

**CITY OF COSTA MESA
PROFESSIONAL SERVICES AGREEMENT
WITH
STANTEC CONSULTING SERVICES INC.**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 1st day of July, 2017 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and STANTEC CONSULTING SERVICES INC., a New York corporation registered to do business in California ("Consultant").

W I T N E S S E T H :

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide traffic impact fee consulting services, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in Consultant's Proposal, attached hereto as Exhibit "A" and incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;

- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit A. Consultant's total compensation shall not exceed Thirty-One Thousand Three Hundred Sixty Dollars (\$31,360.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services,

approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after termination of this Agreement.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Unless otherwise agreed to in writing by the parties, the professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of two (2) years, ending on June 30, 2019, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. This Agreement may be extended by one (1) additional one (1) year period upon mutual written agreement of both parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall

be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as Exhibit "B" and incorporated herein by this reference.

5.5. Non-Limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the

representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: (a) at the time of delivery if such communication is sent by personal delivery, and (b) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

Stantec Consulting Services Inc.
38 Technology Drive, Suite 100
Irvine, CA 92618
Tel: (949) 923-6058
Attn: Daryl Zerfass

IF TO CITY:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Tel: (714) 754-5032
Attn: Raja Sethuraman

Courtesy copy to:

City of Costa Mesa
77 Fair Drive
Costa Mesa, CA 92626
Attn: Finance Dept. | Purchasing

6.5. Drug-Free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "C" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the

laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.13. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.14. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.15. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code sections 81000, *et seq.*) and Government Code section 1090.

During the term of this Agreement, Consultant and its officers, employees, associates and subconsultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or subconsultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.16. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.

6.17. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.18. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.19. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.20. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.21. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.22. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.23. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.24. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative

6.24. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.25. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.27. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CONSULTANT


Signature

Date: 9/7/17

Dary J. Zerkas, Principal
Name and Title


Social Security or Taxpayer ID Number

CITY OF COSTA MESA


Thomas Hatch
City Manager

Date: 9/19/17

ATTEST:

Brenda Green 9/22/17
Brenda Green
City Clerk



APPROVED AS TO FORM:

[Signature]
Thomas Duarte
City Attorney

Date: 09/18/17

APPROVED AS TO INSURANCE:

[Signature]
Ruth Wang
Risk Management

Date: 9/15/17

APPROVED AS TO CONTENT:

[Signature]
For Raja Sethuraman
Project Manager

Date: 9-14-17

DEPARTMENTAL APPROVAL

[Signature]
For Raja Sethuraman
Public Services Director

Date: 9-14-17

APPROVED AS TO PURCHASING:

[Signature]
Stephen Dunivent
Interim Finance Director

Date: 9.18.17

EXHIBIT A
CONSULTANT'S PROPOSAL



Stantec Consulting Services Inc.
38 Technology Drive Suite 100, Irvine CA 92618-5312

June 27, 2017
File: 207382003

Attention: Mr. Raja Sethuraman, PE
City of Costa Mesa
77 Fair Drive,
Costa Mesa, CA 92626

Dear Mr. Sethuraman,

Reference: Proposal to Prepare an Update to the City's Traffic Impact Fee

Stantec Consulting Services Inc. (Stantec) is pleased to submit this proposal to prepare an update to your traffic impact fee program. We have extensive experience with the City of Costa Mesa, in both the planning and engineering of your roadway facilities, and are excited about the opportunity to assist you with the fee program update.

The proposed scope of work will build upon our prior effort to update the City's travel demand model as part of your recent General Plan update. Utilizing roadway improvement project information to be provided by the City, we will assemble the necessary traffic information to develop a new traffic impact fee to help you implement the necessary General Plan improvements over time.

We have compiled an experienced and highly resourceful team which is ready to undertake this project. I will serve as your project manager and will be assisted by Kendall Elmer who will have primary responsibility for developing the nexus study and the resulting traffic fee. We are each highly familiar with your city having completed multiple prior projects for you and we are supported by a team of engineers and designers who are well suited to these project tasks.

Project Understanding

You currently have a traffic impact fee program that needs to be updated due to new roadway improvements that will implement your recently adopted General Plan update, and to account for increasing construction costs. With the growth anticipated within the City over the next 25 to 30 years, there will be additional demand placed on your transportation system. Adequate funding to provide the necessary roadway infrastructure will be critical to maintaining your resident's current quality of service.

