

# **CITY OF LA HABRA HEIGHTS**



## **REQUEST FOR PROPOSAL**

### **INVESTMENT MANAGEMENT SERVICES**

RFP Circulation Date:  
**Monday, January 9, 2017**

Proposal Submission Deadline:  
**Thursday, February 9, 2017 at 2:00 p.m.**

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**INVESTMENT MANAGEMENT SERVICES  
REQUEST FOR PROPOSAL (RFP)**

The City of La Habra Heights (hereinafter referred to as the "City") is requesting proposals from a qualified public entity or private firm, to establish a contract for investment management services. The term is expected to be three (3) years with two (2) one-year options to renew.

**1. BACKGROUND**

The City of La Habra Heights is a General Law City, which operates under the Council / City Manager form of government with a FY 2016-17 Budget of \$4,852,003.

The City of La Habra Heights is a rural, residential community located in southeastern Los Angeles County incorporated in 1978. The community spans 6.2 square miles with a population of 5,325 residents. Volunteerism is alive in the Heights where residents help staff the over 50 year old Fire Department, and work to preserve the unique scenic beauty and wildlife through several community organizations. Demographically, the community is generally well educated, mid-to-upper income, and politically conservative. Citizen participation in the City planning and governmental processes is very high, founded largely on a strong sense of community identification.

**2. SCHEDULE OF EVENTS**

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

Release of RFP	01/09/17
Deadline for Written Questions	01/23/17
Responses to Questions Posted on Web	01/26/17
Proposals are Due @ 2:00 p.m.	02/09/17
Interview (if held)	02/16/17
Approval of Contract	03/09/17

All dates are subject to change at the discretion of the City.

**3. SCOPE OF WORK**

The City's cash and investments consist primarily of checking account, savings account, and the Local Agency Investment Fund (LAIF). Cash and investments have averaged \$6,663,187 over the last year. As of the end of June, investments consisted of approximately 55.7% savings account with .3% interest rate, 32.59% LAIF with .55% interest rate, and 11.71% checking account with no interest rate. Investment accounts are not formally benchmarked, but treasurer's reports compare portfolio earnings to LAIF.

**Required services:**

- Obtain an understanding of the City's overall investment program and policy.
- Manage the City's pooled cash and investments, except for funds held by fiscal agents and trustees. City will manage day-to-day transfers for operational payments.
- City to approve investment purchases prior to execution but will allow vendor to execute investment purchases within parameters of the investment policy.
- All investment management/advisory services must conform to State law, the City's investment policy, and the Prudent Expert Standard of care.
- Review of investment policy and comparison to applicable laws leading to recommendations of appropriate amendments annually.
- Develop and execute an investment strategy considering current market conditions, the City's investment policy objectives and parameters, applicable laws, and an understanding of the City's cash flow needs.
- Establish an appropriate performance benchmark.
- Regularly ensure portfolio structure matches the City's objectives.
- Provide monthly reporting of the City's cash and investments in a Treasurer's Report for City Council approval in accordance with the investment policy and State law.
- Provide ongoing research and credit analysis of investments in portfolio.
- Provide assurance of portfolio compliance with applicable policies and laws.
- Immediately apprise staff of non-compliance with applicable policies and laws.
- Attend meetings with government officials as needed.
- Discuss cash flow needs and market strategy quarterly with Finance staff.
- Assist the City with cash flow/maturity analysis as needed.
- Regularly evaluate market risk and develop strategies to minimize negative impacts on portfolio.
- Immediately apprise staff of significant market events impacting portfolio security or performance.
- Interact and communicate effectively with the City's custodian bank. All securities shall be perfected in the name of the City or other entity as applicable. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.
- Assist in credit monitoring of financial institutions the City conducts business with.
- Exercise diligence in the selection and use of broker dealers.
- All investment transactions shall be conducted competitively and documentation of recorded bid or offering prices shall be maintained for a period of at least two years.

- Provide for online access to and electronic delivery of monthly statements.

