City of Monterey to the east. Since its founding in 1875 as a Methodist "Chautauqua" or Retreat, Pacific Grove's "landlocked" setting has influenced its development patterns and significantly affects its potential for new housing and employment today. The City encompasses approximately 3 square miles—much of it developed with mostly single-family residential homes, some multi-family development and 3 main commercial areas. Pacific Grove is regarded within the region as a desirable residential community and is currently comprised of historical buildings and architect-designed, well-maintained single-family, detached residences sited along tree-lined streets, most of which were constructed prior to 1960. The City's proximity to employment centers, coupled with its excellent schools, low crime rate, historic architecture, scenic coastline, and beautiful parks contribute to this image.

The City is almost entirely built-out. Approximately 45 percent of the land is developed with housing of all types and approximately 6.5 percent consists of schools and public facilities. Approximately 5 percent of the City is developed with commercial/light industrial uses and the remaining approximately 44 percent is public parks, beaches, open space, churches, public rights-of-way and miscellaneous uses. The largest employers are the PG Unified School District, the City, and the California State Parks (Asilomar State Park and Conference Grounds).

A key issue in planning for and facilitating the level of growth called for in Pacific Grove's allocation based on the draft RHNA methodology is the continuing moratorium on new water connections for communities served by Cal-Am, including Pacific Grove. Water limitations will need to be considered in the required analysis of constraints on development, with proposed actions for reducing or eliminating the constraints identified. This will be an

important discussion in the element, and with HCD through the review process. However, the current moratorium will not be eliminated or directly addressed through the housing element update.

There are separate processes underway to develop viable strategies for addressing the Peninsula's water issues. Until those strategies are agreed upon and implemented, the City's Housing Element will need to proceed with planning for and implementing zoning and development regulation changes necessary to accommodate Pacific Grove's final RHNA, that is expected to be the current 1,125 units; however, that could change through final negotiations with AMBAG and HCD.

The State's recent legislation creating a streamlined path for the development of accessory dwelling units (ADUs) and junior ADUs (JADUs), combined with the ability for ADUs/JADUs to utilize the same water meter as the primary residence, has resulted in this type of housing being the most developed. Much of the City's land consists of very small parcel sizes reflective of the historic development pattern. This further limits subdivision and larger-scale development. For these and other reasons, the City has retained the scale of its neighborhoods and preserved many of its smaller homes. Although Pacific Grove is considered a small town of single-family residences, it also has a significant number of multi-family units making up approximately 35% of the housing stock, according to the certified 5<sup>th</sup> Cycle Housing Element (HE).

As of the adoption of the last HE in 2016, there were a total of 63 vacant parcels identified. The water meter moratorium is the primary constraint in terms of the development potential of these lands. There were also approximately 2.71 acres of underutilized or "opportunity" lands identified. The City has approximately 85 acres of public parks and facilities that could potentially be utilized, in part or in full for housing, that are currently prohibited by voter-initiative zoning restrictions in place. The City's zoning code includes residential as an allowed use in all commercial zones; however, single-family residential is principally permitted in the multi-family zoning districts. Most recently, given the high-cost of housing, new owners see a higher value on investment in the conversion of existing duplex or triplex properties into large, single-family residences.

## **Housing Element and RHNA**

Under California law every jurisdiction in the State is required to update the Housing Element of its General Plan every eight years to reflect the jurisdiction's Regional Housing Needs Allocation (RHNA) numbers. The update must identify the locations where the RHNA housing allocations might be developed, and the supporting policies and strategies that the jurisdiction has developed to ensure achievement of their RHNA target within the current cycle (Government Code Sections 65580-65589.8). The Monterey area is currently in RHNA Cycle 5, and in the process of planning for RHNA Cycle 6, known as "RHNA 6." The deadline for State certification of the Association of Monterey Bay Area Governments (AMBAG) jurisdictions' Housing Elements is December 2023. In January, 2022 AMBAG approved a draft methodology by which to allocate the region's gross RHNA number of approximately 162,265 (for Monterey County) new units.

