CITY OF PLACENTIA
PROFESSIONAL SERVICES AGREEMENT
WITH
PUBLIC CONSULTING GROUP (PCG)

THIS AGREEMENT is made and entered into this ___ day of ___, 2019__ ("Effective Date"), by and between the CITY OF PLACENTIA, a municipal corporation ("City"), and PUBLIC CONSULTING GROUP, INC. (PCG), a Boston-based consulting firm ("Consultant").

WITNESSETH:

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to provide assistance with the implementation of a new fire and life safety department 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 ("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. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. Officers and employees shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this section.

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, which satisfaction will
not be unreasonably withheld. Evaluations of the work will be done by the City Administrator 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 reasonable 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, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code. Such actions shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship. Consultant agrees to post in conspicuous places, available to employees and applicants for employment, a notice setting forth provisions of this non-discrimination clause.

Consultant shall, in all solicitations and advertisements for employees placed by, or on behalf of Consultant shall state that all qualified applicants will receive consideration for employment without regard to age, race, color, religion, sex, marital status, national origin, or mental or physical disability. Consultant shall cause the paragraphs contained in this Section to be inserted in all subcontracts for any work covered by the Agreement, provided that the foregoing provisions shall not apply to subcontracts for standard commercial supplies or raw materials.

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. All insurance requirements contained in this Agreement are independently applicable to any and all subcontractors that Consultant may engage during the term of this Agreement.

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 fifty-thousand dollars ($50,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal or which is inconsistent with or in violation of the provisions of this Agreement 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. Should the City request in writing additional services that increase the hereinabove described "SCOPE OF SERVICES", an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services.

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 thirty (30) 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 for a period of three (3) years from the Effective Date.

3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "A." The Project Schedule may be amended by mutual agreement of the parties. 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. If a delay beyond the control of the Consultant is encountered, a formal time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for such a formal time extension.

4.0. **TERM AND TERMINATION**

4.1. **Term.** This Agreement shall commence on the Effective Date and continue for a period of 12 months, ending on July 22, 2020, unless previously terminated as provided herein or as otherwise agreed to in writing by the 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 at least thirty (30) days prior 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. If the City suspends, terminates or abandons a portion of this Agreement such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) business days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement.

The City shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled at law, in equity or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

a. Be adjudged a bankrupt;
b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;
c. Make a general assignment for the benefit of creditors;
d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;
e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or
4.3. **Compensation.** In the event of termination, City shall pay Consultant, within thirty-five (35) days after service of the notice of termination, 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. City shall not be liable for any claim of lost profits.

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) business 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 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) Broad-form commercial general liability, in a form at least as broad as ISO from #CG 00 01 04 13, 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. If Consultant maintains higher limits than the specified minimum limits, City requires and shall be entitled to coverage for the high limits maintained by the Consultant.

(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, each incident for bodily injury and property damage.

(c) Workers’ compensation insurance as required by the State of California and Employers Liability Insurance with a minimum limit of $1,000,000 per accident for any employee or employees of Consultant. 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 for losses 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.

Before execution of this Agreement by the City, the Consultant shall file with the Public Works Director/City Engineer the following signed certification:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the Public Works Director/City Engineer before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

Neither the CITY nor any of its elected or appointed officials, officers, agents, employees, or volunteers makes any representation that the types of insurance and the limits specified to be carried by Consultant under this Agreement are adequate to protect Consultant. If Consultant believes that any such insurance coverage is insufficient, Consultant shall provide, at its own expense, such additional insurance as Consultant deems adequate.

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

(a) Additional insureds: "The City of Placentia 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: "Consultant shall provide immediate written notice if (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; (3) or the deductible or self-insured retention is increased. In the event of any cancellation or reduction in coverage or limits of any insurance, Consultant shall forthwith obtain and submit proof of substitute insurance. Should Consultant fail to immediately procure other insurance, as specified, to substitute for any canceled policy, the City may procure such insurance at Consultant's sole cost and expense."
(c) Other insurance: "The Consultant’s insurance coverage shall be primary insurance as respects the City of Placentia, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Placentia 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 Placentia, 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 and endorsements 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 Administrator 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. It shall be the Consultant’s responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Consultant shall refer any decision, which must be made by City, to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager.

