

OVERSIGHT BOARD RESOLUTION NO. 2016-03

**CITY OF SOUTH GATE
LOS ANGELES COUNTY, CALIFORNIA**

A RESOLUTION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE APPROVING AN AGREEMENT FOR PROFESSIONAL SERVICES WITH THE REYNOLDS GROUP RELATED TO ENVIRONMENTAL CONDITIONS AT 3500-3506 TWEEDY BOULEVARD; AND AUTHORIZE THE TRANSMITTAL OF THE AGREEMENT TO THE STATE DEPARTMENT OF FINANCE PURSUANT TO THE DISSOLUTION LAW

WHEREAS, the Community Development Commission of the City of South Gate (“Former Agency”) previously was a public body, corporate and politic, formed, organized, existing and exercising its powers pursuant to Section 34100, *et seq.* of the California Health and Safety Code, and exercised the powers, authority, functions, and jurisdiction of a community redevelopment agency formed, organized, existing and exercising its powers pursuant to the California Community Redevelopment Law, Health and Safety Code, Section 33000, *et seq.* (“CRL”), and specifically formed by the City Council (“City Council”) of the City of South Gate (“City”); and

WHEREAS, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health & Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and other subsequent legislation including Senate Bill 107 (together, the “Dissolution Law”); and

WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to the Dissolution Law, and as a separate public entity, corporate and politic, the Successor Agency to the Community Development Commission of the City of South Gate (“Successor Agency”) administers the enforceable obligations of the Former Agency and otherwise unwinds the Former Agency’s affairs, all subject to the review and approval by a seven-member oversight board (“Oversight Board”); and

WHEREAS, pursuant to Section 34179, the Successor Agency’s Oversight Board has been formed and the initial meeting occurred on March 29, 2012; and

WHEREAS, Section 34179 provides that the Oversight Board has fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of Part 1.85 of the Dissolution Law; and

WHEREAS, under Section 34181, as amended by Senate Bill 107, the Successor Agency prepared and the DOF approved its Long Range Property Management Plan (“LRPMP”); and

WHEREAS, one of the properties that the Successor Agency has retained and that will be offered for sale and sold by the Successor Agency at market rate, with the proceeds of the

sales to be distributed by the Los Angeles County Auditor-Controller in accordance with the Dissolution Law, is a parcel of real property currently improved and used as a parking lot that is located at a common address of 3500-3506 Tweedy Boulevard, South Gate, California ("Property"); and

WHEREAS, the Property requires professional services related to environmental conditions and is the subject of an enforcement action by the Los Angeles Regional Water Quality Control Board ("LARWQCB"): *Directive to Take Corrective Action Re Underground Storage Tank Release at 3500-3506 Tweedy Boulevard, South Gate, California (LARWQCB Case No. R-23710) ("Environmental Services Work")*; and

WHEREAS, the Successor Agency has solicited a proposal for the Environmental Services Work and desires to enter into an *Agreement for Professional Services* ("Agreement") with The Reynolds Group, a California corporation ("Consultant"), to undertake such work but as limited by monies approved by the DOF and allocated to the Successor Agency therefor; and

WHEREAS, the Oversight Board has reviewed the Agreement presented by the Successor Agency and desires to approve the Agreement, and to authorize the Successor Agency to cause posting of this Resolution, including the Agreement for Professional Services with The Reynolds Group, on the City's website: (<http://www.cityofsouthgate.org/247/Successor-Agency>).

NOW, THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

SECTION 2. Pursuant to the Dissolution Law, the Oversight Board approves the Agreement for Professional Services with The Reynolds Group, which is included as Attachment 1, and incorporated by this reference; provided however, that the Agreement is approved subject to the condition that such Agreement is to be submitted to and reviewed by the DOF.

SECTION 3. The Oversight Board authorizes and directs transmittal of the Agreement to the State Department of Finance.

SECTION 4. The Director of Administrative Services, or her authorized designee, is directed to post this Resolution, including the Agreement, on the City's website pursuant to the Dissolution Law.

SECTION 5. Pursuant to Section 34179(h) written notice and information about certain actions taken by the Oversight Board shall be provided to the DOF by electronic means and in a manner of DOF's choosing. An Oversight Board's action shall become effective five (5) business days after notice in the manner specified by the DOF unless the DOF requests a review.

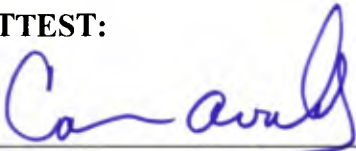
SECTION 6. The Recording Secretary of the Oversight Board shall certify to the adoption of this Resolution.

PASSED, APPROVED AND ADOPTED this 12th day of September 2016.