**Minimum Qualifications:**

- The investment manager shall be a registered Investment Advisor as defined and registered by the Securities and Exchange Commission (SEC) and shall be registered in the State of California.
- The investment manager shall be either a) independent of any financial institution or securities brokerage firm or b) shall fully disclose relationships with such financial institutions and or securities brokerage firm relevant to the firm's relationship with entity.
- The investment manager shall have a minimum of ten years of experience in managing state/local operating funds.
- The investment manager shall have a minimum of **\$2 billion in public sector assets** under ongoing and continuous active, direct management.

**4. PROPOSAL FORMAT GUIDELINES**

Interested entities or contractors are to provide the City of La Habra Heights with a thorough proposal using the following guidelines:

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

**Vendor Application Form and Cover Letter**

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

**Background and Project Summary Section**

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

## **Methodology Section**

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

1. An implementation plan that describes in detail (i) the methods and controls by which your firm or entity manages projects of the type sought by this RFP; (ii) methodology for soliciting and documenting views of internal and external stakeholders; (iii) and any other project management or implementation strategies or techniques that the respondent intends to employ in carrying out the work.
2. Detailed description of efforts your firm or entity will undertake to achieve client satisfaction and to satisfy the requirements of the "Scope of Work" section.
3. Detailed project schedule, identifying all tasks and deliverables to be performed, durations for each task, and overall time of completion, including a complete transition plan. Include your plan to deal with fluctuation in service needs and any associated price adjustments.
4. Detailed description of specific tasks you will require from City staff. Explain what the respective roles of City staff and your staff would be to complete the tasks specified in the Scope of Work.
5. Proposals are encouraged to provide additional innovative and/or creative approaches for providing the service that will maximize efficient, cost-effective operations or increased performance capabilities. In addition, the City will consider proposals that offer alternative service delivery means and methods for the services desired.
6. Proposals are also requested to identify any City owned equipment or systems which would be necessary in connection with the services to be performed, including information about how this proposed usage affects the overall cost to the City.

## **Staffing**

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

Upon award and during the contract period, if the contractor chooses to assign different personnel to the project, the Contractor must submit names and qualifications including information listed above to City prior to commencing work.

## **Qualifications**

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

Names of participating key staff and specific responsibilities with respect to this Scope of Work.

A summary of firm's or entity's demonstrated capability, including length of time that firm has provided the services being requested in this Request for Proposal.

For private firm's or entity's, provide at least three references that received similar services from your firm. The City of La Habra Heights reserves the right to contact any of the organizations or individuals listed. Information provided shall include:

- Client Name
- Project Description
- Project start and end dates
- Client project manager name, telephone number, and e-mail address.

Any public entity which submits a proposal should describe in detail how it currently performs services like those identified in the Scope of Work within its or other jurisdictions, including photographs, written policies and/or video of services provided. If you have performed these services under contract for another public entity, please provide references for those entities as set forth above for private Proposals.

### **Financial Capacity**

Provide latest audited financial statement or other pertinent information such as internal unaudited financial statements and financial references to allow City to reasonably formulate a determination about the financial capacity of the firm or entity. Describe any administrative proceedings, claims, lawsuits, or other exposures pending.

### **Fee Proposal**

All Proposers are required to use the form in Appendix D to be submitted with their proposal. Pricing instructions should be clearly defined to ensure fees proposed can be compared and evaluated. Proposals shall be valid for a minimum of 180 days following submission.

### **Disclosure**

Please disclose any and all past or current business and personal relationships with any current La Habra Heights elected official, appointed official, City employee, or family member of any current La Habra Heights elected official, appointed official, or City employee. ***Any past or current business relationship may not disqualify the firm from consideration.***

### **Sample Agreement**

The firm selected by the City will be required to execute an Agreement for Services (Agreement) with the City. The form of the Agreement is enclosed as Appendix B, but may be modified to suit the specific services and needs of the City. If a Proposer has any exceptions or conditions to the Agreement, these must be submitted for consideration

with the proposal. Otherwise, the Proposer will be deemed to have accepted the form of Agreement. See Section 13, below.