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 and who shall not be changed by Consultant without the express written approval by the City. 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, facsimile or if mailed, shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 72 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: 
Public Consulting Group, Inc. 
999 18th St., Suite 1425 
Denver, CO 80202 
Tel: 512-287-4675 
Attn: James Dachos

IF TO CITY: 
City of Placentia 
401 E. Chapman 
Placentia, CA 92870 
Tel: 714 
Attn:

6.6. 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. Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

6.7. 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.

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant’s sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed 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.
6.9. 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 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.

6.10. 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.

6.11. 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.
6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, preliminary notes, working documents, 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 but shall be made available to the City within ten (10) business days of request or within ten (10) business days of termination. 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, preliminary notes and working documents, 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. Consultant or Consultant’s agents shall execute such documents as may be necessary from time to time to confirm City’s ownership of the copyright in such documents.

To the extent any work product, equipment or materials ("works") used, delivered, shared, or accessed in this Agreement contain Consultant Pre-existing Material, Consultant hereby grants to City an irrevocable, perpetual, nonexclusive, royalty-free, world-wide license to use, execute, reproduce, display, perform, and distribute copies of Consultant Pre-existing Material, but only as they are incorporated into and form a part of the works developed for City pursuant to this Agreement. "Consultant Pre-existing Material" means materials, code, methodology, concepts, process, systems, technique, trade or service marks, copyrights, or other intellectual property right developed, licensed or otherwise acquired by Consultant, independent of the services to be rendered under this Agreement. Notwithstanding anything to the contrary in this Agreement, all ownership, rights, and interest to any Consultant Pre-existing Material shall remain with Consultant and will not be transferred to City.

6.13. 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.

6.14. 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.

6.15. **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.

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

6.17. **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, the conflict shall be resolved by giving precedence in the following order, if applicable: This Agreement, the City’s Request for Proposals, the Consultant’s Proposal.

6.18. **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.

6.19. **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.

6.20. **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.

6.21. **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.

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

6.23. **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

PUBLIC CONSULTING GROUP (PCG)

Rev. 08/2017
ATTACHMENT 1
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.

6.24. 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.

6.25. 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.

6.26. 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.

6.27 NEITHER PARTY SHALL BE LIABLE TO THE OTHER ANY INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, SUCH DAMAGES ARISING FROM ANY TYPE OR MANNER OF COMMERCIAL, BUSINESS, OR FINANCIAL LOSS, EVEN IF THE OTHER PARTY HAD ACTUAL OR CONSTRUCTIVE KNOWLEDGE OF THE POSSIBILITY OF SUCH DAMAGES AND REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE.

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.

CITY OF PLACENTIA,
A municipal corporation

________________________________________
Mayor Rhonda Shader

Date: ________________________________

ATTEST:

________________________________________
City Clerk and ex-officio Clerk
of the City of Placentia
CONSULTANT

Signature

James Dachos, Associate Manager/Health
Name and Title

04-2942913
Taxpayer ID Number

APPROVED AS TO FORM:

Date: ____________________________

Christian L. Bettenhausen, City Attorney

APPROVED AS TO INSURANCE:

Date: ____________________________

Rosanna Ramirez, Risk Management

APPROVED AS TO CONTENT:

Date: ____________________________

Project Manager

DEPARTMENTAL APPROVAL:

Date: ____________________________

Name, Title
EXHIBIT A
CONSULTANT’S PROPOSAL AND SCOPE OF WORK

This proposal is being submitted by Public Consulting Group (PCG) to the City of Placentia to offer consulting services to support the City's efforts with the implementation of fire protection services as outlined in the City's response to RFP 2018-02, Request for Proposals for Fire Protection Services. PCG is uniquely qualified for this project since our consultant, Kenneth Riddle, assisted the City with its RFP proposal for fire protection services in addition to our qualifications with cost allocation plans and cost reporting for several of government agencies nationwide. PCG proposes to collaborate with the City staff, interim fire chief, and full-time fire chief in the future to establish the Placentia Fire and Life Safety Department as described in the City’s RFP proposal.

