

**SERVICE AGREEMENT BETWEEN
THE CITY OF HUNTINGTON BEACH AND
PROCURE AMERICA
FOR
EXPENSE REDUCTION AND COST RECOVERY SERVICES**

THIS AGREEMENT (“Agreement”) is made and entered into by and between the City of Huntington Beach, a municipal corporation of the State of California, hereinafter called “City,” and Procure America, hereinafter referred to as “Contractor.”

Recitals

- A. The City desires to retain a Contractor having special skill and knowledge in the field of expense reduction and cost recovery services.
- B. Contractor represents that Contractor is able and willing to provide such services to the City.
- C. In undertaking the performance of this Agreement, Contractor represents that it is knowledgeable in its field and that any services performed by Contractor under this Agreement will be performed in compliance with such standards as may reasonably be expected from a comparable company or firm in the field.

Contractor has been selected to perform these services pursuant to Huntington Beach Municipal Code Chapter 3.02.

NOW, THEREFORE, it is agreed by City and Contractor as follows:

1. Scope of Services

Contractor shall provide all services as described in Exhibit “A,” which is attached hereto and incorporated into this Agreement by this reference. These services shall sometimes hereinafter be referred to as the “Project.”

Contractor hereby designates Todd Main, who shall represent it and be its sole contact and agent in all consultations with City during the performance of this Agreement.

2. City Staff Assistance

City shall assign a staff coordinator to work directly with Contractor in the performance of this Agreement.

3. Compensation

- a. City agrees to pay, and Contractor agrees to accept as total payment for its services, the rates and charges identified in Attachment "B."
- b. Contractor shall be paid pursuant to the terms of Attachment "B."

4. Term

Time is of the essence of this Agreement. The services of Contractor are to commence _____, or as soon as practicable after the execution of this Agreement by City (the "Commencement Date") and terminate three (3) years from Commencement Date, unless terminated earlier in accordance with the provisions of this Agreement. Contract may be extended for 2 additional one-year periods if mutually agreed to in writing by both parties. The time for performance of the tasks identified in Exhibit "A" are generally to be shown in Exhibit "A." This schedule and Term may be amended to benefit the Project if mutually agreed to in writing by City and Contractor.

In the event the Commencement Date precedes the Effective Date, Contractor shall be bound by all terms and conditions as provided herein.

5. Extra Work

In the event City requires additional services not included in Exhibit "A" or changes in the scope of services described in Exhibit "A," Contractor will undertake such work only after receiving written authorization from City. Additional compensation for such extra work shall be allowed only if the prior written approval of City is obtained.

6. Disposition of Plans, Estimates and Other Documents

Contractor agrees that title to all materials prepared hereunder, including, without limitation, all original drawings, designs, reports, both field and office notices, calculations, computer code, language, data or programs, maps, memoranda, letters and other documents, shall belong to City, and Contractor shall turn these materials over to City upon expiration or termination of this Agreement or upon Project completion, whichever shall occur first. These materials may be used by City as it sees fit.

7. Hold Harmless

Contractor hereby agrees to protect, defend, indemnify and hold harmless City, its officers, elected or appointed officials, employees, agents, and volunteers from and against any and all claims, damages, losses, expenses, judgments, demands and defense costs, and consequential damage or liability of any kind or nature, however caused, including those resulting from death or injury to Contractor's employees and damage to Contractor's property, arising directly or indirectly out of the obligations or operations herein undertaken by Contractor, caused in whole or in part by any negligent act or

omission of the Contractor, any subcontractors, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, including but not limited to concurrent active or passive negligence, except where caused by the active negligence, sole negligence, or willful misconduct of the City. Contractor will conduct all defense at its sole cost and expense and City shall approve selection of Contractor's counsel. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Contractor.

8. Workers Compensation Insurance

Pursuant to California Labor Code Section 1861, Contractor acknowledges awareness of Section 3700 *et seq.* of this Code, which requires every employer to be insured against liability for workers' compensation; Contractor covenants that it will comply with such provisions prior to commencing performance of the work hereunder.

Contractor shall obtain and furnish to City workers' compensation and employer's liability insurance in an amount of not less than the State statutory limits.

Contractor shall require all subcontractors to provide such workers' compensation and employer's liability insurance for all of the subcontractors' employees. Contractor shall furnish to City a certificate of waiver of subrogation under the terms of the workers' compensation and employer's liability insurance and Contractor shall similarly require all subcontractors to waive subrogation.