**Checklist of Forms to Accompany Proposal**

As a convenience to Proposers, following is a list of the forms, included as appendices to this RFP, which should be included with proposals:

- (1) Vendor Application Form
- (2) Ex Parte Communications Certificate
- (3) Price Proposal Form
- (4) Disclosure of Government Positions
- (5) Disqualifications Questionnaire

**5. PROCESS FOR SUBMITTING PROPOSALS**

- **Content of Proposal**  
The proposal must be submitted using the format as indicated in the proposal format guidelines.
- **Preparation of Proposal**  
Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional material beyond that sufficient to provide a complete, accurate and reliable presentation.
- **Number of Proposals**  
Submit one original, five (5) hard copies plus one disk copy of your proposal in sufficient detail to allow for thorough evaluation and comparative analysis. In the event of a conflict between the original and any hard copy or disk copy, the original shall control.
- **Submission of Proposals**  
Complete written proposals must be submitted in sealed envelopes marked and received no later than **2:00 p.m. PST on Thursday, February 9, 2017** to the address below. Proposals will not be accepted after this deadline. Faxed or e-mailed proposals will not be accepted.

**City of La Habra Heights**  
**Attn: Grace Andres, Deputy City Clerk**  
1245 North Hacienda Road  
La Habra Heights, CA 90631



- **Inquiries**

Questions regarding this solicitation shall be submitted in writing or emailed to:

**Fabiola Huerta, Assistant to the City Manager**

By mail:

City of La Habra Heights  
1245 North Hacienda Road  
La Habra Heights, CA 90631  
Or email to: fhuerta@lhcity.org

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments, responses to questions received, and additional information will be posted to the Document Central, La Habra Heights - Official City Web Site; Proposers should check this web page daily for new information. The City will endeavor to answer all written questions timely received no later than **2:00 p.m. PST on Monday, January 23, 2017**. The City reserves the right not to answer all questions.

From the date that this RFP is issued until a firm or entity is selected and the selection is announced, firms or public entities are not allowed to communicate outside the process set forth in this RFP with any City employee other than the contracting officer listed above regarding this RFP. The City reserves the right to reject any proposal for violation of this provision. No questions other than written will be accepted, and no response other than written will be binding upon the City.

- **Conditions for Proposal Acceptance**

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

## **6. EVALUATION CRITERIA**

The City's evaluation and selection process will be conducted in accordance with Chapter II Section 8, Article 6 of the City's Municipal Code (Code). In accordance with the Code, the lowest responsible bidder will be determined based on evaluation of qualitative factors in addition to price. At all times during the evaluation process, the following criteria will be used. Sub-criteria are not necessarily listed in order of importance. Additional sub-criteria that logically fit within a particular evaluation criteria may also be considered even if not specified below.

1. Qualifications of Entity and Key Personnel ----- 40%  
Includes ability to provide the requested Scope of Services, the Proposer's financial capacity, recent experience conducting work of similar scope, complexity, and magnitude for other public agencies of similar size, references.
2. Approach to Providing the Requested Scope of Services ---20%  
Includes an understanding of the RFP and of the project's Scope of Services, knowledge of applicable laws, and regulations related to the Scope of Services.
3. Price Proposal-----30%  
Price Proposals will be evaluated on the basis of the Total Estimated Annual Price submitted in Appendix D.
4. Innovative and/or creative approaches to providing the services that provide additional efficiencies or increased performance capabilities. —10%

## **7. EVALUATION OF PROPOSALS AND SELECTION PROCESS**

In accordance with its Municipal Code, the City will adhere to the following procedures in evaluating proposals. An Evaluation/Selection Committee (Committee), which may include members of the City's staff and possibly one or more outside experts, will screen and review all proposals according to the weighted criteria set forth above. While price is one basic factor for award, it is not the sole consideration.

### **A. Responsiveness Screening**

Proposals will first be screened to ensure responsiveness to the RFP. The City may reject as non-responsive any proposal that does not include the documents required to be submitted by this RFP. At any time during the evaluation process, the City reserves the right to request clarifications or additional information from any or all Proposers regarding their proposals.

### **B. Initial Proposal Review**

The Committee will initially review and score all responsive written proposals based upon the Evaluation Criteria set forth above. The Committee may also contact Proposer's references. Proposals that receive the highest evaluation scores may be invited to the next stage of the evaluation process. The City may reject any proposal in which a Proposer's approach, qualifications, or price is not considered acceptable by the City. An unacceptable proposal is one that would have to be substantially rewritten to make it acceptable. The City may conclude the evaluation process at this point and recommend award to the lowest responsible bidder. Alternatively, the City may elect to negotiate directly with one or more Proposers to obtain the best result for the City prior to making a recommendation or selection.