W. H. (Bill) De Witt, Chair
Oversight Board of the Successor Agency to the
Community Development Commission of the
City of South Gate

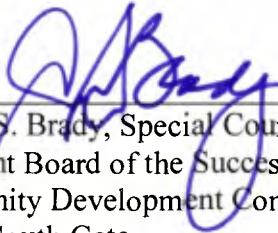
ATTEST:



Carmen Avalos, Recording Secretary
Oversight Board of the Successor Agency to the
Community Development Commission of the
City of South Gate

(SEAL)

APPROVED AS TO FORM:



Celeste S. Brady, Special Counsel
Oversight Board of the Successor Agency to the
Community Development Commission of the
City of South Gate

**AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN
THE SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION
OF THE CITY OF SOUTH GATE AND THE REYNOLDS GROUP
RELATED TO ENVIRONMENTAL CONDITIONS
AT 3500-3506 TWEEDY BOULEVARD, SOUTH GATE**

This **AGREEMENT FOR PROFESSIONAL SERVICES** ("Agreement") is made and entered into by and between the **SUCCESSOR AGENCY TO THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF SOUTH GATE**, a public body ("Successor Agency") and **THE REYNOLDS GROUP**, a California corporation ("Consultant"). Each of the Successor Agency and Consultant are a "Party" and together referred to as the "Parties".

RECITALS

A. Successor Agency is a separate public body that exists under Parts 1.8 and 1.85, Division 24, Section 34160 and 34170, *et seq.*, respectively, of the California Health and Safety Code ("Dissolution Law"), in particular as set forth in Section 34173(g) thereof.

B. Successor Agency does not have the personnel able and/or available to perform the professional services required under this Agreement.

C. Successor Agency desires to contract out for professional environmental consulting services to be provided by The Reynolds Group as Consultant hereunder.

D. Consultant warrants to Successor Agency that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.

E. Successor Agency desires to contract with Consultant to perform the services described in Attachment 1 to this Agreement, in phases as and when funding therefor is approved by the State of California, Department of Finance ("DOF") through the Recognized Obligation Payment Schedule ("ROPS") process under the Dissolution Law.

F. The Successor Agency's requested funding on ROPS 16-17AB was approved by the DOF in April 2016 to pay for eligible costs incurred during fiscal year 16-17AB (July 1, 2016 to June 30, 2017), which is part of the total estimated costs of \$1.1M to undertake and complete the environmental remediation of that certain real property that is currently improved as a parking lot and located at a common address of 3500-3506 Tweedy Boulevard, South Gate, California ("Property").

G. The Scope of Work, Attachment 1 (together, "Services") for fiscal year 2016-17 is attached to this Agreement and fully incorporated by this reference, and Consultant will more fully detail and itemize each phase of the Scope of Work as, if and when the DOF approves funding therefor through the ROPS process and under this Agreement, and approves, and continues to approve, listing of this Agreement and costs therefor as an enforceable obligation in implementation of ROPS line item No. 26.

NOW, THEREFORE, Successor Agency and Consultant agree as follows:

1.0 SCOPE OF CONSULTANT'S SERVICES. Consultant agrees to provide the services and perform the tasks set forth in the Scope of Work, Attachment 1 ("Services"). The Scope of Work and estimated costs therefor may be amended from time to time by the Executive Director of the Successor Agency and in this regard the Executive Director is hereby authorized to enter into one or more modifications or amendments to this Agreement consistent with a continued and progressive Scope of Work subject to and for which DOF reviews and approves funding in successive fiscal year(s) through the ROPS process.

2.0 TERM OF AGREEMENT. This Agreement will become effective after all of the following occur: (a) approval by the Successor Agency; (b) review and approval by the Oversight Board to the Successor Agency; and, (c) review and approval by the DOF, all under the Dissolution Law. The "Term" of this Agreement is one (1) year for the period July 1, 2016 to June 30, 2017, with such Term subject to one or more one-year extension(s) for one or more subsequent fiscal years, which shall coincide with a modified Scope of Work as described in Section 1.0 above and for which the DOF has reviewed and approved funding in each successive fiscal year(s) that the Successor Agency continues to own the subject Property and for which continued remediation work is required to continue, including work ordered or otherwise directed by the LARWQCB or other governmental agency with jurisdiction over the Property, but in no event shall the Term of the Agreement exceed a total of five (5) years, unless otherwise expressly extended and agreed to by both Parties or terminated by either Party as provided herein. Notwithstanding the above, the Successor Agency expressly reserves the right to terminate this Agreement with or without cause as provided in Section 6.1 below.