Services to be provided are described below. Total cost of services provided is $50,000 payable in twelve (12) equal monthly payments.

NEIGHBORING EMERGENCY SERVICE PROVIDERS ORIENTATION

If the City Council decides to implement a City owned and operated fire department there will be many questions and concerns from neighboring emergency service agencies including fire departments, EMS agencies, law enforcement, and emergency communication centers. PCG will meet with representatives of these agencies to provide general and specific information regarding the City’s proposed fire department structure and design. These face-to-face meetings will minimize rumors and misinformation as well as allow the City to know up front what concerns are out there and the City can address them as needed.

Section C: Proposed Method for Providing Services and Deployment Strategies

9-1-1 CALL INTAKE, CALL PROCESSING AND EMERGENCY DISPATCHING SERVICES

- PCG will participate with the City, its EMS service provider and EMS Coordinator in establishing the processes for integrating fire and EMS 9-1-1 call intake, call processing and fire and EMS dispatching services within the Placentia Police Department Communications Center. This includes working with the City’s point of contact (POC) for the Communications Center, CAD Vendor (Mark 43), fire RMS Vendor (Emergency Reporting), Station Alerting Vendor and other Vendors for any other services or CAD interfaces. PCG will also consult with other fire/EMS dispatch agencies that provide dispatch services to Placentia’s automatic and mutual-aid agencies to ensure seamless emergency operations.

DEPARTMENT STAFFING LEVELS

EMERGENCY OPERATIONS STAFF

- PCG will assist the City with the development of job descriptions for fire department positions including fire chief, battalion chief, fire captains, fire apparatus engineer, firefighter, and reserve firefighter. Job descriptions will include required certifications and training for each position and PCG will assist in implementing the operational plan and
evaluating potential candidates as envisioned in the City’s proposal for the Placentia Fire and Life Safety Department.

RESERVE FIREFIGHTERS

- PCG along with the City will outreach to the fire academies in Southern California to develop the City’s Reserve Firefighter program and establish a long-term presence and relationship with those institutions as well as the California Firefighters Joint Apprentice Committee (CFJAC). The reserve firefighter program will consist of 30 reserve firefighters and a candidate pool of additional reserve firefighters to fill vacancies.

- PCG, in collaboration with the City and the Placentia-Yorba Linda Unified School District will develop an annual fire academy scholarship program aimed at graduating high school seniors from Valencia and El Dorado High Schools. This scholarship will be awarded to five students each year from each of the high schools and will pay the cost for the student to attend one of the Southern California fire academy’s. Upon successful completion of the academy, each graduate will be offered a reserve firefighter position with the Placentia Fire and Life Safety Department.

PLACENTIA FIRE STATIONS AND EMERGENCY RESPONSE TIMES

- PCG will coordinate with the OCFA to conduct a facility assessment of each fire station and prepare a station transition plan. PCG will also advise the City regarding required fire department equipment and facilities needed for fire station operations. PCG will assist the City in securing equipment that may include fire station alerting components, diesel exhaust systems, radios, etc.

- PCG will develop a plan for implementing the City’s emergency vehicle preemption solution, Opticom, to be phased in over a period of 1 – 2 years. Intersections will be prioritized based on traffic pattern analysis, as well as input from the Placentia Police Department.

PLACENTIA EMERGENCY FIRE APPARATUS

- PCG will collaborate with Derotic Emergency Equipment to develop apparatus specifications for two Type 1 engines, one quint aerial apparatus, one Type 6 Mini-Pumper. PCG will also confer with the contracted fire apparatus subject matter expert for advice on specifications, apparatus inspections and delivery inspections. Apparatus will meet NFPA 1901 Standards.