The California Department of Housing and Community Development ("HCD") has accepted AMBAG's draft methodology.

Pacific Grove's 6<sup>th</sup> Cycle RHNA includes:

339 very low-income units (0-50% AMI)

221 low-income units (51-79% AMI)

160 moderate-income units (80-119% AMI)

405 above moderate-income units (120% AMI+)

1,125 units TOTAL

To ensure adequate inventory of sites, we anticipate the element update will necessitate modifications to the uses and regulations for each of the effected zones. Respondents should be aware that several of the City of Pacific Grove's zoning districts were enacted through ballot initiative and will require voter approval to modify. For example, the Unclassified or "U" zone is the district in which the majority of municipal and public school properties are located in. These tend to be larger properties with existing water meters that have excess land and some level of underutilized development potential. Currently, the allowed uses in the "U" zone do not include residential. The City Council will be asked to provide direction to staff on whether to pursue a ballot initiative to allow housing and, specifically, affordable housing on these public properties.

The City has engaged the services of Baird+Driskell, a qualified consulting firm, to prepare its 6<sup>th</sup> Cycle Housing Element Update. Additional information on Pacific Grove's background housing initiative work and housing policy development, including the Housing Element Update and its schedule, is provided on the City's Housing [website](#).

### III. SCOPE OF SERVICES

The precise scope of services in the Consultant Services Agreement will be negotiated between the City and the successful proposing consultant. Rather than present in this RFP an all-inclusive scope of services for the consultant to perform, interested firms should develop their own specific scope of work, deliverables and schedule based on the information found in this request, and following the most up-to date industry practices.

Please note that the format and number of documents listed as deliverables in your proposal may need to be modified pursuant to Executive Order N-80-20, signed on September 23, 2020, or any other Executive Order pertaining to certain requirements for filing, noticing, and posting of CEQA documents.

At a minimum, the scope of services will include completion of the CEQA compliance process and required documentation and noticing for the project, pursuant to §16053 of State CEQA Guidelines, which includes preparation of all required notices and environmental impact assessments, any necessary consultations with resource agencies, and identification of applicable permits and approvals required, if any, in concert with the preparation of updated Elements as required by the most recent Office of Planning and Research (OPR) General Plan Guidelines. The selected consultant will also be expected to attend at all CEQA- and General Plan Updated-related meetings, including community

meetings and meetings of the Planning Commission and the City Council.

### **Type of CEQA Document**

An initial study shall be prepared in consultation with other relevant agencies.

Depending on the results of the initial study, an Environmental Impact Report (EIR) will need to be prepared in order to consider the environmental effects of maximum build-out allowed by the 6<sup>th</sup> Cycle Housing Element. The resulting work product will consider the effects related to the City's update of the following documents:

#### **General Plan Elements**

- Housing
- Land Use (including Land Use Map)
- Health and Safety (Safety)
- Transportation (as needed)
- Parks and Recreation (as needed)
- Natural Resources (Conservation) (as needed)
- The preparation of an Environmental Justice Element (if determined to be required)

#### **Related Implementing Tools**

- Zoning Ordinance
- Subdivision Ordinance

### **General Plan Update**

The selected consultant will also prepare updates to the General Plan Elements needed to comply with the measures identified in the Housing Element and OPR's Guidelines.

### **Expedited Timeline**

The State Department of Housing & Community Development ("HCD") has set an estimated deadline of December 2023 for submittal of the City's Housing Element updated for RHNA 6. Prior to this submittal all related updates to the City's General Plan must be approved by the City Council, as well as the related CEQA document. Given the lead time needed for preparation of packets for the Planning Commission and City Council, the CEQA document must be completed no later than **August 2023**. *Missing the State RHNA 6 certification deadline would have significant and severe consequences for the City. The selected consultant must be able to ensure that the CEQA analysis will be completed on time.*

### **Project Coordination Meetings and Project Management.**

The Consultant shall provide effective project management throughout the entire environmental review process to ensure that a quality document is prepared on time and within the budget. In addition, the Consultant shall coordinate with the Baird+Driskell team

preparing the Housing Element Update and participate in periodic project coordination meetings throughout the duration of the document preparation process.