### **C. Interviews, Reference Checks, Revised Proposals, Discussions**

Following the initial screening and review of proposals, the Proposers included in this stage of the evaluation process may be invited to participate in an oral interview. Interviews, if held, are tentatively scheduled for the week of **February 16, 2017** and

will be conducted at City of La Habra Heights City Hall, 1245 N Hacienda Road, La Habra Heights, CA 90631. This date is subject to change. The individual(s) from Proposer's firm or entity that will be directly responsible for carrying out the contract, if awarded, should be present at the oral interview. The oral interview may, but is not required to, use a written question/answer format for the purpose of clarifying the intent of any portions of the proposal.

In addition to conducting an oral interview, the City may during this stage of the evaluation process also contact and evaluate the Proposer's references, contact any Proposer to clarify any response or request revised or additional information, contact any current users of a Proposer's services, solicit information from any available source concerning any aspect of a proposal, and seek and review any other information deemed pertinent to the evaluation process.

Following conclusion of this stage of the evaluation process, the Committee will again rank all Proposers according to the evaluation criteria set forth above. The Committee may conclude the evaluation process at this point, and make a recommendation for award, or it may request Best and Final Offers from Proposers. The City may accept the proposal or negotiate the terms and conditions of the agreement with the highest ranked firm, which shall be determined to be the lowest responsible bidder. The City may recommend award without Best and Final Offers, so Proposers should include their best proposal with their initial submission.

Recommendation for award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully within a time period determined by the City, the City may terminate negotiations and commence negotiations with the next highest scoring Proposer or withdraw the RFP.

## **8. PROTEST PROCEDURES**

Failure to comply with the rules set forth herein may result in rejection of the protest. Protests based upon restrictive specifications or alleged improprieties in the proposal procedure which are apparent or reasonably should have been discovered prior to receipt of proposals shall be filed in writing with the RFP Facilitator at least 10 calendar days prior to the deadline for receipt of proposals. The protest must clearly specify in writing the grounds and evidence on which the protest is based.

Protests based upon alleged improprieties that are not apparent or which could not reasonably have been discovered prior to submission date of the proposals, such as disputes over the staff recommendation for contract award, shall be submitted in writing to the RFP Facilitator, within 48 hours from receipt of the notice from the City advising of staff's recommendation for award of contract. The protest must clearly specify in writing the grounds and evidence on which the protest is based. The RFP Facilitator will respond to the protest in writing at least 3 days prior to the meeting at which staff's recommendation to the City Council will be considered. Should Proposer decide to appeal

the response of the RFP Facilitator, and pursue its protest at the Council meeting, it will notify the RFP Facilitator of its intention at least 2 days prior to the scheduled meeting.

## **9. CONFIDENTIALITY**

The California Public Records Act (Cal. Govt. Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless information is exempt from disclosure by law, the content of any request for explanation, exception, or substitution, response to this RFP, protest, or any other written communication between the City and Proposer, shall be available to the public. The City intends to release all public portions of the proposals following the evaluation process at such time as a recommendation is made to the City Council.

If Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that the City withhold from disclosure the proprietary information by marking each page containing such proprietary information as confidential. Proposer may not designate its entire proposal as confidential nor designate its Price Proposal as confidential.

Submission of a proposal shall indicate that, if Proposer requests that the City withhold from disclosure information identified as confidential, and the City complies with the Proposer's request, Proposer shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless the City from and against all damages (including but not limited to attorney's fees that may be awarded to the party requesting the Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer shall not make a claim, sue, or maintain any legal action against the City or its directors, officers, employees, or agents concerning the disclosure, or withholding from disclosure, of any Proposer information. If Proposer does not request that the City withhold from disclosure information identified as confidential, the City shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to the City.