9. General Liability Insurance

In addition to the workers' compensation and employer's liability insurance and Contractor's covenant to defend, hold harmless and indemnify City, Contractor shall obtain and furnish to City, a policy of general public liability insurance, including motor vehicle coverage covering the Project/Service. This policy shall indemnify Contractor, its officers, employees and agents while acting within the scope of their duties, against any and all claims arising out of or in connection with the Project/Service, and shall provide coverage in not less than the following amount: combined single limit bodily injury and property damage, including products/completed operations liability and blanket contractual liability, of One Million Dollars (\$1,000,000) per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the aggregate limit must be no less than One Million Dollars (\$1,000,000) per occurrence. If coverage is provided under a form which includes a designated general aggregate limit, the aggregate limit must be no less than One Million Dollars (\$1,000,000) for this Project/Service. This policy shall name City, its officers, elected or appointed officials, employees, agents, and volunteers as Additional Insureds, and shall specifically provide that any other insurance coverage which may be applicable to the Project/Service shall be deemed excess coverage and that Contractor's insurance shall be primary.

Under no circumstances shall said above-mentioned insurance contain a self-insured retention, or a “deductible” or any other similar form of limitation on the required coverage.

10. Automobile Liability Insurance

Contractor shall obtain and furnish to City an automotive liability insurance policy covering the work performed by it hereunder. This policy shall provide coverage for Contractor’s automotive liability in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence and a separate “Additional Insured Endorsement” page listing both the policy number and naming the “*City of Huntington Beach, its officers, elected or appointed officials, employees, agents and volunteers*” as additional insured on the endorsement. The above-mentioned insurance shall not contain a self-insured retention, “deductible” or any similar form of limitation on the required coverage except with the express written consent of City.

11. Certificate of Insurance

Prior to commencing performance of the work hereunder, Contractor shall furnish to City a certificate of insurance subject to approval of the City Attorney evidencing the foregoing insurance coverage as required by this Agreement; the certificate shall:

- a. provide the name and policy number of each carrier and policy;
- b. state that the policy is currently in force; and
- c. promise that such policy shall not be suspended, voided or canceled by either party, reduced in coverage or in limits except after thirty (30) days’ prior written notice; however, ten (10) days’ prior written notice in the event of cancellation for nonpayment of premium.

Contractor shall maintain the foregoing insurance coverage in force until the work under this Agreement is fully completed and accepted by City.

This requirement for carrying the foregoing insurance coverage shall not derogate from Contractor’s defense, hold harmless and indemnification obligations as set forth in this Agreement. City or its representative shall at all times have the right to demand the original or a copy of the policy of insurance. Contractor shall pay, in a prompt and timely manner, the premiums on the insurance hereinabove required.

12. Independent Contractor

Contractor is, and shall be, acting at all times in the performance of this Agreement as an independent contractor herein and not as an employee of City. Contractor shall secure at its own cost and expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation, unemployment compensation and other payroll deductions for Contractor and its officers,

agents and employees and all business licenses, if any, in connection with the Project and/or the services to be performed hereunder.

13. Conflict of Interest

Contractor covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

14. Termination

This Agreement may be terminated by the City upon thirty (30) days written notice of termination. In such event, Contractor shall be entitled to receive and the City shall pay Contractor compensation for all services performed by Contractor prior to receipt of such notice of termination, subject to the following conditions:

a. As a condition of such payment, the Director may require Contractor to deliver to the City all work product completed as of such date, and in such case such work product shall be the property of the City unless prohibited by law, and Contractor consents the City's use thereof for such purposes as the City deems appropriate.

b. Payment need not be made for work which fails to meet the standard of performance specified in the Recitals of this Agreement.

15. Exclusivity and Amendment

This Agreement represents the complete and exclusive statement between the City and Contractor, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of Contractor. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Contractor or the City. 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 are not embodied herein.

16. Assignment

Inasmuch as to this Agreement is intended to secure the specialized services of Contractor, Contractor may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the City and any such assignment, transfer, delegation or subcontract without the City's prior written consent shall be considered null and void. Nothing in this Agreement shall be construed to limit the City's ability to have

any of the services which are the subject to this Agreement performed by City personnel or by other Contractors retained by City.