#### IV. PROPOSAL SUBMISSION REQUIREMENTS AND FORMAT

If interested in this RFP, please notify Sr. Housing Program Manager, Anastacia Wyatt, by email at [awyatt@cityofpacificgrove.org](mailto:awyatt@cityofpacificgrove.org) so you may be added to the notification list for addenda. Failure to notify could result in missing important and required information and could result in disqualification.

##### Format

All submittals must follow the format described in this section. Respondents are encouraged to submit clear and concise responses to the RFP. The City reserves the right to include or exclude any part of the submittals in the final agreement with the selected consultant.

Proposals must be provided electronically (pdf format). *PAPER SUBMISSIONS ARE NOT REQUIRED.* Pages should be formatted to 8½” x 11” size with font no less than 12 point. All pages shall be numbered. Drawings and tables provided with the submittal shall not exceed 11” x 17.”

To be considered for selection, submittals must arrive by the date and time specified in Section VI. Email or otherwise submit proposals to: [awyatt@cityofpacificgrove.org](mailto:awyatt@cityofpacificgrove.org)

It is the sole responsibility of the Proposer to ensure timely delivery. Late proposals shall not be considered.

##### Content

The successful proposal will describe the approach, the process and costs to prepare and conduct the deliverables outlined in Section III Scope of Services. The content of your proposal should include the following in summary form:

- Part 1: Cover Letter
- Part 2: Project Approach, Scope of Work and Deliverables
- Part 3: Consultant Identification and Team
- Part 4: Related Project Examples and References
- Part 5: Fee Proposal and Billing Rate Sheet

##### **Part 1 | Cover Letter**

In no more than three (3) pages, the Cover Letter shall include:

1. The names of the key members of the consultant team;
2. The mailing address, telephone number, email address and the name of the main point of contact for the consultant team;
3. A summary of the consultant’s experience and qualifications and the significant advantages to selecting the consultant; and
4. An acknowledgement of receiving any addendum(s) to the RFP document sent out by the City.

**Part 2 | Project Approach, Scope of Work, Timeline and Deliverables**

Describe the strategy for achieving the goals and deliverables of the project. Include a detailed scope of work noting applicable deliverables as noted in this RFP. Outline the consultant's proposed approach to the services contemplated, including a general timeline demonstrating successful completion of the services. The City seeks final environmental clearance for the Housing Element Update and related amendments to other General Plan elements by August 2023 in order for the final Draft Housing Update, related General Plan amendments and CEQA determination to be considered by the Planning Commission and City Council in August and September 2023. The environmental document should also provide clearance for amendments to the Zoning Ordinance and Subdivision

The City is in the process of creating an Ordinance and Objective Design Guidelines that would be drafted to implement the goals and actions of the 6<sup>th</sup> Cycle Housing Element.

**Part 3 | Consultant Identification and Team**

Provide the name of the consultant, the consultant’s principal place of business, and the name and telephone number of the contact person. Clearly identify team members, their roles, qualifications and relevant experience. Include a resume of each key staff member identified. Any professional services required but not proposed by the qualified consultant firm shall be listed and reasons should be provided for not including them as part of the proposal.

**Part 4 | Related Project Examples and References**

Provide recent (within the past 10 years) examples of relevant projects completed by the consultant that exhibit the team’s ability to successfully complete a range of services as listed above. Discuss whether the CEQA documentation was completed on time and within budget. Along with each example, please include descriptive information such as location of the project, date, scope and scale, contract amount, name of the team member(s) involved in the project and their roles, name of the client, and email address and telephone number of the client contact.