Scope of work

Our detailed approach to the scope of work is illustrated by the following tasks:

Design with community in mind



June 27, 2017
Mr. Raja Sethuraman, PE
Page 2 of 6

Reference: Proposal to Prepare an Update to the City's Traffic Impact Fee

Task 1: Project Initiation and Project Management

As an initial step, we will have an in-person meeting with City staff to identify key issues, establish roles, and refine the schedule, as appropriate. It is assumed that this will include representatives of the Public Works Department as well as other relevant City Departments. A key part of this task will be to identify and discuss existing information concerning key study components, including traffic improvement needs, available cost information, development forecasts, and potential transportation funding sources. This will help determine the types and extent of additional research, analysis, and discussions required.

Having been involved with the General Plan update process, we are familiar with many of the pertinent City documents. As part of this initiation task, we will confer with City staff to ensure we obtain all relevant background data, including, but not limited to, the following:

- City's list of improvements that are subject to the fee program
- City's cost estimates for the improvements subject to the fee program

A schedule for teleconference calls will be established to ensure the project stays on schedule, any key issues are addressed quickly, and lines of communication are strong. We will host the calls with the appropriate parties throughout the course of the study.

Task 2: Nexus Analysis, Cost Allocation, and Maximum Potential Fees

Transportation impact fee estimates will be closely associated with the expected level of new development in the City and their scale relative to existing development. The City's General Plan and associated technical analysis provided estimates of future development potential of many key land uses in the City. Unless directed otherwise by City staff, we will use the General Plan development forecasts to estimate the transportation impact fee. These development forecasts include estimates of future single-family residential, multi-family residential, office, retail, and hotel development.

We recommend utilizing the City's travel demand forecasting model (CMTM) to develop a nexus between future development in the City and the identified roadway improvements consistent with the methodology utilized in the prior fee update. This will provide a transparent and defensible fee calculation methodology.

A nexus may also be developed between future development and the complete street roadway mitigation measures identified in the pending Bicycle Master Plan (BMP) due to recent state legislation, SB 743, which redefines transportation impacts as increases to vehicle miles of travel (VMT). This differs from past practice, in which impacts are based on capacity and roadway levels of service. Given this new definition of a transportation impact, there is a nexus between the

Design with community in mind



June 27, 2017
Mr. Raja Sethuraman, PE
Page 3 of 6

Reference: Proposal to Prepare an Update to the City's Traffic Impact Fee

citywide transportation improvements/VMT reduction measures as outlined in the BMP and the traffic to be generated by anticipated new development, thereby allowing those improvements to be included in the fee program if desired.

We recommend continuing the City's current practice of basing impact fees on average daily traffic (ADT) volumes generated by new development. The CMTM will be used to calculate the amount of new ADT at each improvement location that is attributable to future/new development in the City. Existing trips, and future regional/non-City trips will be tabulated separately. Based on the new locally generated traffic, together with the improvement cost estimates, a new cost (fee) per ADT of new development will be calculated.

We will summarize the resulting fee calculations and will discuss the implications of maximum and lower fee levels with the City staff. After this review process, City staff will provide direction in terms of appropriate refinements to the fee program and we will make the refinements and provide a revised summary of fee calculations.

Exclusions: This task specifically excludes identification or selection of the roadway transportation improvements to include in the fee program, and the derivation of improvement cost estimates.

Task 3: Impact Fee Study

Using the information developed in the prior tasks, a draft impact fee study report will be prepared to document the fee study results. The report will include a description of the overall methodology, the findings of the study, the recommended impact fee with supporting justification, and calculations that provide the legal nexus between the impact fee recommendations and new development.

The State Legislature adopted the Mitigation Fee Act (Act) with Assembly Bill 1600 in 1987 and subsequent amendments. The Act, contained in California Government Code sections 66000 through 66025, establishes requirements on local agencies to impose and administer fee programs.