17. City Employees and Officials

Contractor shall employ no City official nor any regular City employee in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement in violation of the applicable provisions of the California Government Code.

18. Notices

Any notices, certificates, or other communications hereunder shall be given either by personal delivery to Contractor's agent (as designated in Section 1 hereinabove) or to City as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, to the addresses below. City and Contractor may designate different addresses to which subsequent notices, certificates or other communications will be sent by notifying the other party via personal delivery, a reputable overnight carrier or U.S. certified U.S. certified mail-return receipt requested:

To City:

City of Huntington Beach
Attn: City Manager
2000 Main Street
Huntington Beach, CA 92648

Contractor:

Procure America
Attn: Todd Main
31103 Rancho Viejo Road, #D2102
San Juan Capistrano, CA 92675

19. Consent

When City's consent/approval is required under this Agreement, its consent/approval for one transaction or event shall not be deemed to be a consent/approval to any subsequent occurrence of the same or any other transactions or event.

20. Modification

No waiver or modification of any language in this Agreement shall be valid unless in writing and duly executed by both parties.

21. Section Headings

The titles, captions, section, paragraph and subject headings, and descriptive phrases at the beginning of the various sections in this Agreement are merely descriptive and are included solely for convenience of reference only and are not representative of matters included or excluded from such provisions, and do not interpret, define, limit or

describe, or construe the intent of the parties or affect the construction or interpretation of any provision of this Agreement.

22. Interpretation of this Agreement

The language of all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning, and not strictly for or against any of the parties. If any provision of this Agreement is held by an arbitrator or court of competent jurisdiction to be unenforceable, void, illegal or invalid, such holding shall not invalidate or affect the remaining covenants and provisions of this Agreement. No covenant or provision shall be deemed dependent upon any other unless so expressly provided here. As used in this Agreement, the masculine or neuter gender and singular or plural number shall be deemed to include the other whenever the context so indicates or requires. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no right to contract, then the latter shall prevail, and the provision of this Agreement which is hereby affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law.

23. Duplicate Original

The original of this Agreement and one or more copies hereto have been prepared and signed in counterparts as duplicate originals, each of which so executed shall, irrespective of the date of its execution and delivery, be deemed an original. Each duplicate original shall be deemed an original instrument as against any party who has signed it.

24. Immigration

Contractor shall be responsible for full compliance with the immigration and naturalization laws of the United States and shall, in particular, comply with the provisions of the United States Code regarding employment verification.

25. Legal Services Subcontracting Prohibited

Contractor and City agree that City is not liable for payment of any subcontractor work involving legal services, and that such legal services are expressly outside the scope of services contemplated hereunder. Contractor understands that pursuant to *Huntington Beach City Charter* Section 309, the City Attorney is the exclusive legal counsel for City; and City shall not be liable for payment of any legal services expenses incurred by Contractor.

26. Confidentiality

Contractor recognizes that in the performance of its duties under this Agreement, it must conduct its activities in a manner designed to protect information of a sensitive nature from improper use or disclosure. Contractor warrants that it will use reasonable efforts consistent with practices customary in the facilities management industry in recruiting, training and supervising employees and in otherwise performing its duties hereunder in order to achieve this result. In the furtherance of this, Contractor agrees, at the request of the City, to require its employees to execute written undertakings to comply with the foregoing confidentiality provision.

27. Discrimination

Contractor shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, training, utilization, promotion, termination or other employment related activities. Contractor affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

28. Jurisdiction – Venue

This Agreement and all questions relating to its validity, interpretation, performance, and enforcement shall be government and construed in accordance with the laws of the State of California. This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

29. Professional Licenses

Contractor shall, through the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Huntington Beach and all other governmental agencies. Contractor shall notify the City immediately and in writing of her inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.

30. Attorney's Fees

In the event suit is brought by either party to construe, interpret and/or enforce the terms and/or provisions of this Agreement or to secure the performance hereof, each party

shall bear its own attorney's fees, such that the prevailing party shall not be entitled to recover its attorney's fees from the non-prevailing party.

31. Survival

Terms and conditions of this Agreement, which by their sense and context survive the expiration or termination of this Agreement, shall so survive.

32. Governing Law

This Agreement shall be governed and construed in accordance with the laws of the State of California.

33. Signatories

Each undersigned represents and warrants that its signature hereinbelow has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify City fully for any injuries or damages to City in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.

