



# **CITY OF LOS ALTOS REQUEST FOR PROPOSALS FOR A COMPREHENSIVE DEVELOPMENT AND IMPACT FEE STUDY AND COST ALLOCATION PLAN**

**Issue Date: April 10, 2023**

**Proposal Due Date: May 11, 2023 by 4:00 p.m.**

Contact:

Nick Zornes, Development Services Director

City of Los Altos

Development Services Department

One North San Antonio Road

Los Altos, California 94022

[nzornes@losaltosca.gov](mailto:nzornes@losaltosca.gov)

650-947-2625

# REQUEST FOR PROPOSALS FOR A COMPREHENSIVE DEVELOPMENT AND IMPACT FEE STUDY AND COST ALLOCATION PLAN

## I. GENERAL PROJECT DESCRIPTION

The City of Los Altos (“City”) is seeking a qualified consultant (or team of consultants) to assist staff with a comprehensive review and revision of the City’s development-related fees, including development impact fees and in-lieu fees, as well as any user fees associated with development. This should be informed by a new Cost Allocation Plan and should include recommendations for the revision, elimination, and/or implementation of development impact fees or development processing fees, where appropriate.

## II. BACKGROUND

Just 40 miles south of San Francisco, Los Altos is in Santa Clara County and is bordered by Los Altos Hills to the west, Palo Alto to the west and northwest, Mountain View to the northwest and northeast, Sunnyvale to the east, and Cupertino to the southeast. Incorporated in 1952, the City was originally an agricultural town with many summer cottages and apricot orchards, and now is a predominately residential community with tree-lined streets and a small-village atmosphere. The approximately seven-square mile community is developed with various businesses, schools, libraries, churches, and residences and has a population of approximately 30,000 people.

## III. PROJECT OBJECTIVES

The objective of the RFP is to receive proposals for reviewing and updating the City’s development impact fees and development processing fees, recommending additional fees if necessary, and providing a full cost allocation plan for every City department with overhead calculations for cost recovery. In addition, the City requests an analysis and presentation of the ways in which fee modifications and/or reductions might be used to incentivize the production of additional affordable housing units, the adoption of sustainable environmental practices, or other City policy goals.

### **Full Cost Allocation Plan**

The purpose of the Cost Allocation Plan is to ensure that the City has a basis for applying comprehensive overhead rates and is accurately accounting for the true cost of providing development processing services by each department. A Full Cost Allocation Plan can allocate all indirect costs. Best practices, accounting standards and Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (OMB Uniform Guidance) deem it necessary for the City to maintain a well-documented cost allocation plan that will help it to appropriately allocate general and administrative costs in the budget. The Plan shall also properly identify overhead rates that can be used in the calculation of billable hourly rates for user fees, and reimbursements from other governmental agencies.

## **Development Processing Fee Study**

The City would like to take a holistic look at its development-related fee structures across all departments to right-size their relative amounts and ensure fees reflect their cost of service and impact. The Development Processing Fee Study will calculate the full 100% cost of providing certain city services and provide a recommended fee to be charged for each applicable service. The Consultant shall recommend cost recovery strategies and identify best practices in establishing development processing fees. These strategies should take into consideration the complexities and demands of each department and program. The selected Consultant will conduct a thorough analysis of existing fees, develop fee models and recommendations, and identify and recommend new fees and revenue sources. It is the goal of the City to have a well-documented and defensible plan that will establish rates for recovering billable costs for services with consideration to the compliance requirements under all applicable statutory requirements.

## **Development Impact Fee Nexus Study**

Each year, the City adopts revisions to its comprehensive fee schedule. While this process allows for the City to account for variance in the Consumer Price Index or the value of land, it does not (generally) include a revision of the underlying formulas used to make the fee calculations. As such, some of the development impact and in-lieu fee calculations have not been revisited in several years. As such, in compliance with the Mitigation Fee Act, the City would like to reevaluate its development impact fees and make any necessary changes to its in-lieu fees to ensure they are aligned with their current impact on City services and/or local residents.