- PCG will assist the City in securing temporary apparatus either via a short-term lease with a local vendor or a negotiated agreement with OCFA should the delivery of the City’s new apparatus extend beyond July 1, 2020.

- PCG will develop specifications for three emergency response command vehicles in conjunction with Derotic Emergency Equipment and the contracted mechanic.
COST RECOVERY

- PCG will develop a fire department cost recovery program for the City to implement in conjunction with EF Recovery Services.

PERFORMANCE MEASURES

- **Insurance Services Office (ISO):** PCG will apply the ISO Fire Suppression Rating Schedule standards to the development of the fire department. PCG will explore areas that may result in a higher ISO rating. PCG will coordinate with the California ISO representative assigned to evaluate the City fire department to ensure a seamless transition to the new City fire department.

- **Commission of Fire Accreditation International (CFAI):** PCG will initiate the accreditation process with the Center for Public Safety Excellence CFAI program.

- **National Fire Protection Association Standards (NFPA):** PCG will ensure the fire department will established based on appropriate NFPA Standards, including NFPA 1710: Standard for the Organization and Deployment of Fire Suppression Operations, Emergency Medical Operations, and Special Operations to the Public by Career Fire Departments.

FIRE PREVENTION PROGRAMS, FIRE INVESTIGATOR, PUBLIC EDUCATION

- Working with the City’s Emergency Services Coordinator, PCG will identify cost effective options for the City to provide fire protection engineering services, fire investigation services, and fire inspections.

- PCG will implement a fire inspection compliance program to ensure appropriate and timely fire inspections are completed. PCG will develop a fee schedule based on comparable fees assessed by neighboring jurisdictions.

- PCG will develop a robust public fire education program in conjunction with the Fire-ED Interactive program representatives. Fire safety education programs for schools will also be developed.

- PCG will promote and implement the Virtual Community Risk Reduction web-based services to collect data over the next year and obtain information that will provide guidance to the fire department for risk reduction strategies based on specific neighborhood demographics.

QUALITY CONTROL and SYSTEM MANAGEMENT
PCG will facilitate the development of the fire departments records management system (RMS) with representatives of Emergency Reporting and appropriate staff for any required interfaces to the public safety CAD.

PCG will facilitate the implementation of the National Fire Operations Reporting System (NFORS) that will provide the City real-time information regarding the fire departments activities and programs.

PCG will develop a customer satisfaction program in alignment with other City satisfaction programs.

ONGOING ASISTANCE

PCG will assist the City as needed with ongoing issues related to the development of the City's fire department as needed.
EXHIBIT B

CERTIFICATES OF INSURANCE
CERTIFICATE OF LIABILITY INSURANCE

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 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
Hays Companies Inc.
133 Federal Street, 4th Floor
Boston MA 02110

INSURED
Public Consulting Group, Inc
148 State St.
10th Floor
Boston MA 02109

INSURER(S) AFFORDING COVERAGE NAIC #
INSURER A: Great Northern Insurance Company 20303
INSURER B: Federal Insurance Company 20281
INSURER C: Allied World Specialty Insurance 10690
INSURER D: ACE American Insurance Company 22667

COVERAGES CERTIFICATE NUMBER: 2019-2020 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 HERIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTN TYPE OF INSURANCE ADDL SUBR INDOX. WOD POLICY NUMBER POLICY EFF POLICY EXPIR LIMITS
A COMMERCIAL GENERAL LIABILITY
X CLAIMS-MADE X OCCUR
GENL AGGREGATE LIMIT APPLIES PER
POLICY LOC
35855036 4/1/2019 4/1/2020 EACH OCCURRENCE DAMAGE TO RENTED PREMIS $ 1,000,000
MED EXP (Any one person) $ 1,000,000
PERSONAL & ADV INJURY $ 10,000
GENERAL AGGREGATE $ 1,000,000
PRODUCTS - COMP & COP AGG Included
Employee Benefits $ 1,000,000