**Part 5 | Fee Proposal and Billing Rate Sheet**

Provide an estimated cost to complete the project and itemized billing rate schedule that identifies hourly rates for each proposed staff members and expenses. Include any proposed cost-plus charges on sub-consultant work, if any.

V. SELECTION PROCESS

The City will evaluate proposals based on the following criteria:

- Clarity and conformance of proposal to RFP;
- Content of the proposal, including project approach;
- Consultant's experience and performance;
- Key Team members' experience and performance;
- Cost proposal; and

- Comments from references.

The selected consultant will be asked to enter into a Consultant Services Agreement with the City of Pacific Grove and comply with the insurance requirements set forth therein. The City’s Community Development Department will supervise the project and coordinate the work. The selected consultant is also expected to consult and coordinate with the Baird+Driskell team assisting the City with the preparation of the Housing Element update.

The Consultant will be selected based on demonstrated competence and professional qualifications. Negotiations shall begin with the most qualified consultant.

Should negotiations not result in a price the City considers to be fair and reasonable, negotiations shall be formally terminated and the City shall then undertake negotiations with the second most qualified consultant. If the negotiation with the second most qualified firm is not successful, negotiation shall be formally terminated and the City shall then undertake negotiations with the third most qualified consultant, etc. until the price is determined to be fair and reasonable by the City.

VI. TENTATIVE RFP SCHEDULE

The City reserves the right to add, remove or combine steps in the schedule, and/or compress or extend the schedule as the City, in its sole discretion, sees fit. The tentative schedule for the subject RFP process is as follows. In the event of a change of this schedule, the City will notify responders via email.

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*The schedule may be modified and/or extended upon the City’s discretion.*

VII. PROPOSAL TERMS AND CONDITIONS

**1. Examination of Proposal Materials**

The submission of a proposal shall be deemed a representation and warranty by the proponent that it has investigated all aspects of the RFP, that it is aware of the applicable facts pertaining to the RFP process and its procedures and requirements, and that it has read and understands the RFP. No request for modification of the provisions of the proposal shall be considered after its submission on the grounds the proponent was not fully informed as to any fact or condition.

**2. Addenda Interpretations**

If it becomes necessary to revise any part of this RFP, a written addendum will be provided to each firm that requested to be added to the notification list and said addenda will be

uploaded to the City website. The City of Pacific Grove is not bound by any oral representations, clarifications or changes made in the RFP by the City or its agents, unless such clarification or change is provided in written addendum from the City of Pacific Grove.

### **3. Designated Contact**

For the purposes of this RFP, the Sr. Housing Program Manager of the Community Development Dept. (CDD) is designated as the contact person. Any questions concerning the scope of work and the selection process shall be directed to Anastacia Wyatt at [awyatt@cityofpacificgrove.org](mailto:awyatt@cityofpacificgrove.org). Any and all questions and responses concerning this RFP will only be accepted in writing, via email. All questions must be received by April 25, 2022 by 10 a.m.

Responses to questions will be posted on the City's website, [https://www.cityofpacificgrove.org/our\\_city/departments/community\\_development/housing/housing\\_element.php](https://www.cityofpacificgrove.org/our_city/departments/community_development/housing/housing_element.php) and will become part of the RFP. It is the consultant's responsibility to check the website for updates.

### **4. Public Records**

This RFP document and all submittals in response thereto are public records. Prospective consultants are cautioned not to include any material into the proposal that is strictly proprietary in nature.

### **5. Proposal Costs**

All costs associated with the preparation of RFP submittals shall be borne by the respondent. This RFP does not constitute any form of offer to contract.

### **6. Reservation of Rights**

The City reserves the right, for any reason, to accept or reject any one or more proposals; to negotiate the terms and specifications of the proposal; to modify any part of the RFP; or issue a new RFP.

### **7. Product Ownership**

Any documents resulting from the contract will be the property of the City of Pacific Grove, CA.