3.0 SUCCESSOR AGENCY AGENT. The Director of Community Development, for the purposes of this Agreement, is the contact person agent for Successor Agency in the performance hereof; provided however, as to modifications to the Scope of Work as described in Section 1.0 and the extension(s) to the Agreement described in Section 2.0 such modification(s) and extension(s) shall occur only with the written approval of the Executive Director of the Successor Agency (or in his discretion as submitted to and approved by the Successor Agency board). Otherwise, when other approval or authorization is required, Consultant understands that the Director of Community Development has the authority to provide that approval or authorization.

4.0 COMPENSATION FOR SERVICES. Successor Agency shall pay Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with Consultant's fees and costs schedule included in the Proposal, but expressly subject to and limited by the funding approved by the DOF and allocated to the Successor Agency through the ROPS process. In this regard, Consultant acknowledges and agrees that under the Dissolution Law, Successor Agency has no other source of funding and is otherwise prohibited from expending monies for DOF-approved enforceable obligations and costs incurred thereunder. Accordingly, Consultant also acknowledges and agrees that it bears the risks and costs associated with any delay by the DOF in approving consultant's fees and costs requested by the Successor Agency through the ROPS process. This Agreement is intended to be an enforceable obligation, but unless and until the DOF approves this Agreement as such the Successor Agency makes no representation or commitment regarding the validity of this contract or the compensation to Consultant by the Successor Agency for the Services rendered hereunder. No additional compensation shall be paid for any other expenses incurred

unless first approved by the Director of Administrative Services, and subject to the authority under the Dissolution Law.

4.1 Consultant shall submit to Successor Agency a bill for Services according to funding availability and the project schedule provided by Consultant. Successor Agency shall pay Consultant upon thirty (30) days of receipt of the invoice, subject to available DOF-approved and allocated funding.

4.2 No payment made by Successor Agency to Consultant, other than the final payment, shall be construed as an acceptance by Successor Agency of any work or materials, or as evidence of satisfactory performance by Consultant of its obligations under this Agreement.

4.3 Consultant agrees that it will not bill Successor Agency for travel time to and from South Gate while performing Services under this Agreement, including any additional services, if any, requested which fall outside of the Proposal and are otherwise approved as part of a Successor Agency enforceable obligation approved by the DOF under the Dissolution Law.

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

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

6.0 GENERAL TERMS AND CONDITIONS.

6.1 Termination by Successor Agency. Both the Executive Director of the Successor Agency and the Director of Community Development on behalf of the Successor Agency may terminate this Agreement, without cause, by giving the Consultant ten (10) days written notice of such termination and the effective date thereof.

6.2 Termination by Consultant. The Consultant may terminate this Agreement, without cause, by giving the Successor Agency ten (10) days written notice of such termination and the effective date thereof.

6.3 After Termination by a Party. In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of Consultant under this Agreement shall be returned to Successor Agency. If Successor Agency terminates this Agreement without cause, Consultant shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for Services rendered and fees incurred pursuant to this Agreement through the notice of termination, subject to available DOF-approved and allocated funding. If Consultant terminates this

Agreement without cause, Consultant shall be paid only for those Services completed in a manner satisfactory to Successor Agency, which shall not be unreasonably determined.

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

6.4 Non-Assignability. Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of Successor Agency, and, if necessary, the Oversight Board and/or DOF.

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

6.6 Insurance. Consultant shall submit to Successor Agency certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement.

(a) Workers' Compensation Insurance as required by law. Consultant shall require all subcontractors similarly to provide such workers' compensation insurance for their respective employees.

(b) Comprehensive general and automotive liability insurance protecting Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:

(i) Be issued by a financially responsible insurance company or companies admitted or authorized to do business in the State of California or which is approved in writing by the City's risk management department or the City Attorney.

(ii) Name and list as additional insureds the City of South Gate and the Successor Agency and their elected and appointed officials, officers, employees, counsels and agents.

(iii) Specify its acts as primary insurance.

(iv) Contain a clause substantially in the following words:

“It is hereby understood and agreed that this policy shall not be canceled except upon thirty (30) days prior written notice to the City of South Gate and the Successor Agency of such cancellation or material change.”

(v) Cover the operations of Consultant pursuant to the terms of this Agreement.

6.7 Indemnification. Consultant agrees to indemnify, defend and hold harmless the City of South Gate and the Successor Agency and their elected and appointed officials, officers, employees, counsels and agents (together, “Indemnitees”) for, from and arising or relating in any manner to any and all claims or actions of any kind asserted against any of the Indemnitees arising out of Consultant's (including Consultant’s employees, representatives, products and subcontractors) performance, whether negligent or otherwise, under this Agreement, excepting only such claims or actions which may arise out of the sole, active and gross negligence or intentional misconduct of an Indemnitee, or a third party not acting on behalf of, at the direction of, or under the control of Consultant.