## **10. EX PARTE COMMUNICATIONS**

Proposers and Proposers' representatives should not communicate with City Council members about this RFP such contact may be deemed cause for excluding Proposer from further consideration in the evaluation process. In addition, Proposers and Proposers' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Proposer" or "Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer

to contact the City on the Proposer's behalf. Proposers shall include the Ex Parte Communications form (Appendix C) with their proposals certifying that they have not had or directed prohibited communications as described in this section.

#### **11. CONFLICT OF INTEREST**

The Proposer warrants and represents that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code sections 1090 et seq., or sections 87100 et seq., during the performance of services under any Agreement awarded. The Proposer further covenants that it will not knowingly employ any person having such an interest in the performance of any Agreement awarded. Violation of this provision may result in any Agreement awarded being deemed void and unenforceable.

#### **12. DISCLOSURE OF GOVERNMENTAL POSITION**

In order to analyze possible conflicts that might prevent a Proposer from acting on behalf of the City, the City requires that all Proposers disclose in their proposals any positions that they hold as directors, officers, or employees of any governmental entity. Additional disclosure may be required prior to contract award or during the term of the contract. Each Proposer shall disclose whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months using the attached "Disclosure of Government Positions Form." (See Appendix F.)

#### **13. CONDITIONS TO AGREEMENT, IF ANY**

The selected Proposer will execute an Agreement for Services with the City describing the Scope of Services to be performed, the schedule for completion of the services, compensation, and other pertinent provisions. The contract shall follow the sample form of Agreement provided as Appendix B to this RFP, which may be modified by City. All Proposers are directed to particularly review the indemnification and insurance requirements set forth in the sample Agreement.

***The terms of the agreement, including insurance requirements, have been mandated by the City and can be modified only if extraordinary circumstances exist.*** Submittal of a proposal shall be deemed acceptance of all the terms set forth in this RFP and the sample Agreement for Services unless the Proposer includes with its proposal, in writing, any conditions or exceptions requested by the Proposer to the proposed Agreement. In accordance with the Municipal Code, the City may consider the scope and number of conditions in evaluating proposals and determining the lowest responsible bidder.

#### **14. DISQUALIFICATION QUESTIONNAIRE**

Proposers shall complete and submit, under penalty of perjury, a standard form of questionnaire inquiring whether a Proposer, any officer of a proposer, or any employee of a Proposer who has a proprietary interest in the Proposer, has ever been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local government project because of a violation of law or safety regulation and if so, to

explain the circumstances. A proposal may be rejected on the basis of a Proposer, any officer or employee of such Proposer, having been disqualified, removed, or otherwise prevented from proposing on, or completing a federal, state, or local project because of a violation of law or a safety regulation. See Appendix E.

## **15. STANDARD TERMS AND CONDITIONS**

### **Amendments**

The City reserves the right to amend or supplement this RFP prior to the proposal due date. All amendments and additional information will be posted to the Document Central, La Habra Heights - Official City Web Site; Proposers should check this web page daily for new information.

### **Cost for Preparing Proposal**

The cost for developing the proposal is the sole responsibility of the Proposer. All proposals submitted become the property of the City.

### **Insurance Requirements**

City requires that licensees, lessees, and vendors have an **approved** Certificate of Insurance (not a declaration or policy) or proof of legal self-insurance on file with the City for the issuance of a permit or contract. Within ten (10) consecutive calendar days of award of contract, successful Proposer must furnish the City with the Certificates of Insurance proving coverage as specified within Appendix B.

# APPENDIX A

**REQUEST FOR PROPOSAL**  
**INVESTMENT MANAGEMENT SERVICES**  
**VENDOR APPLICATION FORM**

TYPE OF APPLICANT:                       NEW               CURRENT VENDOR

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

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

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

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

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

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

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

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

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

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

Is your business: (check one)

NON PROFIT CORPORATION                       FOR PROFIT CORPORATION Is your business:

(check one)

CORPORATION                       LIMITED LIABILITY PARTNERSHIP

INDIVIDUAL                       SOLE PROPRIETORSHIP

PARTNERSHIP                       UNINCORPORATED ASSOCIATION



**Names & Titles of Corporate Board Members**

(List Names & Titles of persons with written authorization/resolution to sign contracts)

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

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

# APPENDIX B

**PROFESSIONAL SERVICES AGREEMENT**  
(City of La Habra Heights/**Name of Consultant**)

**1. IDENTIFICATION**

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of La Habra Heights, a California municipal corporation (“City”), and \_\_\_\_\_ **[enter consultant (company’s) name] a**  
**[insert consultant’s state of incorporation],**  
**[enter consultant’s legal status e.g., individual,**  
**partnership, corporation, nonprofit public benefit corporation, limited**  
**liability company]** (“Consultant”).