### **8. Consultant Services Agreement**

All Proposers must identify in their proposal any terms and conditions of the sample Consultant Services Agreement (Attachment 1) that they wish to negotiate. Insurance is required as outlined in Section 9 of the sample agreement. The City reserves the right to negotiate the terms and specifications of the Consultant Services Agreement and to vary from the sample Consultant Services Agreement attached.

### **9. Causes for Disqualification**

Any of the following may be considered cause to disqualify a proponent without further consideration:

- Evidence of collusion among proponents;

- Any attempt to improperly influence any member of the evaluation panel;
- A proponent's default in any operation of a professional services agreement which resulted in termination of that agreement; and/or
- Existence of any lawsuit, unresolved contractual claim, or dispute between proponent and the City.

## **ATTACHMENTS**

1. Consultant Services Agreement Sample

REVISED

**CITY OF PACIFIC GROVE AGREEMENT FOR PROFESSIONAL SERVICES**  
**(OVER \$40,000)<sup>1</sup>**

This Professional Services Agreement (“Agreement”) is made by and between the City of Pacific Grove, a political subdivision of the State of California (hereinafter “City”) and \_\_\_\_\_, (hereinafter “CONTRACTOR”).

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1. **SERVICES TO BE PROVIDED.** The City hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The services are generally described as follows: \_\_\_\_\_.

2. **PAYMENTS BY CITY.** City shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by City to CONTRACTOR under this Agreement shall not exceed the sum of \$ \_\_\_\_\_.<sup>1</sup>

3. **TERM OF AGREEMENT.** The term of this Agreement is from \_\_\_\_\_ to \_\_\_\_\_ unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and City and with City signing last, and CONTRACTOR may not commence work before City signs this Agreement.

4. **ADDITIONAL PROVISIONS/EXHIBITS.** The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

**Exhibit A: [scope of services/payment provisions, etc.]**

5. **PERFORMANCE STANDARDS.**

5.01. CONTRACTOR warrants that CONTRACTOR and CONTRACTOR’s agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the City, or immediate family of an employee of the City.

5.02. CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.

5.03. CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use City premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6. **PAYMENT CONDITIONS.**

<sup>1</sup> Approved by the Pacific Grove City Council on \_\_\_\_\_.

6.01. CONTRACTOR shall submit to the Contract Administrator an invoice on a form acceptable to City. If not otherwise specified, the CONTRACTOR may submit such invoice monthly or at the completion of each phase of the project, as provided on page 16 of the proposal, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice as the City may require. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as the City approves in conformity with this Agreement, and shall promptly submit such invoice to the City Auditor-Controller for payment. The City Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.

6.02. CONTRACTOR shall not receive reimbursement for travel.

## 7. TERMINATION.

7.01. During the term of this Agreement, the City may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02. The City may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If City terminates this Agreement for good cause, the City may be relieved of the payment of any consideration to CONTRACTOR, and the City may proceed with the work in any manner which City deems proper. The cost to the City shall be deducted from any sum due the CONTRACTOR under this Agreement.

## 8. INDEMNIFICATION.

8.01. As respects all acts or omissions which do not arise directly out of the performance of professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONTRACTOR shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the City. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

8.02. Architects, Engineers Per Civil Code 2782.8 Where the services to be provided by CONTRACTOR under this Agreement are design professional services, as that term is defined under Civil Code Section 2782.8, CONTRACTOR agrees to indemnify, defend and hold harmless, the City, its officers, officials, employees and volunteers from any and all claims, demands, costs or liability that actually or allegedly arise out of, or pertain to, or relate to the negligence, recklessness or willful misconduct of CONTRACTOR and its agents in the performance of services under this contract, but this indemnity does not apply to liability for damages for bodily injury, property damage or other loss, arising from the sole negligence, active negligence or willful misconduct by the City, its officers, official employees, and volunteers. If it is finally adjudicated that liability is caused by the comparative active negligence or willful misconduct of the City, then CONTRACTOR's indemnification and

defense obligations shall be reduced in proportion to the established comparative liability of the City and shall not exceed the CONTRACTOR's proportionate percentage of fault.