## **IV. SCOPE OF WORK**

Consultants may submit proposals for one or all parts of the scope of services listed below. Consultants may also propose using sub-consultants for part of the work. Subject to further discussion with the selected firm(s), the City anticipates that the scope of work on this assignment may include some or all of the following services:

### **Cost Allocation Plan and Comprehensive User Fee Study**

1. Work and meet with selected City staff to refine the project scope, purpose, and goals to ensure that the study will be both accurate and appropriate to Los Altos' needs.
2. Identify the total cost of providing appropriate development-related City service in a manner consistent with all applicable laws, statutes, best practices, rules and regulations governing the collection of fees, rates, and charges by public entities.
3. Compare service costs with existing policy-based cost recovery levels. This includes service areas where the City is currently charging, as well as recommended areas where the City should charge, in light of the City's practices, or the practices of similar or neighboring cities.
4. Present fee recommendations to be included in the City's Master User Fee Schedule using FY 2022-23 budget for calculating the full costs of providing each City service.
5. Recommend potential new fees and charges for services that the City currently provides but does not have fee and/or charges established. Recommendations should be based on practices that surrounding cities may charge for similar services, industry best practices, or the consultant's professional opinion.

6. Prepare a report that identifies each fee service, its full cost, and recommend target cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service.
7. Prepare a report that identifies the present fees, recommended fees, percentage change, and revenue impact and fee comparison with other California cities that are comparable to the City of Los Altos. A survey comparison of rates and fees with similar cities is required.
8. For services that are billed a deposit to be charged against for “actual costs” incurred, Consultant shall evaluate the existing process and provide recommendations for improvement (i.e., what is the appropriate amount of deposit to collect upfront, at what point should additional deposit be requested, etc.).
9. Provide the City with an electronic copy of the final study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.

### **Development Impact Fee / In-Lieu Fee Update Study**

1. Review and report on the City’s Impact and in-lieu fees. The consultant (or consultants) will conduct a comprehensive update of the nexus analysis for these fees and explore adding development impact fees as appropriate. The City’s impact fee program must comply with the Mitigation Fee Act. The final scope of revision will be based on a mutual agreement between the City and the consultant but should include (at minimum):
  - Commercial Linkage Fee
  - General Plan/Long Range Planning Maintenance Fee
  - Vehicle Miles Traveled (VMT) Mitigation Fee
  - Development Impact Fee
2. The consultant (or consultants) will be responsible for preparing background reports as well as technical reports documenting the study results for each fee.
3. Provide an overview of development impact fees and in-lieu fees in neighboring and/or similar-sized cities as a means of comparison.
4. Provide City staff with an interactive tool that will ensure predictable and intuitive fees that are easily accessible and understandable to customers interested in calculating fees on their own for a particular type of project.

## **V. COMPENSATION**

The City of Los Altos will negotiate a contract with the selected Consultant for all services rendered as described in the Scope of the Work, including all labor, equipment, materials, and expenses, the Consultant shall be compensated on a percent complete basis by task for work completed on a “fixed fee, not to exceed basis.”

## **VI. PROPOSAL FORMAT AND CONTENT**

In developing a response to this request for proposals, proposers should be concise, limiting their response to the specific questions and requirements set forth herein. The proposal should respond to each question or requirement below in consecutive order, as follows:

1. Cover Letter: A cover letter should explain the applicant's experience providing similar services for government entities, as well as the name of the proposing Consultant and its principal business address where the relationship will be managed.
2. Table of Contents: One printed page maximum. It should include a table of contents that makes it easier to locate information in the proposal.
3. Description of Organization, Management, and Team Members: A description of the team/consultant organization, and a work plan that identifies the personnel to be assigned to each task. The organization description should clearly identify who will be the project manager and the day-to-day contact person for the job.
4. Proposed Budget: Indicate the costs and hours for the total project, on a task-by-task basis and on a sub consultant basis, inclusive of reimbursables. Provide a table with the estimated labor hours by personnel proposed for the project for each task identified in the Scope of Services. The table shall include subtotals by both column and row along with a total estimated hours to perform the Scope of Services. All pertinent and relevant assumptions that may affect the proposed hours shall be clearly listed in this section of the proposal, and prices quoted must be binding for a minimum of the life of the project.
5. Organization Qualifications: Provide an outline of the organization qualifications indicating relevant background experience and capabilities for this work. A list of major projects, both ongoing and planned, to which the organization is committed during the time frame of this project should also be provided. Include the staff resources devoted to those projects and the status of the projects.
6. Scope of Work: The proposal should contain a description of each work task with an explanation of how the proposer plans to approach the tasks and the steps that will be taken to complete the task including analytical methods and tools. Proposers must demonstrate that they understand the magnitude and importance of each individual task. Tasks should be organized into phases constituting measurable deliverables.
7. Proposed Project Schedule: The proposal shall include a schedule to undertake the work program. This schedule can be phased or organized in a manner the proposer deems most effective if there is a clearly defined plan articulated in the proposal. This project is anticipated to start by July 2023.
8. References: Proposals should provide at least two (2) client references for whom the firm has performed similar work to that requested in this RFP during the past five years. For each client, please provide the name, street address, telephone number, and email address.
9. Completed Reports: Proposals should provide (2) completed reports that the firm has previously developed for cities, counties or local government agencies that are comparable to the project outlined in this RFP.
10. Standard Contract: Proposals should note any requested changes to the City's standard contract for services, which is attached to this RFP.