B AUTOMOBILE LIABILITY
ANY AUTO
X ALL OWNED AUTOS
SCHEDULED AUTOS NON-OWNED AUTOS
73560440 4/1/2019 4/1/2020 COMBINED SINGLE LIMIT (IS a subset)
$ 1,000,000
BODILY INJURY (Per person) $ 1,000,000
PROPERTY DAMAGE (Per accident) $ 1,000,000

C UMBRELLA LIABILITY
X OCCUR
EXCESS LAIU
03112674 4/1/2019 4/1/2020 EACH OCCURRENCE $ 15,000,000
AGGREGATE $ 15,000,000

D WORKERS COMPENSATION AND EMPLOYERS LIABILITY
Professional/Cyber Liability
Claims Made
025661378 003 4/1/2019 4/1/2020 Each Claim/Aggregate $ 10,000,000
Retention $ 250,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 106). ADDITIONAL REMARKS SCHEDULE, MAY BE ATTACHED IF MORE SPACE IS REQUIRED.
The City of Placentia and its elected and appointed boards, officers, officials, agents, employees and volunteers are included as ADDITIONAL INSURED with respect to General Liability and Automobile per written contract. Waiver of Subrogation is afforded under the workers Compensation policy per written contract. Coverage is subject to policy terms and conditions.

CERTIFICATE HOLDER
City of Placentia
401 E. Chapman Avenue
Placentia, CA 92870

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
James Hays/JHURLE

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Liability Insurance

Endorsement

Policy Period       APRIL 1, 2019 TO APRIL 1, 2020
Effective Date      APRIL 1, 2019
Policy Number       3585-50-36 BOS
Insured             PUBLIC CONSULTING GROUP, INC.
Name of Company      GREAT NORTHERN INSURANCE COMPANY
Date Issued          APRIL 1, 2019

This Endorsement applies to the following forms:
GENERAL LIABILITY
EMPLOYEE BENEFITS ERRORS OR OMISSIONS

Conditions

Under Conditions, the following provision is added to the condition titled Other Insurance.

Other Insurance -
Primary, Noncontributory
Insurance - Scheduled
Person or Organization

If you are obligated, pursuant to a written contract or agreement, to provide the person or organization described in the Schedule (that is also included in the Who Is An Insured section of this contract) with primary insurance such as is afforded by this policy, then this insurance is primary and we will not seek contribution from insurance available to such person or organization.

Schedule

OTHER INSURANCE - PRIMARY ADDITIONAL INSURED

All other terms and conditions remain unchanged.

Authorized Representative
Liability Insurance

Endorsement

Policy Period APRIL 1, 2019 TO APRIL 1, 2020
Effective Date APRIL 1, 2019
Policy Number 3585-50-36 BOS
Insured PUBLIC CONSULTING GROUP, INC.
Name of Company GREAT NORTHERN INSURANCE COMPANY
Date Issued APRIL 1, 2019

This Endorsement applies to the following forms:

GENERAL LIABILITY

Under Who Is An Insured, the following provision is added.

Who Is An Insured

Additional Insured - Scheduled Person Or Organization

Persons or organizations shown in the Schedule are insureds; but they are insureds only if you are obligated pursuant to a contract or agreement to provide them with such insurance as is afforded by this policy.

However, the person or organization is an insured only:

- if and then only to the extent the person or organization is described in the Schedule;
- to the extent such contract or agreement requires the person or organization to be afforded status as an insured;
- for activities that did not occur, in whole or in part, before the execution of the contract or agreement; and
- with respect to damages, loss, cost or expense for injury or damage to which this insurance applies.

No person or organization is an insured under this provision:

- that is more specifically identified under any other provision of the Who Is An Insured section (regardless of any limitation applicable thereto).
- with respect to any assumption of liability (of another person or organization) by them in a contract or agreement. This limitation does not apply to the liability for damages, loss, cost or expense for injury or damage, to which this insurance applies, that the person or organization would have in the absence of such contract or agreement.
Liability Endorsement (continued)

Under Conditions, the following provision is added to the condition titled Other Insurance.