**2. RECITALS**

- 2.1 City has determined that it requires the following professional services from a consultant: \_\_\_\_\_ **[insert description of consultant’s services]**.
- 2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

**NOW, THEREFORE,** for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

**3. DEFINITIONS**

- 3.1 “Scope of Services”: Such professional services as are set forth in Consultant’s \_\_\_\_\_ **[enter consultant’s proposal date]** proposal to City attached hereto as Exhibit A and incorporated herein by this reference.
- 3.2 “Approved Fee Schedule”: Such compensation rates as are set forth in Consultant’s \_\_\_\_\_ **[insert date fee schedule submitted to City]** fee schedule to City attached hereto as Exhibit B and incorporated herein by this reference.
- 3.3 “Commencement Date”: \_\_\_\_\_.
- 3.4 “Expiration Date”: \_\_\_\_\_.

**4. TERM**

The term of this Agreement shall commence at 12:00 a.m. on the Commencement Date and shall expire at 11:59 p.m. on the Expiration Date unless extended by written agreement of the parties or terminated earlier in accordance with Section 17 (“Termination”) below.

**5. CONSULTANT’S SERVICES**

5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of Services. Any such changes mutually agreed upon by the parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of \_\_\_\_\_ Dollars (\$\_\_\_\_\_,\_\_\_\_\_) unless specifically approved in advance and in writing by City.

5.2 Consultant shall perform all work to the highest professional standards of Consultant’s profession and in a manner reasonably satisfactory to City. Consultant shall comply with all applicable federal, state and local laws and regulations, including the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*).

5.3 During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute and (ii) City has not consented in writing to Consultant’s performance of such work.

5.4 Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. \_\_\_\_\_ **[enter name of project administrator]** shall be Consultant’s project administrator and shall have direct responsibility for management of Consultant’s performance under this Agreement. No change shall be made in Consultant’s project administrator without City’s prior written consent.

**6. COMPENSATION**

- 6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule and Section 5.1 of this Agreement above.
  
- 6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other payroll deductions from payments made to Consultant unless otherwise required by law.
  
- 6.3 Payments for any services requested by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Consultant shall be entitled to increase the fees in this fee schedule at such time as it increases its fees for its clients generally; provided, however, in no event shall Consultant be entitled to increase fees for services rendered before the thirtieth day after Consultant notifies City in writing of an increase in that fee schedule nor to claim payment other than in compliance with this Agreement, including Section 5.1 above. Fees for such additional services shall be paid within sixty days of the date Consultant issues an invoice to City for such services.

**7. OWNERSHIP OF WRITTEN PRODUCTS**

All reports, documents or other written material ("written products" herein) developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant.

**8. RELATIONSHIP OF PARTIES**

Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of

Consultant's employees, except as set forth in this Agreement. Consultant shall not represent that it is, or that any of its agents or employees are, in any manner employees of City.

Under no circumstances shall Consultant look to the City as his employer. Consultant shall not be entitled to any benefits. City makes no representation as to the effect of this independent contractor relationship on Consultant's previously earned PERS retirement benefits, and Consultant specifically assumes the responsibility for making such a determination. Consultant shall be responsible for all reports and obligations including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation.

**9. CONFIDENTIALITY**

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data shall be returned to City upon the termination or expiration of this Agreement.

**10. INDEMNIFICATION**

10.1 The parties agree that City, its officers, agents, employees and volunteers should, to the fullest extent permitted by law, be protected from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, taxes, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the parties to be interpreted and construed to provide the City with the fullest protection possible under the law. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein.