## **VII. SELECTION CRITERIA AND PROCESS**

Responding firms will be evaluated based on the following criteria:

1. Quality of proposal.
2. Experience in conducting similar fiscal analyses and reports for local government agencies in California.

3. Expertise and experience of the project team assigned to the project, and the in-house expertise, or the ability to work with subconsultants with expertise in areas as outlined in the scope of work.
4. Demonstrated ability to stay on schedule and reasonableness of fees and cost proposal.
5. Availability and staffing to complete the project within the specified timeline.
6. Management approach to the project.
7. Review of references.

The top three to four proposals will be invited to an interview. The interview will help to clarify each proposal and the approach and qualifications for the project. Based upon the interview and evaluation of the proposals, the top-ranked consultant will be recommended to the City Council.

General Provisions and Conditions: The City reserves the right to:

1. Reject any responses.
2. Negotiate with more than one consultant.
3. Waive minor irregularities in a response.
4. Cancel, revise, or extend this solicitation.
5. Request additional information on any response beyond that required by this RFP.
6. Modify the selection process set forth in this RFP upon written notification to all respondents who have not been rejected at the time of modification.
7. Request substitution of sub-consultants.

## **VIII. SUBMISSION INSTRUCTIONS**

Please submit five (5) printed copies and one (1) digital PDF copy on a USB of your full proposal at your earliest convenience, but no later than May 11, 2023, at 4:00 p.m. to:

Nick Zornes, Development Services Director  
City of Los Altos  
Development Services Department  
One North San Antonio Road  
Los Altos, California 94022

Attachments:

Attachment 1: Standard Agreement for Professional Services

# ATTACHMENT 1

Los Altos Standard Agreement for Professional Services



**PROFESSIONAL SERVICES AGREEMENT BETWEEN  
THE CITY OF LOS ALTOS, CALIFORNIA  
AND  
XXXXXX  
FOR  
XXXXXXXX SERVICES FOR XXXXXXXX**

**THIS AGREEMENT** is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the CITY OF LOS ALTOS, a municipal corporation, hereinafter referred to as “**CITY**,” and XXXXXXXX, a xxx, hereinafter referred to as “**CONSULTANT**.”

**RECITALS**

**WHEREAS**, CITY desires to retain a qualified consulting firm to perform xxxxxx and xxxxxx to produce a xxxxxxxx; and

**WHEREAS**, CITY has determined that CONSULTANT possesses the skills, experience and certifications required to provide the services required by the CITY; and

**WHEREAS**, CONSULTANT is an independent consultant providing similar professional services to numerous other cities; and

**WHEREAS**, CITY desires to retain CONSULTANT to provide professional services under the terms and conditions set forth in this Agreement.

**NOW, THEREFORE**, in consideration of the mutual covenants, conditions and promises identified herein, the parties mutually agree as follow:

**1. SCOPE OF SERVICES.**

**A. CONSULTANT.** CONSULTANT shall assist the CITY by executing the following scope of services in a satisfactory and proper manner in accordance with requirements provided by the City Manager, or designee. Services will include, but not be limited to, the items noted in CONSULTANT’s proposal attached hereto and incorporated herein as Exhibit A.

**2. SCHEDULE.** Services of CONSULTANT are to commence upon the execution of this Agreement and shall continue in full force and effect until it is terminated. It is intended that the termination of this Agreement be contemporaneous with final acceptance of all services described in Exhibit A by the Los Altos City Manager, or designee. CONSULTANT shall meet the completion date as indicated on Exhibit A.

**3. TERM.** The term of this Agreement shall continue in full force and effect for FY2022/23 through FY20XX/XX. Changes in Scope of Services and Payment Schedule, Exhibit A, can be amended, as needed, thirty (30) days prior to the expiration of each fiscal year. If the Agreement



is terminated, it is intended that the termination of the Agreement be contemporaneous with final acceptance of all services by CITY.