34. Entirety

(a) The parties acknowledge and agree that they are entering into this Agreement freely and voluntarily following extensive arm's length negotiation, and that each has had the opportunity to consult with legal counsel prior to executing this Agreement. The parties also acknowledge and agree that no representations, inducements, promises, agreements or warranties, oral or otherwise, have been made by that party or anyone acting on that party's behalf, which are not embodied in this Agreement, and that that party has not executed this Agreement in reliance on any representation, inducement, promise, agreement warranty, fact or circumstance not expressly set forth in this Agreement.

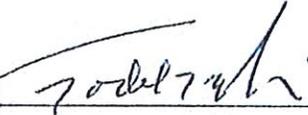
(b) All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement.

35. Effective Date

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their authorized officers. This Agreement shall be effective on the date of its approval by the Mayor. This Agreement shall expire when terminated as provided herein.

CONTRACTOR
PROCURE AMERICA

CITY OF HUNTINGTON BEACH, a
municipal corporation of the State of
California

By: 

Todd B. Main

Print name

ITS: (circle one) Chairman/President/
Vice President

Mayor

City Clerk

AND

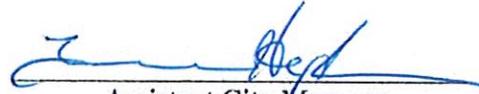
By: 

Alfredo Armendariz

Print name

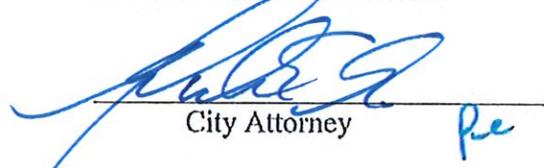
ITS: (circle one) Secretary/Chief Financial
Officer/Asst. Secretary-Treasurer

INITIATED AND APPROVED:



Assistant City Manager

APPROVED AS TO FORM:



City Attorney

REVIEWED AND APPROVED:

City Manager

EXHIBIT "A"
SCOPE OF WORK

STATEMENT OF WORK:

Contractor shall provide City with Cost Recovery and Expenses Reduction Services under this Scope of Work with two separate program options (Basic and Basic Plus-ESP) for Cost Recovery and Expenses Reduction Services under this Scope of Work for obtaining cost savings/refunds through audits and assessments relating to billing invoices and taxes. Contractor shall review, audit and implement applicable billing rates amongst all City accounts in an effort to provide Cost Recovery and Reduction Services.

In an effort to reduce current billing costs and ensure all rates are secured and correct amongst service providers, Contractor will provide to the City expertise in billing audits with the primary goal of cost reduction. Contractor will review and audit in depth City accounts to recover overpayment and correct billing rates, calculation methods and tariffs including taxes.

The City has multiple contracts with service providers for supply of the following:

- Utilities
- Telecommunications
- Treasury Services
- Shipping and Logistics

CONTRACTOR'S DUTIES AND RESPONSIBILITIES:

PROGRAM OPTIONS

A. BASIC PROGRAM – BILL AUDIT (Contract to invoice compliance review):

1. In this service, Contractor shall conduct a review of the target expense category's supplier contract with the City to outline the cost structures, terms, conditions.

2. Contractor will then deliver a report back to City with their findings and subsequent recovery plan.

3. In the event that the Contractor identifies billing or contract errors, Contractor would work with the City and the supplier to rectify the discrepancy and settle the account accordingly.

B. BASIC PLUS PROGRAM-ESP: - ENTERPRISE STRATEGIC PLAN (ESP):

1. This program includes all the services outlined in the "Basic Program" and the creation of a custom strategic sourcing program that is designed to support the City's short, medium and long term goals as it pertains to the subject expense category(s).

a. The specific areas of focus in an ESP are:

- i. Service Level Management
- ii. Complete service and/or equipment inventory
- iii. Expense Transparency
- iv. Vendor Administration
- v. RFP and/or Solicitation Support
- vi. Net Cost Reduction
- vii. Implementation of ESP
- viii. Manage Institutional Change Migration

2. ESP report would outline the go forward strategic plan, action steps, deliverable milestones and program outcomes.

GENERAL CONTRACTOR REQUIREMENTS:

A. Upon City request, Contractor shall conduct deep dive analytics (Basic and Basic Plus-ESP).

B. Contractor shall use its best efforts to obtain cost savings/refunds for City's benefit by analyzing City's policies, procedures, service provider contracts, past invoices and other pertinent information as it relates to the above selected expense categories set for review (Basic and Basic Plus-ESP).