10.2 To the fullest extent permitted by law, Consultant shall indemnify, hold harmless, and when the City requests with respect to a claim provide a deposit for the defense of, and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person, whether physical, emotional, consequential or otherwise, and injury to any property arising out of or in connection with Consultant's alleged negligence, recklessness or willful misconduct or other wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents,

or subcontractors, or anyone directly or indirectly employed by either Consultant or its subcontractors, in the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the City. Such costs and expenses shall include reasonable attorneys' fees due to counsel of City's choice, expert fees and all other costs and expenses of litigation.

- 10.3 City shall have the right to offset against any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 10 and any amount due City from Consultant arising from Consultant's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.
- 10.4 The obligations of Consultant under this Section 10 are not limited by the provisions of any workers' compensation statute or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.
- 10.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth in this Section 10 from each and every subcontractor or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. If Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and to indemnify, hold harmless and defend City, its officers, agents, employees and volunteers from and against any and all claims and losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subcontractors or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice.
- 10.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies apply to the claim, demand, damage, liability, loss, cost or expense.

**11. INSURANCE**

- 11.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:
  - 11.1.1 Comprehensive General Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for each occurrence and in the aggregate for any personal injury, death, loss or damage.
  - 11.1.2 Automobile Liability Insurance for vehicles used in connection with the performance of this Agreement with minimum limits of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
  - 11.1.3 Worker's Compensation insurance if and as required by the laws of the State of California.
- 11.2 Consultant shall require each of its subcontractors to maintain insurance coverages that meet all of the requirements of this Agreement.
- 11.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.
- 11.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect, City may either (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay the premium(s) thereon at Consultant's expense.
- 11.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the policies required by this Agreement are in effect in the required amounts and naming the City and its officers, employees, agents and volunteers as additional insureds. Consultant shall file with City's Risk Manager such certificate(s) prior to commencement of work under this Agreement.
- 11.6 Consultant shall provide proof to the City's Risk Manager that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage at least two weeks prior to the expiration of the coverages.



- 11.7 The general liability and automobile policies of insurance required by this Agreement shall contain endorsements naming City and its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.
- 11.8 The insurance provided by Consultant shall be primary to any other coverage available to City. Any insurance or self-insurance maintained by City and/or its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.
- 11.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.
- 11.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.
- 11.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

**12. MUTUAL COOPERATION**

- 12.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available for the proper performance of Consultant's services under this Agreement.
- 12.2 If any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require in the defense of that claim or action.

**13. RECORDS AND INSPECTIONS**

Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to City under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such documents shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. In addition, pursuant to Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds ten thousand dollars, all such documents and this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under the Agreement.

**14. PERMITS AND APPROVALS**

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary for Consultant's performance of this Agreement. This includes, but shall not be limited to, professional licenses, encroachment permits and building and safety permits and inspections.

**15. NOTICES**

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the parties may, from time to time, designate in writing).

If to City:  
City of La Habra Heights  
Attn: Fabiola Huerta, Assistant  
to the City Manager  
1245 North Hacienda Road  
La Habra Heights, CA 90631  
Phone: (562) 694-6302  
Fax: (562) 694-4410

If to Consultant:  
*Name of Consultant*  
*Street Address or P.O. Box*  
*City, State Zip Code*  
Telephone: ( ) \_\_\_-\_\_\_\_  
Facsimile: ( ) \_\_\_-\_\_\_\_

With courtesy copy to:  
John Brown, City Attorney  
Best Best & Krieger, LLP  
2855 East Guasti Road, Suite 400  
Ontario, CA 91761  
Telephone: (909) 483-6640  
Facsimile: (909) 944-1441

**16. SURVIVING COVENANTS**

The parties agree that the covenants contained in Section 9, Section 10, Paragraph 12.2 and Section 13 of this Agreement shall survive the expiration or termination of this Agreement.