6.8 Compliance with Applicable Law. Consultant and Successor Agency shall comply with all applicable laws, ordinances and codes of the Federal, State, County, City and other government agencies with jurisdiction over the Services.

6.9 Independent Contractor. This Agreement is by and between Successor Agency and Consultant and is not intended, nor shall it be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between Successor Agency and Consultant.

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

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

6.11 Legal Construction.

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. And, Consultant expressly acknowledges and agrees this Agreement is subject to the Dissolution Law.

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

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

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

6.12 Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an Agreement which shall be binding upon all Parties herein.

6.13 Final Payment Acceptance Constitutes Release. The acceptance by Consultant of the final payment made under this Agreement shall operate as and be a release of Successor Agency (and all Indemnitees) from all claims and liabilities for compensation to Consultant for anything done, furnished or relating to Consultant's work or the Services. Acceptance of payment shall be any negotiation of Successor Agency's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by Successor Agency shall not constitute, nor be deemed, a release of the responsibility and liability of Consultant, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by Successor Agency for any defect or error in the work prepared by Consultant, its employees, sub-consultants and agents.

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

6.15 Files. All files of Consultant pertaining to the Successor Agency and Services provided hereunder shall be and remain the property of Successor Agency. Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

6.16 Waiver; Remedies Cumulative. Failure by a Party to insist upon the performance of any of the provisions of this Agreement by the other Party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such Party's right to demand compliance by such other Party in the future. No waiver by a Party of a default or breach of the other Party shall be effective or binding upon such a Party unless made in writing by such Party, and no such waiver shall be implied from any omissions by a Party to take any action with respect to such

default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a Party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

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

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

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

6.20 Entire Agreement. This Agreement constitutes the whole agreement between Successor Agency and Consultant, and neither Party has made any representations to the other except as expressly contained herein. Neither Party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing and appropriately executed by both Successor Agency and Consultant.

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

TO SUCCESSOR AGENCY: Joe Perez
Director of Community Development
Successor Agency of South Gate
8650 California Avenue
South Gate, CA 90280
(323) 563-9529

With courtesy copies to: City Clerk
City Attorney
8650 California Avenue
South Gate, CA 90280

TO CONSULTANT:

F. Edward Reynolds, Jr., P.E.
520 W. 1st Street
Tustin, California 92780
714-730-5397

6.22 Warranty of Authorized Signatories. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the Party for whom he or she purports to sign.

6.23 Consultation with Attorney. Consultant warrants and represents that it has consulted with an attorney or knowingly and voluntarily decided to forgo such a consultation.

[Remainder of page left blank intentionally]

6.24 Interpretation against Drafting Party. Successor Agency and Consultant agree that they have cooperated in the review and drafting of this Agreement. Accordingly, in the event of any ambiguity, neither side may claim that the interpretation of the Agreement shall be construed against either Party solely because that Party drafted all or a portion of the Agreement, or the clause at issue.

This Agreement is approved by the Successor Agency on this 23rd day of August, 2016 at South Gate, California, but as provided, this Agreement is subject to the review and approval by the Oversight Board and then by the DOF.

SUCCESSOR AGENCY:

**SUCCESSOR AGENCY TO THE COMMUNITY
DEVELOPMENT COMMISSION OF THE CITY
OF SOUTH GATE, a public body**

W.H. (Bill) De Witt, Chair

ATTEST:

Carmen Avalos, Recording Secretary
Successor Agency to the Community Development
Commission of the City of South Gate

(SEAL)

APPROVE AS TO FORM:

Raul F. Salinas, Counsel
Successor Agency to the Community Development
Commission of the City of South Gate

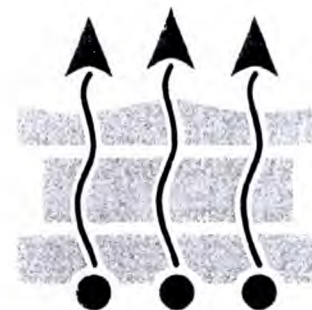
CONSULTANT:

THE REYNOLDS GROUP
a California corporation

F. Edward Reynolds, Jr., P.E.

January 4, 2016
(TRG 5335)

Mr. Paul Adams
CITY OF SOUTH GATE
8650 California Avenue
South Gate, CA 90280



THE
REYNOLDS GROUP
a California corporation

**SITE: 3500 TWEEDY BOULEVARD
SOUTH GATE, CALIFORNIA**

**SUBJECT: PROPOSAL TO COMPLY WITH LOS ANGELES REGIONAL
WATER QUALITY CONTROL BOARD REQUIREMENTS**

Dear Mr. Adams,

It was nice to hear from you last week and learn about your new, interim position filling Steve LeFever's role. Also, thank you for the briefing on the redevelopment agency's status. As you requested, we are providing this proposal to comply with the directives of the Los Angeles Regional Water Quality Control Board (LARWQCB) in their letter dated May 28, 2015. Also, as requested, we have separated agency requirements and associated costs into two, sequential six month periods for next year – July to December 2016 and January to June 2017.