Conditions

Other Insurance –
Primary, Noncontributory
Insurance – Scheduled
Person Or Organization

If you are obligated, pursuant to a contract or agreement, to provide the person or organization shown in the Schedule with primary insurance such as is afforded by this policy, then in such case this insurance is primary and we will not seek contribution from insurance available to such person or organization.

Schedule

Persons or organizations that you are obligated, pursuant to a contract or agreement, to provide with such insurance as is afforded by this policy.

All other terms and conditions remain unchanged.

Authorized Representative

[Signature]
COMMERCIAL AUTOMOBILE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM
This endorsement modifies the Business Auto Coverage Form.

1. EXTENDED CANCELLATION CONDITION
   Paragraph A.2.b. – CANCELLATION - of the
   COMMON POLICY CONDITIONS form IL 00 17 is
   deleted and replaced with the following:
   b. 60 days before the effective date of cancellation if
      we cancel for any other reason.

2. BROAD FORM INSURED
   A. Subsidiaries and Newly Acquired or Formed
      Organizations As Insureds
   The Named Insured shown in the Declarations is
   amended to include:
   1. Any legally incorporated subsidiary in which
      you own more than 50% of the voting stock on
      the effective date of the Coverage Form.
      However, the Named Insured does not include
      any subsidiary that is an "insured" under any
      other automobile policy or would be an
      "insured" under such a policy but for its
      termination or the exhaustion of its Limit of
      Insurance.
   2. Any organization that is acquired or formed by
      you and over which you maintain majority
      ownership. However, the Named Insured
      does not include any newly formed or acquired
      organization:
      (a) That is an "insured" under any other
          automobile policy;
      (b) That has exhausted its Limit of Insurance
          under any other policy; or
      (c) 180 days or more after its acquisition or
          formation by you, unless you have given
          us written notice of the acquisition or
          formation.
   Coverage does not apply to "bodily injury" or
   "property damage" that results from an "accident"
   that occurred before you formed or acquired the
   organization.

B. Employees as Insureds
Paragraph A.1. – WHO IS AN INSURED – of
SECTION II – LIABILITY COVERAGE is amended to
add the following:
   d. Any "employee" of yours while using a
      covered "auto" you don’t own, hire or
      borrow in your business or your personal
      affairs.

C. Lessors as Insureds
Paragraph A.1. – WHO IS AN INSURED – of
SECTION II – LIABILITY COVERAGE is
amended to add the following:
   e. The lessor of a covered "auto" while the
      "auto" is leased to you under a written
      agreement if:
         (1) The agreement requires you to
             provide direct primary insurance for
             the lessor; and
         (2) The "auto" is leased without a driver.
            Such leased "auto" will be considered a
            covered "auto" you own and not a covered
            "auto" you hire.
            However, the lessor is an "insured" only
            for "bodily injury" or "property damage"
            resulting from the acts or omissions by:
            1. You;
            2. Any of your "employees" or agents;
            or
            3. Any person, except the lessor or
               any "employee" or agent of the
               lessor, operating an "auto" with the
               permission of any of 1. and/or 2.
               above.

D. Persons And Organizations As Insureds
Under A Written Insured Contract
Paragraph A.1. – WHO IS AN INSURED – of
SECTION II – LIABILITY COVERAGE is
amended to add the following:
   f. Any person or organization with respect to
      the operation, maintenance or use of a
      covered "auto", provided that you and
      such person or organization have agreed
      under an express provision in a written
      "insured contract", written agreement or a
      written permit issued to you by a
      governmental or public authority to add
      such person or organization to this policy
      as an "insured".
      However, such person or organization is
      an "insured" only:

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"Includes copyrighted material of Insurance Services Office, Inc. with its permission"
(1) with respect to the operation, maintenance or use of a covered "auto"; and
(2) for "bodily injury" or "property damage" caused by an "accident" which takes place after:
(a) You executed the "insured contract" or written agreement; or
(b) The permit has been issued to you.