The Act requires local agencies to document five findings when adopting a fee:

1. Identify the purpose of the fee
2. Identify the use to which the fee is to be put
3. Determine how there is a reasonable relationship between the fee's use and the type of development on which the fee is imposed
4. Determine how there is a reasonable relationship between the need for the public facility and the type of development project on which the fee is imposed

Design with community in mind



June 27, 2017
Mr. Raja Sethuraman, PE
Page 4 of 6

Reference: Proposal to Prepare an Update to the City's Traffic Impact Fee

5. Determine how there is a reasonable relationship between the amount of the fee and the cost of the public facility or portion of the public facility attributable to the development on which the fee is imposed

The draft impact fee study report will explain each step of the fee development process and document the findings that demonstrate a nexus, as required in GC 66000.

City staff will review and provide one set of consolidated comments. We will then refine the report and produce a Public Review Draft for broader distribution. Upon receiving final comments from City staff, a Final Draft will be prepared for the City's records.

Exclusions: This task specifically excludes attendance at public meetings and/or formal presentation of the findings.

Project Personnel

We have assembled a resourceful and highly qualified team to meet the needs of the project. Our project manager and our lead transportation specialist each have extensive experience relevant to the project needs and with the City of Costa Mesa.

Daryl Zerfass, PE, PTP, Project Manager—Daryl is a California registered Traffic Engineer and a certified Professional Transportation Planner with more than 25 years of experience in multiple aspects of traffic engineering and transportation planning. He has a proven record of managing large-scale traffic studies efficiently and effectively. His projects include transportation nexus fee studies, traffic impact studies for large-scale development projects, freeway facility and interchange studies for PSRs and PRs, General Plan updates, areawide transportation studies, traffic model development, and land-use related circulation studies.

Daryl has completed a wide variety of transportation planning projects, including the recent update to the City's travel demand model and associated updates to the City's General Plan. He has also prepared many traffic impact studies for significant projects in your city, such as the Home Ranch development, the SOBECA/Westside General Plan Amendment, the South Coast Plaza Town Center development, and the I-405/Susan Street Off Ramp.

Kendall Elmer, Transportation Specialist—Kendall is a specialist in transportation planning who has more than twenty-seven years of experience in the development and application of computerized traffic forecasting models that are used in traffic analysis work and in the preparation of circulation plans, traffic impact analysis, and traffic fee nexus studies. He has been responsible for a number of transportation planning projects throughout southern California that have ranged from small-scale development impact analyses to medium-scale specific plans and EIR traffic studies to large-scale general plan circulation studies and the development of area-wide transportation improvement fee programs.

Design with community in mind



June 27, 2017
Mr. Raja Sethuraman, PE
Page 5 of 6

Reference: Proposal to Prepare an Update to the City's Traffic Impact Fee

Full resumes can be provided upon request.

Fee

The estimated costs for the proposed work effort are summarized in Table 1 below. As shown, the fee to update to the traffic fee is estimated to be \$31,360 based on the anticipated scope of work described above. The cost estimate is based on our experience with projects of this type. Should the agreed upon scope of work differ substantially from the outline presented here, a revised cost estimate may be necessary.

Table 1 Fee Estimate

Work Tasks and Hours	Project Manager \$212/hr	Transp. Specialist \$212/hr	Sr. Transp. Planner \$165/hr	Engineering Assistant \$109/hr	Support Staff \$75/hr	Expenses	Cost
Task 1: Project Management	10	0	10	0	2	\$50	\$3,970
Task 2: Nexus Analysis & Fee	20	25	40	40	2	\$0	\$20,650
Task 3: Impact Fee Study	5	0	20	20	2	\$50	\$6,740
Total	35	25	70	60	6	\$100	\$31,360

Design with community in mind



June 27, 2017
Mr. Raja Sethuraman, PE
Page 6 of 6

Reference: Proposal to Prepare an Update to the City's Traffic Impact Fee

Conclusion

We look forward to working with you on this important project. The project fits well with our company goals for "Design with Community in Mind", and we are appreciative of the opportunity to propose our services to assist the City with this effort. This proposal is valid for 90 days.

Sincerely,

STANTEC CONSULTING SERVICES INC.