We have also taken the liberty to use a budget format that we use for other state funded projects under the Orphan Fund. There are two pages attached, one for each six month period. The tasks within the budgets are summarized below and detailed in the attached budget sheets:

PROPOSED SCOPE OF WORK

July to December 2016

- Task 1: Create a *Workplan for Additional Assessment*, including a *Site Specific Health and Safety Plan*, and upload the Workplan to the State's Geotracker system.
- Task 2: Fix two groundwater wells (MW5 and MW6), redevelop wells MW2, MW3, MW5, and MW6, and resurvey all four wells. Includes encroachment permits, traffic control, materials and equipment, and waste disposal.

Task 3: Perform one round of groundwater monitoring on four wells, produce a *Semi-Annual Groundwater Monitoring & Status Report – 1st Half 2016*, and upload the report and data to the Geotracker system. Includes traffic control, materials and equipment, laboratory analyses for gasoline and its constituents, and waste disposal.

Estimated Cost for July to December 2016: \$22,122 (See Attached Budget)

January to June 2017

Task 1: Following agency approval, implement the *Workplan for Additional Assessment* by advanced five 50-foot soil confirmation borings, sampling each of the borings at 5-foot intervals, submitting 50 samples for laboratory analysis, creating an *Additional Assessment Report* signed by a California Registered Civil Engineer detailing field activities and results, and upload the report and data to the State's Geotracker system.

Task 2: Perform one round of groundwater monitoring on four wells, produce a *Semi-Annual Groundwater Monitoring & Status Report – 2nd Half 2016*, and upload the report and data to the Geotracker system. Includes traffic control, materials and equipment, laboratory analyses for gasoline and its constituents, and waste disposal.

Estimated Cost for January to June 2017: \$35,275 (See Attached Budget)

EXCLUSIONS

Not included in the prices are:

- Furnishing night time or overtime work.
- Repair of any pipelines, water lines, phone lines, electrical lines or other items of value in the subsurface and within the work area not identified by Underground Service Alert or by the Client.
- Removing, locating, relocating or protecting utilities or lines not identified prior to the start of work.
- If hazardous chemicals or anomalies are determined to exist beneath the Site based on the above Scope of Work, this proposal does not include full delineation of the impact or risk assessment that might be associated with the findings.
- Interacting with regulators.
- Our proposal assumes the work is performed during normal business hours during the week, and there are no factors beyond The Reynolds Group's control. These delay factors

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include but are not limited to: regulatory agency delays, weather, or changes in the Scope of Work. At this time, no regulator involvement is anticipated.

PRICING

The work outlined above will be performed for a price not-to-exceed \$57,397 over two six month periods according to the attached budget and The Reynolds Group's 2016 Fee Schedule.

TIME OF COMPLETION

Pricing and time of completion are based on the Scope of Work outlined above. Each phase of field work will take two to four business days and reports will be completed within 30 days of completing the field work. This timing assumes there will be no unreasonable delays in Property access or in obtaining any additional information needed from the Client.

Our proposal assumes the work is performed during normal business hours during the week, and there are no factors beyond The Reynolds Group's control. These delay factors include but are not limited to: regulatory agency delays, weather, or changes in the Scope of Work.

CONTRACT TERMS AND CHANGES

This proposal, the attached "General Terms and Conditions," and the attached "2016 Fee Schedule" shall form the basis of the contract for this work. Changes or supplemental work can be approved by the client by e-mail, fax, or letter and the contract terms of this letter will apply. The basis for pricing will be the 2016 Fee Schedule that is attached to this proposal.

INSURANCE AND LIMIT OF LIABILITY

The Reynolds Group carries errors and omissions/general liability insurance. It is "A+15" rated and fully acceptable to all of our Clients. Insurance certificate will be provided upon request. By signing below you agree that our liability on this project will be limited to \$100,000.