4. **COMPENSATION.** CONSULTANT will perform the work outlined above and will invoice CITY upon completion of the project. CONSULTANT's total compensation, including reimbursed expenses, for the services set forth for the Contract shall not exceed \$x,xxx as outlined in Exhibit A.

- A. **Compensation.** The compensation shall be paid to CONSULTANT based on the following hourly rates guide:

Consultant	\$xxx/hour
Partner	\$xxx/hour
Xxx process	\$xx,x00 flat fee
Yyy process	\$x,x00

The total contract value shall not to exceed \$xx,xx.

- B. **Method of Payment.** As a condition precedent to any payment to CONSULTANT under this Agreement, CONSULTANT shall submit monthly to the CITY a statement of account which clearly sets forth the designated items of work for which the billing is submitted. Each statement of account shall also include a detailed record of the month's actual reimbursable expenditures.

CITY shall review CONSULTANT's monthly statement and pay CONSULTANT for services rendered hereunder at the rates if acceptable and in the amounts provided hereunder on a monthly basis in accordance with the approved monthly statements. Payment will be made according to the CITY's standard Payment Schedule and Terms.

5. **OWNERSHIP OF WORK.** All documents furnished to CONSULTANT by CITY and all reports and supportive data prepared by CONSULTANT by this Agreement are CITY's property, for the exclusive use of the CITY, shall be given to CITY at the completion of CONSULTANT services. CITY shall be granted xxx.

CONSULTANT may contract with others to provide xxxx.

6. **COMPLIANCE WITH LAW.** CONSULTANT shall comply with all applicable federal, state and local laws, codes, ordinances and regulations, including Cal/OSHA requirements. CONSULTANT represents to CITY that it has, and will maintain through the term of the Agreement, all licenses, permits, qualifications, insurance and approvals of whatsoever nature, which are legally required for CONSULTANT to practice its profession. CONSULTANT shall maintain a City of Los Altos Business License.

7. **STANDARD OF CARE.** CONSULTANT's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

8. **INSURANCE.** CONSULTANT shall procure and maintain for the duration of the contract insurance as described in Exhibit B against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONSULTANT, its agents, representatives, employees or subcontractors.
9. **RELATIONSHIP BETWEEN THE PARTIES.** CONSULTANT is, and at all times shall remain, an independent contractor, not an agent or employee of the CITY. CONSULTANT shall be solely responsible for all acts of its employees, agents or sub-consultants, including any negligent acts or omissions. CONSULTANT shall have no authority to act on behalf of the CITY or to bind the CITY to any obligation whatsoever, unless the CITY provides prior written authorization to CONSULTANT. As an independent contractor, CONSULTANT shall not be entitled to any benefit, right or compensation from the CITY other than those provided for in this Agreement.
10. **INDEMNIFICATION.** To the fullest extent permitted by law, CONSULTANT shall defend (with counsel reasonably approved by CITY), indemnify and hold CITY, the City Council, members of the City Council, its employees, representatives, agents and volunteers harmless from any and all suits, damages, costs, fees, claims, demands, causes of action, liabilities, losses expenses, damage or injury of any kind, in law or equity, to property or persons, including wrongful death and financial losses (collectively, "Claims") in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of CONSULTANT or CONSULTANT'S officers, assistants, subcontractors, employees or agents in connection with the performance of CONSULTANT's services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses.

Notwithstanding the foregoing, to the extent CONSULTANT's services are subject to Civil Code Section 2782.8, (Design Professionals) the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to Claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of CONSULTANT. CONSULTANT's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by CITY, the City Council, members of the City Council, its employees, or authorized volunteers.

11. **CALIFORNIA LABOR CODE REQUIREMENTS.** CONSULTANT is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" or "maintenance" projects. If the services 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, if applicable. CONSULTANT shall defend, indemnify and hold the CITY, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the CONSULTANT and all sub-consultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Section 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1).

If the services are being performed as part of an applicable “public works” or “maintenance” project, then pursuant to Labor Code Sections 1725.5 and 1771.1, CONSULTANT and all sub-consultants performing such services must be registered with the Department of Industrial Relations. CONSULTANT shall maintain registration for the duration of the Project and require the same of any sub-consultants, as applicable. This Project may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be CONSULTANT’s sole responsibility to comply with all applicable registration and labor compliance requirements.