C. Contractor will further gather information as to City's needs (past and present) from City's service providers, so as, to build a solution that not only lowers cost, but also matches City's operational requirements and expectations (Basic Plus-ESP).

D. Contractor will provide progress reports throughout the audit review, designated deliverable dates will be determined based on review timeline (Basic Plus-ESP).

E. After analyzing City current spending patterns, Contractor shall provide City with a strategic sourcing report outlining Contractor's observations and recommendations. Contractor's report will include a review of operations, cost reduction recommendations and potential service level enhancements. Contractor will educate City designated staff on best practices related to the applicable review (Basic Plus-ESP).

F. Contractor will review City's invoicing and deliverables to ensure accountability by City's service providers with respect to the spirit and intent of the Contract between City and the third party service provider. The review will take into account service types, levels, cost controls and overall City satisfaction (Basic and Basic Plus-ESP).

G. Contractor will continue ongoing services and City to anticipate changes in service needs to ensure that the proper service provider, contract and procedures are in place to address City's go forward requirements (Basic Plus-ESP).

H. Contractor report will include a full catalogue of all meters and accounts surveyed and will document the Established Rates for each service or product chosen for review and outline the methodology for Contractor's findings. City and Contractor will discuss, agree and document the Established Rates for the targeted service or product (Basic Plus-ESP).

I. Contractor may discover over billing, credits, rebates, ongoing savings and other sources of revenue. This income is to be considered expense reduction for purposes of this Contract and will be accounted for in the same manner as the expense reduction savings (Basic and Basic Plus-ESP).

J. Contractor may have the ability to recover rebates or other compensation by service providers. Contractor shall disclose this compensation to the City and both Parties shall share this revenue as savings, in accordance with Attachment B, after revenue is received by the City (Basic and Basic Plus-ESP).

K. It may be necessary to institute cost reduction strategies within a specific expense category in stages. If this occurs, and upon City approval, each state of implementation will be viewed with its own billing cycle (Basic Plus-ESP).

L. Contractor acknowledges that all information supplied by City shall be kept confidential. Contractor, its subcontractors, employees or agents shall not disclose such information to any third parties other than Contractor's subcontractors, employees or agents on a need-to-know basis for the purpose of Contract performance and to other third parties as required for providing services under this Contract. Contractor shall not use any information, documents or data provided by City for any proprietary purposes and shall not copy, sell, exchange, disclose, or provide to others, or use any information, documents, or data reasonably relate to this Contract for its own proprietary interest (Basic and Basic Plus-ESP).

M. Contractor shall perform all Cost Recovery and Reduction Services required under this Contract in conformity with professional standards, and shall provide qualified personnel to meet such standards (Basic and Basic Plus-ESP).

N. Ownership of City Data – Contractor acknowledges and agrees that all information supplied by City to Contractor (hereinafter, "City Data") shall remain the property of City. City Data shall not be used by Contractor other than in connection with providing the services pursuant to this Contract. City Data shall not be disclosed, sold, assigned, leased or otherwise provided to third parties by Contractor, or commercially exploited by or on behalf of Contractor, its employees, officers, agents, subcontractors, invitees, or assigns in any respect. Contractor shall not delete or destroy any City Data or media on which City Data resides without prior written authorization of City. At no cost

to City, Contractor shall, upon City request, promptly return to City, in the format and on the media in use as of the date of the request, any and all requested portion of City Data it may possess or control as well as all work product including exploratory information (Basic and Basic Plus-ESP).

O. It shall be Contractor's responsibility to ensure compatibility of City's data files and transmittal medium to Contractor's computer system. Contractor shall bear all costs, if necessary, for data conversion to make City's computer system compatible with that of Contractor's and any incidental costs related to the data transfer. Contractor shall promptly inform City of any problems and/or issues with any data conversion or transfer of City's data files (Basic and Basic Plus-ESP).

P. Contractor is responsible for ensuring that all transmittals to City are compatible with City's ability to record and read such data. Any and all corrupted or otherwise defective data shall be replaced by Contractor at no cost, additional or otherwise, to City (Basic and Basic Plus-ESP).

Q. During the review, Contractor shall notify the City of any compliance concerns with current and upcoming applicable laws related to provider services; this shall be part of the review (Basic Plus-ESP).