RESOLUTION OF DISPUTES

Any controversy or claim arising out of or relating to this contract, or the breach thereof, shall be settled by arbitration administered by the American Arbitration Association under its Construction Industry Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

In the event of a dispute between the parties arising out of this agreement, the prevailing party shall be entitled to collect from the non-prevailing party all costs and expenses, including reasonable attorneys' fees, incurred therein by such prevailing party, and if such prevailing

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Proposal for 3500 Tweedy Blvd., South Gate
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party shall recover judgment in any such action or proceeding, such expenses and attorneys' fees shall be included in and as part of such judgment.

FINAL COMMENTS

Please authorize in the space below and return a copy of this signed proposal to us and we will commence work immediately.

Thank you for allowing us to provide this proposal to you. If you have any questions, please call me directly at (714) 920-9310.

Sincerely,
THE REYNOLDS GROUP,
a California corporation by:



F. Edward Reynolds, Jr.
President

ACCEPTED AND AUTHORIZED BY:

Authorized Client Signature

Signature Name Printed/Typed

Client Firm Name Printed/Typed

Date

Attachments: Budget Detail – July to December 2016
Budget Detail – January to June 2017
General Terms and Conditions
2016 Fee Schedule

**CITY OF SOUTHGATE BUDGE DETAIL
JANUARY TO JUNE 2017**

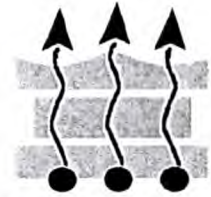
Grantee: City of Southgate
Grant Agreement Number: To Be Determined
OSCF Project Number: To Be Determined

| Budget Category | Discipline/ Consultant/Description | Rate | # of Hours | Total Labor | Unit Cost | Units | # of Units | Total Cost | Totals |
|-----------------------------------|---------------------------------------|-------|---------------|----------------|------------|----------|------------|------------|--------------------|
| Consultant Personnel: | | | | | | | | | \$6,564.00 |
| | Project Management | \$145 | 8 | \$1,160.00 | | | | | |
| | Registered Civil Engineer | \$185 | 1 | \$185.00 | | | | | |
| | Project Engineer | \$125 | 4 | \$500.00 | | | | | |
| | Staff Engineer | \$105 | 36 | \$3,780.00 | | | | | |
| | Drafting | \$75 | 8 | \$600.00 | | | | | |
| | EDF Upload | \$99 | 1 | \$99.00 | | | | | |
| | Clerical | \$60 | 4 | \$240.00 | | | | | |
| Subcontracted Services: | | | | | | | | | \$17,497.00 |
| | Drilling Company | | | | \$8,257.00 | Lumpsum | 1 | \$8,257.00 | |
| | Laboratory Analysis | | | | \$138.00 | Sample | 50 | \$6,900.00 | |
| | Disposal | | | | \$156.00 | Drum | 15 | \$2,340.00 | |
| Equipment & Materials: | | | | | | | | | \$3,350.00 |
| | Permit | | | | \$156.00 | Each | 5 | \$780.00 | |
| | PID Meter | | | | \$100.00 | Day | 2 | \$200.00 | |
| | Truck | | | | \$90.00 | Days | 3 | \$270.00 | |
| | Encore Samplers | | | | \$16.00 | Sampler | 100 | \$1,600.00 | |
| | Misc. Field Supplies | | | | \$500.00 | Lumpsum | 1 | \$500.00 | |
| Consultant Personnel: | | | | | | | | | \$4,495.00 |
| | Project Manager | \$145 | 4 | \$580.00 | | | | | |
| | Staff Geologist/Engineer | \$105 | 14 | \$1,470.00 | | | | | |
| | Project Engineer | \$125 | 3 | \$375.00 | | | | | |
| | Registered Civil Engineer | \$185 | 1 | \$185.00 | | | | | |
| | Senior Field Technician | \$95 | 10 | \$950.00 | | | | | |
| | Drafting | \$75 | 8 | \$600.00 | | | | | |
| | EDF Upload | \$95 | 1 | \$95.00 | | | | | |
| | Clerical | \$60 | 4 | \$240.00 | | | | | |
| Sub-Contracted Services: | | | | | | | | | \$2,484.00 |
| | Traffic Control | | | | \$1,080.00 | Day | 1 | \$1,080.00 | |
| | Disposal | | | | \$156.00 | Drum | 1 | \$156.00 | |
| | Laboratory Analysis | | | | \$156.00 | Sample | 8 | \$1,248.00 | |
| Equipment & Materials: | | | | | | | | | \$885.00 |
| | Oil/Water Interface Probe | | | | \$40.00 | Days | 1 | \$40.00 | |
| | Turbidity Meter | | | | \$30.00 | Days | 1 | \$30.00 | |
| | MP 10 Controller | | | | \$50.00 | Days | 1 | \$50.00 | |
| | MP 20 Flow Cell | | | | \$75.00 | Days | 1 | \$75.00 | |
| | MP 40 Air Compressor | | | | \$50.00 | Days | 1 | \$50.00 | |
| | Truck | | | | \$90.00 | Days | 1 | \$90.00 | |
| | Nuts/Ferrels | | | | \$15.00 | each | 4 | \$60.00 | |
| | Tubing | | | | \$1.95 | per foot | 200 | \$390.00 | |
| | Field Supplies | | | | \$100.00 | Lumpsum | 1 | \$100.00 | |
| TOTAL | | | | | | | | | \$35,275.00 |