**12. TERMINATION OF AGREEMENT.** Notwithstanding any other provision of this Agreement, the CITY may terminate this Agreement without cause at any time upon giving ten days written notice to CONSULTANT. In the event of such a termination, CONSULTANT shall be entitled to any compensation owed for services rendered up to the effective date of termination.

**13. MAINTENANCE OF RECORDS.** Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by CONSULTANT and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under this Agreement for inspection by CITY.

**14. ORGANIZATION.** CONSULTANT shall assign \_\_\_\_\_ as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of CITY.

**15. WRITTEN NOTIFICATION.** Any notice, demand, request, consent, approval, or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail. Any such notice, demand, etc., shall be addressed to the other part at the address set forth herein below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within 48 hours from the time of mailing it mailed as provided in this section.

**CITY:** City of Los Altos  
Gabriel Engeland, City Manager (or Project Manager)  
1 N. San Antonio Road  
Los Altos, CA 94022

**CONSULTANT:** XXX  
Contact  
Address  
Address

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

**17. WAIVER.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision of the Agreement.

**18. NO IMPLIED WAIVERS.** The failure of either party at any time to require performance by the other party of any provisions hereof shall not affect in any way the full right to require such

performance at any time thereafter. Nor shall the waiver by either party of a breach of any provision hereof be taken or held to be a waiver of the provision itself.

19. **ASSIGNMENT.** The parties recognize that a substantial inducement to CITY for entering into this Agreement is the professional reputation, experience and competence of CONSULTANT. CONSULTANT, therefore, shall not assign, delegate, nor transfer any rights or obligations pursuant to this Agreement, except as specified in this Agreement, without the prior written consent of CITY. Any assignment of any right or obligation or subcontracting of any work without CITY consent shall be void and of no effect.
20. **TAXES.** CONSULTANT agrees to file tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement, and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. CONSULTANT agrees to indemnify and hold CITY harmless from any liability which it may incur to the United States of America or the State of California as a consequence of CONSULTANT's failure to pay, when due, all such taxes and obligations. In the event CITY is audited for compliance regarding withholding or other applicable taxes, CONSULTANT agrees to furnish CITY with proof of payment of taxes on these earnings.
21. **NONDISCRIMINATION.** CONSULTANT shall not discriminate against any person related to the performance under this Agreement (including any employee or applicant) or the basis of race, color, religious creed, national origin, gender, physical or mental disability, marital status, or sexual orientation.
22. **DEFAULT.** In the event CONSULTANT fails to provide the services set forth in this Agreement due to the fault of CONSULTANT, CITY shall have the right to either do the work itself or hire an outside contractor to perform those services.
23. **TIME OF ESSENCE.** Time is of the essence for each and every provision of this Agreement.
24. **CITY'S RIGHT TO EMPLOY OTHER CONSULTANTS.** CITY reserves its right to employ other consultants in connection with this Project or other projects.
25. **VENUE.** In the event that suit shall be brought by either party hereunder, the parties agree that trial of such action shall be held exclusively in a state court in the County of Santa Clara, San Jose, California.
26. **CONSTRUCTION.** To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in the manner that avoids any violation of statute, ordinance, regulation or law.
27. **AMENDMENT.** This Agreement constitutes the complete and exclusive statement of the Agreement to CITY and CONSULTANT. It may be amended or extended from time-to-time by written agreement of the parties hereto.
28. **INTEGRATION.** This Agreement supersedes any and all agreements, either oral or written, between the parties hereto with respect to the rendering of services by CONSULTANT for CITY, and contains all the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by

any party or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement, or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement shall be effective only if it is in writing, signed by the party to be charged. If there is any conflict in the terms of this Agreement with the exhibits or attachments, then the provisions of this Agreement shall control.

**29. EXECUTION.** This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement it shall not be necessary to produce or account for more than one such counterpart.