As respects all acts or omissions which do not arise directly out of the performance of design professional services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONTRACTOR agrees to indemnify, defend and hold harmless the City, its officers officials, employees and volunteers for an against any claim, demands, losses, liability of any kind or nature arising out of or in connection with the CONTRACTOR's performance or failure to perform under the terms of this contract, excepting those which arise out of the active negligence, sole negligence or willful misconduct of the City, its officers, officials, employees and volunteers.

Exemption/Modification (Justification attached; subject to approval).

## 9. INSURANCE.

9.01. Insurance Coverage Requirements: Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial general liability insurance, no less broad than Insurance Services Office (ISO) CG 00 01, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products/Completed Operations, with minimum limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Umbrella Liability Insurance. If CONTRACTOR maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the higher limits maintained by CONTRACTOR.

Exemption/Modification (Justification attached; subject to approval).

Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Exemption/Modification (Justification attached; subject to approval).

Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

Exemption/Modification (Justification attached; subject to approval).

Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the retroactive date shall be no later than the commencement of the work. Coverage applicable to the work performed under this Agreement shall be continued for three (3) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

Exemption/Modification (Justification attached; subject to approval).

9.02. Other Insurance Requirements. All insurance required by this Agreement shall be with a company acceptable to the City and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

CONTRACTOR shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, CONTRACTOR shall forthwith obtain and submit proof of substitute insurance. Should CONTRACTOR fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at CONTRACTOR's sole cost and expense.

Commercial general liability and automobile liability policies shall provide an endorsement naming the City of Pacific Grove, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the City and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is **ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000)**. The required endorsement form for Automobile Additional Insured endorsement is **ISO Form CA 20 48 02 99**.

The general liability policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.

CONTRACTOR shall provide to City an endorsement that the insurer waives the right of subrogation against the City, its officers, officials, employees, agents and volunteers.

Prior to the execution of this Agreement by the City, CONTRACTOR shall file certificates of insurance with the City's contract administrator and City's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect.

CONTRACTOR shall at all times during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by City, annual certificates to City's Contract Administrator and City's Contracts/Purchasing Division. If the certificate is not received by the expiration date, City shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement which entitles City, at its sole discretion, to terminate this Agreement immediately.

## 10. RECORDS AND CONFIDENTIALITY.

10.01. Confidentiality. CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws which provide for the confidentiality of records and other

information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the City or prepared in connection with the performance of this Agreement, unless City specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to City any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.

10.02. City Records. When this Agreement expires or terminates, CONTRACTOR shall return to City any City records which CONTRACTOR used or received from City to perform services under this Agreement.

10.03. Maintenance of Records. CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and City rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three year period, then CONTRACTOR shall retain said records until such action is resolved.

10.04. Access to and Audit of Records. The City shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the City or as part of any audit of the City, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

10.05. Royalties and Inventions. City shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of City.

**11. NON-DISCRIMINATION.** During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), or sexual orientation, either in CONTRACTOR's employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

**12. COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANT.** If this Agreement has been or will be funded with monies received by the City pursuant to a contract with the state or federal government in which the City is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, City will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

**13. INDEPENDENT CONTRACTOR.** In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is at all times acting and performing as an independent contractor and not as an

employee of the City. No offer or obligation of permanent employment with the City or particular City department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from City any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers' compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR's performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold City harmless from any and all liability which City may incur because of CONTRACTOR's failure to pay such taxes.