Daryl Zertass, PE, PTP
Principal, Transportation Planning & Traffic Engineering
Phone: (949) 923-6058
Daryl.Zertass@stantec.com

Attachment: 2017 Rate Schedule

v:\2073\business_development\city_of_costa_mesa\traffic_fee_update\pro_cm_fee_update_v2_20170627.docx

Design with community in mind

SCHEDULE OF BILLING RATES – 2017

Billing Level	Hourly Rate	Description												
3	\$75	Junior Level position <input type="checkbox"/> Independently carries out assignments of limited scope using standard procedures, methods and techniques <input type="checkbox"/> Assists senior staff in carrying out more advanced procedures <input type="checkbox"/> Completed work is reviewed for feasibility and soundness of judgment <input type="checkbox"/> Graduate from an appropriate post-secondary program or equivalent <input type="checkbox"/> Generally, one to three years' experience												
4	\$83													
5	\$93													
6	\$101	Fully Qualified Professional Position <input type="checkbox"/> Carries out assignments requiring general familiarity within a broad field of the respective profession <input type="checkbox"/> Makes decisions by using a combination of standard methods and techniques <input type="checkbox"/> Actively participates in planning to ensure the achievement of objectives <input type="checkbox"/> Works independently to interpret information and resolve difficulties <input type="checkbox"/> Graduate from an appropriate post-secondary program, with credentials or equivalent <input type="checkbox"/> Generally, three to six years' experience												
7	\$109													
8	\$117													
9	\$125	First Level Supervisor or first complete Level of Specialization <input type="checkbox"/> Provides applied professional knowledge and initiative in planning and coordinating work programs <input type="checkbox"/> Adapts established guidelines as necessary to address unusual issues <input type="checkbox"/> Decisions accepted as technically accurate, however may on occasion be reviewed for soundness of judgment <input type="checkbox"/> Graduate from an appropriate post-secondary program, with credentials or equivalent <input type="checkbox"/> Generally, five to nine years' experience												
10	\$135													
11	\$144													
12	\$154	Highly Specialized Technical Professional or Supervisor of groups of professionals <input type="checkbox"/> Provides multi-discipline knowledge to deliver innovative solutions in related field of expertise <input type="checkbox"/> Participates in short and long range planning to ensure the achievement of objectives <input type="checkbox"/> Makes responsible decisions on all matters, including policy recommendations, work methods, and financial controls associated with large expenditures <input type="checkbox"/> Reviews and evaluates technical work <input type="checkbox"/> Graduate from an appropriate post-secondary program, with credentials or equivalent <input type="checkbox"/> Generally, ten to fifteen years' experience with extensive, broad experience												
13	\$165													
14	\$175													
15	\$184	Senior Level Consultant or Management <input type="checkbox"/> Recognized as an authority in a specific field with qualifications of significant value <input type="checkbox"/> Provides multi-discipline knowledge to deliver innovative solutions in related field of expertise <input type="checkbox"/> Independently conceives programs and problems for investigation <input type="checkbox"/> Participates in discussions to ensure the achievement of program and/or project objectives <input type="checkbox"/> Makes responsible decisions on expenditures, including large sums or implementation of major programs and/or projects <input type="checkbox"/> Graduate from an appropriate post-secondary program, with credentials or equivalent <input type="checkbox"/> Generally, more than twelve years' experience with extensive experience												
16	\$212													
17	\$242													
18	\$283	Senior Level Management under review by Vice President or higher <input type="checkbox"/> Recognized as an authority in a specific field with qualifications of significant value <input type="checkbox"/> Responsible for long range planning within a specific area of practice or region <input type="checkbox"/> Makes decisions which are far reaching and limited only by objectives and policies of the organization <input type="checkbox"/> Plans/approves projects requiring significant human resources or capital investment <input type="checkbox"/> Graduate from an appropriate post-secondary program, with credentials or equivalent <input type="checkbox"/> Generally, fifteen years' experience with extensive professional and management experience												
19	\$319													
20	\$354													
21	\$390													
Survey Crews		<table> <tr> <th>Crew Size</th><th>Regular Rate</th><th>Overtime Rate</th></tr> <tr> <td>1-Person</td><td>\$180</td><td>\$210</td></tr> <tr> <td>2-Person</td><td>\$255</td><td>\$355</td></tr> <tr> <td>3-Person</td><td>\$325</td><td>\$450</td></tr> </table>	Crew Size	Regular Rate	Overtime Rate	1-Person	\$180	\$210	2-Person	\$255	\$355	3-Person	\$325	\$450
Crew Size	Regular Rate	Overtime Rate												
1-Person	\$180	\$210												
2-Person	\$255	\$355												
3-Person	\$325	\$450												

T-2 2017