R. During the term of this Contract, Contractor understands that despite Contractor(s) recommendations, suggestions, potential suppliers and other recommendations; City has the right not to proceed with any or all said recommendations (Basic and Basic Plus-ESP).

CITY REQUIREMENTS:

A. City shall provide all required documents, invoices, contracts and staff consultation time to Contractor in order to conduct the expense reduction review.

B. During the review process, City, to the best of its ability, will not renegotiate, amend or extend in place contracts or introduce operational procedures/changes that will effect cost/pricing and or contractual obligations of the City to the service provider.

SAVINGS/REFUND VERIFICATION DOCUMENTATION:

A. Contractor will submit monthly or at City's discretion verifiable documentation that the correction/retroactive refund/credit/recommendation has been accomplished and savings were implemented. A detailed explanation of savings will be presented to Contractor to clarify and further corroborate the calculated savings.

ATTACHMENT "B"
CONTRACTOR'S RATES/COMPENSATION

I. COMPENSATION: This is a usage contract between City and Contractor to provide Cost Recovery and Reduction Services, as needed and set forth in Attachment –A, "Scope of Work.:

Contractor agrees to accept the specified compensation as set forth in this Contract as full remuneration for performing all services and furnishing all staffing, labor, vehicles, equipment, tools, materials, overhead, travel, etc., required, for any reasonably unforeseen difficulties which may arise or be encountered in the execution of the services until acceptance, for risks connected with the services, and for performance by Contractor of all its duties and obligations hereunder. There will be no up-front fees and Contractor shall only be compensated as set forth herein below for work performed in accordance with the Scope of Work.

II. PRICING: City will pay fees at the following percentage rate of cost savings/refunds, per audit review, after City approves and receives Contractor recommendations in accordance with the provisions of this Contract.

1. COST REDUCTION AND RECOVERY SERVICES*:

A. BASIC PROGRAM – REVIEW LEVEL (Bill Audit):

30% of actual cost recovered each month, for twelve (12) consecutive months.

B. BASIC PLUS PROGRAM – REVIEW LEVEL (Enterprise Strategic Plan/ESP): 30% if the City elects to commission an Enterprise Strategic Plan (ESP) for the targeted expense category(s) for sixty (60) consecutive months.

***Fees will be paid based on the cost savings/refund identified by the Contractor and approved by the City.**

III. PRICE INCREASES/DECREASES: No price increases will be permitted during the term of this Contract. All price decreases will automatically be extend to the City.

IV. FIRM DISCOUNT AND PRICING STRUCTURE: Contractor guarantees that prices quoted are equal to or less than prices quoted to any other local, State or Federal government entity for services of equal or lesser scope. Contractor agrees that no price increases shall be passed along to the City during the term of this Contract not otherwise specified and provided for within this Contract.

V. INVOICING INSTRUCTIONS: The Contractor shall submit invoices to the City on Contractor's letterhead. Each invoice shall have a unique number and shall include, a minimum, the following information:

- A. Contractor's name and address (as specified in this Contract)
- B. Contractor's remittance address, if different from (A), above
- C. Name of City department/contact person
- D. Contract number (PO, CT or MA Number) must be referenced on all invoices
- E. Delivery/service address
- F. Service Date
- G. Contractor's Tax Identification Number (TIN) or Employer's Identification Number (EIN)
- H. Description of Services
- I. Total dollar amount of invoice

The responsibility for providing an acceptable invoice to the City for payment rests with the Contractor. Incomplete or incorrect invoices are not acceptable and Contractor will be required to revise them. The department's City's Project Manager, or designee, is responsible for approval of invoice and subsequent submittal of invoice to the Finance Department for processing and payment.