**30. IN WITNESS. WHEREOF,** the CITY and CONSULTANT have executed this Agreement as of the date first above written.

**APPROVED AS TO CONTENT:**

\_\_\_\_\_  
Director/Project Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jolie Houston  
City Attorney

**AGREED:**

\_\_\_\_\_  
Gabriel Engeland  
City Manager

\_\_\_\_\_  
Date

**CONSULTANT:**

\_\_\_\_\_  
XXX  
Title

\_\_\_\_\_  
Date

**EXHIBIT A**  
**SCOPE OF SERVICES**

(To be attached at time of contract execution)

**EXHIBIT B**  
**INSURANCE**

CONSULTANT shall provide its insurance broker(s)/agent(s) with a copy of these requirements and request that they provide Certificates of Insurance complete with copies of all required endorsements to: **Project Manager, City of Los Altos, 1 N. San Antonio Road, Los Altos, CA 94022**

**Minimum Scope of Insurance**

Coverage shall be *at least as broad as*:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, with limits no less than **\$2,000,000 or \$4,000,000 aggregate** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. CGL insurance must include coverage for the following:
  - a. Bodily Injury and Property Damage
  - b. Personal Injury/Advertising Injury
  - c. Premises/Operations Liability
  - d. Products/Completed Operations Liability
  - e. Aggregate Limits that Apply per Project
  - f. Explosion, Collapse and Underground (UCX) exclusion deleted
  - g. Contractual Liability with respect to this Agreement
  - h. Broad Form Property Damage
  - i. Independent Consultants Coverage

The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

2. **Automobile Liability:** Insurance Services Office Form Number CA 00 01 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers’ Compensation/Employer’s Liability:** CONSULTANT certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and it will comply with such provisions before commencing work under this Agreement. To the extent CONSULTANT has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement CONSULTANT shall maintain insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the CONSULTANT’s profession, with limit no less than **\$1,000,000** per occurrence or claim.



This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the CONSULTANT. "Covered Professional Services" as designed in the policy must specifically include work performed under this Agreement.

5. **Umbrella or Excess Liability: Umbrella or Excess Insurance.** If umbrella or an excess liability insurance policy is used to satisfy the minimum requirements for CGL or Automobile Liability insurance coverage listed above, the umbrella or excess liability policies shall provide coverage at least as broad as specified for the underlying coverages and covering those insured in the underlying policies. Coverage shall be "pay on behalf," with defense costs payable in addition to policy limits. CONSULTANT shall provide a "follow form" endorsement or schedule of underlying coverage satisfactory to the CITY indicating that such coverage is subject to the same terms and conditions as the underlying liability policy.
6. The CITY, its officers, officials, employees, and volunteers are to be covered as additional insureds on the umbrella or excess policy with respect to liability arising out of work or operations performed by or on behalf of the CONSULTANT including materials, parts or equipment furnished in connection with such work or operations. If CONSULTANT maintains broader coverage, umbrella or excess coverage and/or higher limits than the minimums shown above, the CITY requires and shall be entitled to the broader coverage, umbrella or excess coverage and/or the higher limits maintained by CONSULTANT. Any available insurance proceeds in excess of the specified minimum limits of insurance and any other coverages shall be available to the CITY.

**Other Insurance Provisions.** The insurance policies are to contain, or be endorsed to contain, the following provisions:

**Additional Insured Status.** The CITY, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy and the Automobile Liability policy, with endorsements under CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage, with respect to liability arising out of work or operations performed by or on behalf of the CONSULTANT including materials, parts or equipment furnished in connection with such work or operations.

**Primary Coverage.** For any claims related to this contract, the CONSULTANT's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, or volunteers shall be excess of the CONSULTANT's insurance and shall not contribute with it.

**Notice of Cancellation.** Each insurance policy required above shall be endorsed to state that coverage shall not be canceled except after thirty (30) days' prior written notice (10 days for non-payment) has been given to the CITY.

**Waiver of Subrogation.** CONSULTANT hereby grants to CITY a waiver of any right to subrogation which any insurer of said CONSULTANT may acquire against the CITY by virtue of the payment of any loss under such insurance. CONSULTANT agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the CITY has received a waiver of subrogation endorsement from the insurer.



**Deductibles and Self-Insured Retentions.** Any deductibles or self-insured retentions must be declared to and approved by the CITY. The CITY may require the CONSULTANT to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

**Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the CITY.

**Claims Made Policies.** If any of the required policies provide claims-made coverage:

7. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
8. Insurance must be maintained and evidence of insurance must be provided *for at least three (3) years after completion of the contract work.*
9. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONSULTANT must purchase "extended reporting" coverage for a minimum of *three (3)* years after completion of contract work.

**Verification of Coverage.** CONSULTANT shall furnish the CITY with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the CITY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONSULTANT's obligation to provide them. The CITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

**Special Risks or Circumstances.** CITY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.