**17. TERMINATION**

17.1. City may terminate this Agreement for any reason on five calendar days' written notice to Consultant. Consultant may terminate this Agreement for any reason on sixty calendar days' written notice to City. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

- 17.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

**18. GENERAL PROVISIONS**

- 18.1 Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any party other than Consultant.
- 18.2 In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental disability medical condition or any other unlawful basis.
- 18.3 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph at the head of which it appears, the section or paragraph, and not such heading, shall govern construction of this Agreement. Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular and vice versa, in any place or places herein in which the context requires such substitution(s).
- 18.4 The waiver by City or Consultant of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition of this Agreement. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in a writing signed by one authorized to bind the party asserted to have consented to the waiver.
- 18.5 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

- 18.6 Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance from the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies. If legal action shall be necessary to enforce any term, covenant or condition herein contained, the party prevailing in such action, whether or not reduced to judgment, shall be entitled to its reasonable court costs, including any accountants' and attorneys' fees incurred in such action. The venue for any litigation shall be Los Angeles County, California and Consultant hereby consents to jurisdiction in Los Angeles County for purposes of resolving any dispute or enforcing any obligation arising under this Agreement.
- 18.7 If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.
- 18.8 This Agreement shall be governed and construed in accordance with the laws of the State of California.
- 18.9 All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

**19 PREVAILING WAGE LAW**

- 19.1 Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the

payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If the services under this Agreement are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify, and hold the City, its elected officials, officers, employees, and agents free and harmless from any claim or liability arising out of any failure or alleged failure of Consultant to comply with the Prevailing Wage Laws.

**20      SB 854 FOR CONTRACTORS BIDDING ON PUBLIC WORKS PROJECTS**

20.1 For contractors bidding on public works projects, the City of La Habra Heights requires all contractors and subcontractors to be registered with the Department of Industrial Relations (DIR), State of California, pursuant to Labor Code Section 1725.5. Such registration must be completed and verified by the contractor prior to submitting a bid on any public works project. Bids from contractors or subcontractors that are not currently registered as required will be deemed nonresponsive. Further, the City will not award a contract to and no contractor or subcontractor will be allowed to work on a City project unless they are registered with the DIR pursuant to Labor Code Section 1725.5.

**TO EFFECTUATE THIS AGREEMENT**, the parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

**“City”**

**“Consultant”**

**City of La Habra Heights**

**Name of Company or Individual**

By \_\_\_\_\_

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

Kyle Miller, Mayor

**Name, Level of Officer e.g.,**

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

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

Attest:

By \_\_\_\_\_

Fabiola Huerta, Assistant to the City Manager

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

Approved as to form:

By \_\_\_\_\_

John Brown, City Attorney

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

# APPENDIX C



**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Council Member concerning the CONTRACTOR's Investment Management Services RFP at any time after xxxxxx xx, 20xx.

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**OR**

I certify that Proposer or Proposer's representatives have communicated after xxxxxx xx, 20xx with the following City Council Members concerning the Investment Management Services RFP. A copy of all such communications is attached to this form for public distribution.

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# APPENDIX D

**PRICING PROPOSAL FORM  
INVESTMENT MANAGEMENT SERVICES**

**Provide hourly rates, along with estimated annual pricing in accordance with the City's current requirements, as set forth in section 3 Scope of Work. Also provide your firm's proposed Staffing Plan on a separate sheet of paper. Proposer should use a separate form to state pricing for any added value.**

Pricing shall remain firm for a minimum of two (2) years. Any and all requests for pricing adjustments for follow-on contract renewal periods shall be provided no later than sixty (60) days prior to the end of the contract period. Any such proposed price adjustments shall not exceed The Bureau of Labor Statistics Consumer Price Index (CPI) data for Los Angeles-Riverside-Orange County, CA, All Items, Not Seasonally Adjusted, "annualized change comparing the original proposal month and the same month in the subsequent year. (This information may be found on the U.S. Department of Labor's website at [www.bls.gov](http://www.bls.gov).)

<b>Employee</b>	<b>Hourly Rate</b>	<b>Hours worked</b>	<b>Total Cost</b>	<b>Overtime rate</b>
	\$			\$
	\$			\$
	\$			\$

Total Estimated Annual Price	\$
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ADD ANY ADDITIONAL COST PROPOSAL SHEETS HERE

# APPENDIX E

## DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes \_\_\_\_\_ No \_\_\_\_\_

If the answer is yes, explain the circumstances in the following space.

# APPENDIX F

## DISCLOSURE OF GOVERNMENT POSITIONS

Each proposer shall disclose below whether any owner or employee of the firm currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

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