The Reynolds Group - General Terms and Conditions

1. **Parties:** As used herein, Consultant refers to The Reynolds Group, a California corporation (TRG), together with its subcontractors, employees, and agents. "Client" refers to the person or business entity ordering the work to be performed. The ordering of work from the Consultant or the reliance upon any of Consultant's work, shall constitute acceptance of these General Terms and Conditions, regardless of the terms of any prior or subsequently issued document or verbal agreement.
2. **Independent Contractor:** TRG is and will perform the Services as an independent contractor and shall be solely responsible for and have control over the details and means of providing the services. TRG may employ/have such employees, subcontractors and assistants, as it deems necessary to perform the services.
3. **Warranty:** The Services will be performed by TRG in a manner consistent with the level of care and skill ordinarily exercised by other professional consultants under similar conditions at the time the Services are performed. No other representation to Client, expressed or implied, and no warranty or guarantee is included or intended by this proposal, Consultant's Fee Schedule, General Terms and Conditions, or in any report, opinion or document produced by TRG.
4. **Access:** Client hereby grants to TRG the right of entry to the project to provide Services and represents that if the project is not owned by the Client, that site access permission has been granted by the site owner and any other necessary parties.
5. **Project Condition:** Client acknowledges that TRG has had no part in the creation of any hazardous waste, pollution source, nuisance or chemical or industrial disposal problem, if any, which may exist on or at the project and TRG has been retained for the sole purpose of providing the Services. Client recognizes that the use of exploration equipment may alter the existing conditions and affect the environment in the area, and unless specified, TRG has no obligation to restore the project site to its prior condition.
6. **Utility Clearance:** Consultant will clear public utilities as required by law through Dig Alert. Client will be responsible for informing Consultant of the location of intra-site utilities and Consultant will not be responsible for damages or repairs to any underground utilities not identified before work commences.
7. **Payment:** TRG shall submit invoices to the Client detailing the Services performed during the invoice period and the charges incurred performing the Services, generally on a monthly basis. Client shall pay the full amount of the invoice within thirty (30) days of the invoice date unless other arrangements have been agreed to by TRG. All invoices shall be deemed correct and accepted by Client unless Client objects in writing, with a detailed objection, within fifteen (15) days from the invoice date. Client shall pay amounts not in dispute. TRG reserves the right to suspend Services until the Client's account is current.
8. **Liability:** For any damage caused by professional negligence, including errors and omissions or other professional acts, and including unintentional breach of contract by TRG, (its directors, officers, shareholders, employees, agents or affiliates), TRG's liability is limited \$100,000 or to the amount stated in the Limitation of Liability clause in the letter, proposal, or agreement if one was submitted.
9. **Indemnification:** If any claim is brought against TRG or Client by any third party, including, without limit, any insurer asserting subrogation rights of Client, relating to this Agreement or the Services, TRG and Client will mutually indemnify, defend and hold harmless each other (and their officers, directors, shareholders, employees, agents or affiliates) from all claims damages, liabilities, penalties, losses and expenses, including without limit, reasonable attorney's and consultant's fees and court costs, unless such damages directly resulted from or were caused by the negligence or willful misconduct of TRG or Client.
10. **Attorney's Fees:** In the event of a dispute between the parties, or any action to enforce any provision of this Agreement, the prevailing party shall be entitled to recover all of its expenses, fees and costs, including reasonable attorney's fees and any costs of investigation, preparation, professional or expert consultation or testimony incurred in connection with this matter.
11. **Termination:** This Agreement may be terminated by either party upon a 10-day written notice. In the event of termination, TRG shall be compensated by Client for all services performed up to and including the termination date, including reimbursable expenses, and for the completion of services and records as are necessary to place TRG's files in order and/or protect its professional reputation.
12. **Severability:** The parties have entered into this Agreement in good faith, and it is the specific intent of the parties that the terms of these General Conditions shall be enforced as written. If any of these General Terms & Conditions are deemed unenforceable, the remaining terms, conditions, and provisions of this Agreement shall remain in full force and effect.
13. **Entire Agreement:** This Agreement, including the TRG proposal (if issued), Fee Schedule, General Terms and Conditions, and any other documents referred to therein, constitute the entire Agreement between the parties and supersedes all other prior agreements whether oral or in writing. This Agreement may be amended, modified, or terminated only in writing, signed by each of the parties hereto. This Agreement shall be governed by the laws of the State of California and if legal action is necessary to enforce this Agreement, the jurisdiction is agreed to be Orange County, California.