Contractor has the option of receiving payment directly to their bank account via an Electronic Fund Transfer (EFT) process in lieu of a check payment. Payment made via EFT will also receive Electronic Remittance Advice with the payment details via email. An email address will need to be provided to the City via an EFT Authorization Form.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
3/13/2024

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher Risk Management Services, LLC 300 S Riverside Plaza, Suite 1500 Chicago IL 60606	CONTACT NAME: PHONE (A/C, No, Ext): 312-704-0100 FAX (A/C, No): 312-803-7443	
	E-MAIL ADDRESS:	
INSURED Procure America 31103 Rancho Viejo Rd #D2102 San Juan Capistrano, CA 92675	INSURER(S) AFFORDING COVERAGE NAIC #	
	INSURER A: National Fire Insurance Co of Hartford 20478	
	INSURER B: Continental Insurance Company 35289	
	INSURER C: Continental Casualty Company 20443	
	INSURER D: INSURER E: INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 1806426955 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
B	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y		7036401056	1/1/2024	1/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 15,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY			7036401039	1/1/2024	1/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			7036401042	1/1/2024	1/1/2025	EACH OCCURRENCE \$ 10,000,000 AGGREGATE \$ 10,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	736401087	1/1/2024	1/1/2025	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
B	Professional Liability			652490170	1/1/2024	1/1/2025	aggregate limit \$3,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
The City of Huntington beach is an additional insured on a blanket basis. A waiver of subrogation approved as to the general liability and workers compensation coverage.

By: _____
MICHAEL E. GATES
CITY ATTORNEY
CITY OF HUNTINGTON BEACH

CERTIFICATE HOLDER City of Huntington Beach 2000 Main street Huntington Beach CA	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE



CNA PARAMOUNT

Endorsement

Effective Date: 02/12/2024

Insured Name:

SIB MIDCO, LLC (DELAWARE)

796 MEETING ST

CHARLESTON, SC 29403-3120

Policy Number: 7036401056

Policy Period: 01/01/2024 – 01/01/2025

Producer's Information:

ARTHUR J GALLAGHER RISK MNGT SERV
300 S RIVERSIDE PLZ STE 1500

Producer Code: 057504

CHICAGO, IL 60606
(312) 803-7427

CNA Branch Number: 010

CNA Branch Name and Address:

CHICAGO/ILLINOIS BRANCH
BRANCH ADMIN
151 N FRANKLIN ST 9TH FL
CHICAGO, IL 60606
(630) 719-3000

Thank you for choosing CNA!

With your CNA Paramount package policy, you have insurance coverage tailored to meet the needs of your modern business. The international network of insurance professionals and the financial strength of CNA, rated "A" by A.M. Best, provide the resources to help you manage the daily risks of your organization so that you may focus on what's most important to you.

Claim Services — There When You Need Us

Claims are reported through a single point of entry available 24/7, connecting you to the individuals and information to help you resume your business when you need it most.

To report a claim, please call 877-CNA-ASAP, fax (800) 953-7389,
email lossreport@cnaasap.com, or visit www.cna.com/claim.

Risk Control Services — Help Avoid A Claim Before It Occurs

As a CNA policyholder, you have access to certified risk control professionals, risk mitigation programs and online resources to help identify and manage exposures that may disrupt your operation. We collaborate with business leaders to develop customized programs to assist you in safeguarding your assets and improving the bottom line.

To learn how our award-winning Risk Control services can help your business, please call (866) 262-0540, email us at riskcontrolwebinfo@cna.com or visit www.cna.com/riskcontrol.

When it comes to providing the coverage, service and resources paramount to your business success ... **we can show you more.**

INSURED

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CNA PARAMOUNT

Changes - Notice of Cancellation or Material Restriction Endorsement

This endorsement modifies insurance provided under the following:

- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- EMPLOYEE BENEFITS LIABILITY COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
- RAILROAD PROTECTIVE LIABILITY COVERAGE PART
- STOP GAP LIABILITY COVERAGE PART
- TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE PART
- SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF TRANSPORTATION

SCHEDULE	
Number of days notice (other than for nonpayment of premium):	030
Number of days notice for nonpayment of premium:	10
Name of person or organization to whom notice will be sent:	CITY OF HUNTINGTON BEACH
Address:	2000 MAIN STREET HUNTINGTON BEACH CA 92648

If no entry appears above, the number of days notice for nonpayment of premium will be 10 days.

It is understood and agreed that in the event of cancellation or any material restrictions in coverage during the policy period, the Insurer also agrees to mail prior written notice of cancellation or material restriction to the person or organization listed in the above Schedule. Such notice will be sent prior to such cancellation in the manner prescribed in the above Schedule.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

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CNA74702XX (1-15)

Page 1 of 1

VALLEY FORGE INSURANCE COMPANY

Insured Name: SIB MIDCO, LLC (DELAWARE)

Policy No: 7036401056
Endorsement No: 51
Effective Date: 02/12/2024