14. **NOTICES.** Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the City's and CONTRACTOR'S contract administrators at the addresses listed below:

FOR CITY:	FOR CONTRACTOR:
Name and Title	Name and Title
300 Forest Avenue Pacific Grove, CA 93950	
Address	Address
(831) 648-	
Phone	Phone

15. **MISCELLANEOUS PROVISIONS.**

15.01. Conflict of Interest. CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement which would directly or indirectly conflict in any manner or to any degree with the full and complete performance of the professional services required to be rendered under this Agreement.

15.02. Amendment. This Agreement may be amended or modified only by an instrument in writing signed by the City and the CONTRACTOR.

15.03. Waiver. Any waiver of any terms and conditions of this Agreement must be in writing and signed by the City and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.

15.04. Contractor. The term "CONTRACTOR" as used in this Agreement includes CONTRACTOR's officers, agents, and employees acting on CONTRACTOR's behalf in the performance of this Agreement.

15.05. Disputes. CONTRACTOR shall continue to perform under this Agreement during any dispute. Contractor and the CITY hereby agree to make good faith efforts to resolve disputes as quickly as possible. In the event any dispute arising from or related to this Agreement results in litigation or arbitration, the prevailing party shall be entitled to recover all reasonable costs incurred, including court costs, attorney fees, expenses for expert witnesses (whether or not called to testify), expenses for accountants or appraisers (whether or not called to testify), and other related expenses. Recovery of these expenses shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

15.06. Assignment and Subcontracting. The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the City. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the City. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.

15.07. Successors and Assigns. This Agreement and the rights, privileges, duties, and obligations of the City and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.

15.08. Compliance with Applicable Law. The parties shall comply with all applicable federal, state, and local laws and regulations in performing this Agreement.

15.09. Headings. The headings are for convenience only and shall not be used to interpret the terms of this Agreement.

15.10. Time is of the Essence. Time is of the essence in each and all of the provisions of this Agreement.

15.11. Governing Law. This Agreement shall be governed by and interpreted under the laws of the State of California.

15.12. Non-exclusive Agreement. This Agreement is non-exclusive and both City and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.

15.13. Construction of Agreement. The City and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.

15.14. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

15.15. Authority. Any individual executing this Agreement on behalf of the City or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

15.16. Integration. This Agreement, including the exhibits any documents incorporated by reference, represent the entire Agreement between the City and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the City and the CONTRACTOR as of the effective date of this Agreement, which is the date that the City signs the Agreement.

15.17. Interpretation of Conflicting Provisions. In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

15.18. Severability. If any of the provisions contained in the Contract are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of

liability and indemnities shall survive termination of the Contract for any cause. If a part of this Contract is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Contract is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

**This space is left blank, intentionally.**

IN WITNESS WHEREOF, City and CONTRACTOR have executed this Agreement as of the day and year written below.

**CITY OF PACIFIC GROVE**

**CONTRACTOR**

By: \_\_\_\_\_  
City Mayor

\_\_\_\_\_  
Contractor's Business Name\*

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Signature of Chair, President, or Vice-President)\*

By: \_\_\_\_\_  
Department Head

\_\_\_\_\_  
Name and Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form

By: \_\_\_\_\_  
City Attorney

By: \_\_\_\_\_  
(Signature of Secretary, Asst. Secretary, CFO, or Asst. Treasurer)\*

Date: \_\_\_\_\_

\_\_\_\_\_  
Name and Title

2

Approved as to Fiscal Provisions

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Liability Provisions<sup>3</sup>

By: \_\_\_\_\_  
Risk Management

Date: \_\_\_\_\_

City Agreement Number: \_\_\_\_\_.

<sup>2</sup> Approval by Finance necessary only if financial questions or issues raised in Council approval of agreement.

<sup>3</sup> Approval by Risk Management is necessary only if changes are made in paragraph 8 or 9.

\*INSTRUCTIONS: If CONTRACTOR is a corporation, including limited liability and non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two specified officers. If CONTRACTOR is a partnership, the name of the partnership shall be set forth above together with the signature of a partner who has authority to execute this Agreement on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign the Agreement.