2016 FEE SCHEDULE



**THE
REYNOLDS GROUP**
a California corporation

| Professional Hourly Rates: | \$/hour |
|--|---------|
| Technical Matters: | |
| Registered Civil Engineer (RCE) | \$185 |
| California Asbestos/Lead Consultant | \$130 |
| Project Manager/Senior Engineer/Senior Geologist | \$145 |
| Project Engineer/Geologist | \$125 |
| Staff Engineer/Geologist/Scientist | \$105 |
| Ph. D./Certified Industrial Hygienist/Toxicologist | \$280 |
| Industrial Hygienist | \$100 |
| California Site Surveillance Technician (SST) | \$90 |
| Draftsperson | \$75 |
| Senior Technician | \$95 |
| Field Technician | \$80 |
| Clerical/Administrative Support | \$60 |
| Legal/Expert/Mediation Matters: | |
| F. Edward Reynolds, Jr., California, RCE | |
| General Consultation/Preparation | \$350 |
| Deposition/Trial/Mediation | \$495 |
| Travel Time | \$180 |
| Research Associate (Hourly Rates Depend on Technical Matter) | \$125 |

| Soil Probing Rates: | |
|----------------------------|--------------|
| Probe Rig (per 8 hour day) | \$2,600 |
| Mobilization (per trip) | Extra |
| Expendable Field Items | Job Specific |

| Additional Rates: | |
|--|-----------------|
| Outside Services/Travel/ Lodging/Meals/General Expenses | cost plus 20% |
| Mileage (in excess of 150 miles) | \$0.75 |
| Vehicle Fee | \$90/day |
| PID | \$100/day |
| FID | \$150/day |
| GPS Unit | \$150/day |
| Copies | \$0.15 per page |

| Example Lab Analyses Rates (Examples Can Be Quoted): | \$/Sample |
|---|-----------|
| (Normal Ten Day Turnaround) | |
| 8015 TPH C ₁ -C ₄₀ | \$80.00 |
| 8015 TPH gasoline | \$50.00 |
| 8015 TPH diesel | \$50.00 |
| 8260B BTEX, oxygenates | \$80.00 |
| 8260B Full Scan | \$145.00 |
| 8270 Semi-Volatiles | \$310.00 |
| Bulk-Asbestos PLM | \$20.00 |

Negotiated rates are available on contract basis for larger ongoing projects involving substantial field work, environmental testing, and/or other activities.

Overtime premium for greater than eight hours in a day, weekend and holiday labor hours is 33.3% per hour.

The Reynolds Group does not provide in-house laboratory services. Laboratory services are provided by qualified and certified independent laboratories.

Unless other financial arrangements have been made, payment is expected within 15 days from invoice date. Late payments are subject to 1.5% per month finance charge.

Professional hourly rates are billed in 15-minute increments. There is a minimum billing rate of 15 minutes per event for all staff activities.

**All rates as of January 1, 2016 and subject to change. Not all fee categories are listed.*

Except in a dispute between TRG and our client arising out of the work performed by TRG pursuant to this agreement, if TRG is required to be a witness in connection with any work by our client or a third party, all such services including but not limited to reproduction, preparation for and providing of testimony at any deposition, hearing or trial, standby and travel time, will be charged in accordance with the above fee schedule. Response to third party subpoenas for records or testimony will be charged at these rates and the client will be financially responsible for any charges incurred unless they are paid by the third party.

RESOLUTION CERTIFICATION PAGE

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES) SS

CITY OF SOUTH GATE)

I, Carmen Avalos, Secretary of the Oversight Board of the Successor Agency to the Community Development Commission of the City of South Gate, California, hereby certify that the whole number of Members of the Oversight Board of said City is seven; that Resolution No. 2016-03 was adopted by the Oversight Board at their Meeting held on September 12, 2016, by the following vote:

Ayes: Board Members: De Witt, Liday, Bokde, Shidler, Torres, Morales and Delawalla

Noes: Board Members: None

Absent: Board Members: None

Abstain: Board Members: None

Witness my hand and the seal of said City on September 12, 2016.



Carmen Avalos, Secretary
Oversight Board of the Successor Agency
to the Community Development Commission
of the City of South Gate, California