3. FELLOW EMPLOYEE COVERAGE
   EXCLUSION B.5. - FELLOW EMPLOYEE – of SECTION II – LIABILITY COVERAGE does not apply.

4. PHYSICAL DAMAGE – ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE
   Paragraph A.4.a. – TRANSPORTATION EXPENSES – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to provide a limit of $50 per day for temporary transportation expense, subject to a maximum limit of $1,000.

5. AUTO LOAN/LEASE GAP COVERAGE
   Paragraph A. 4. – COVERAGE EXTENSIONS - of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:
   c. Unpaid Loan or Lease Amounts
      In the event of a total "loss" to a covered "auto", we will pay any unpaid amount due on the loan or lease for a covered "auto" minus:
      1. The amount paid under the Physical Damage Coverage Section of the policy; and
      2. Any:
         a. Overdue loan/lease payments at the time of the "loss";
         b. Financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
         c. Security deposits not returned by the lessor;
         d. Costs for extended warranties, Credit Life Insurance, Health, Accident or Disability Insurance purchased with the loan or lease; and
         e. Carry-over balances from previous loans or leases.
      We will pay for any unpaid amount due on the loan or lease if caused by:
      1. Other than Collision Coverage only if the Declarations indicate that Comprehensive Coverage is provided for any covered "auto";
      2. Specified Causes of Loss Coverage only if the Declarations indicate that Specified Causes of Loss Coverage is provided for any covered "auto"; or
      3. Collision Coverage only if the Declarations indicate that Collision Coverage is provided for any covered "auto".

6. RENTAL AGENCY EXPENSE
   Paragraph A. 4. – COVERAGE EXTENSIONS – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:
   d. Rental Expense
      We will pay the following expenses that you or any of your "employees" are legally obligated to pay because of a written contract or agreement entered into for use of a rental vehicle in the conduct of your business:
      MAXIMUM WE WILL PAY FOR ANY ONE CONTRACT OR AGREEMENT:
      1. $2,500 for loss of income incurred by the rental agency during the period of time that vehicle is out of use because of actual damage to, or "loss" of, that vehicle, including income lost due to absence of that vehicle for use as a replacement;
      2. $2,500 for decrease in trade-in value of the rental vehicle because of actual damage to that vehicle arising out of a covered "loss"; and
      3. $2,500 for administrative expenses incurred by the rental agency, as stated in the contract or agreement.
      4. $7,500 maximum total amount for paragraphs 1., 2. and 3. combined.

7. EXTRA EXPENSE – BROADENED COVERAGE
   Paragraph A.4. – COVERAGE EXTENSIONS – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:
   e. Recovery Expense
      We will pay for the expense of returning a stolen covered "auto" to you.

8. AIRBAG COVERAGE
   Paragraph B.3.a. - EXCLUSIONS – of SECTION III – PHYSICAL DAMAGE COVERAGE does not apply to the accidental or unintended discharge of an airbag. Coverage is excess over any other collectible insurance or warranty specifically designed to provide this coverage.

9. AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT - BROADENED COVERAGE
   Paragraph C.1.b. – LIMIT OF INSURANCE - of SECTION III – PHYSICAL DAMAGE is deleted and replaced with the following:
   b. $2,000 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:
      1. Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
      2. Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or
      3. An integral part of such equipment.

10. GLASS REPAIR – WAIVER OF DEDUCTIBLE
Under Paragraph D. - DEDUCTIBLE – of SECTION III – PHYSICAL DAMAGE COVERAGE the following is added:
No deductible applies to glass damage if the glass is repaired rather than replaced.

11. TWO OR MORE DEDUCTIBLES
Paragraph D. - DEDUCTIBLE – of SECTION III – PHYSICAL DAMAGE COVERAGE is amended to add the following:
If this Coverage Form and any other Coverage Form or policy issued to you by us that is not an automobile policy or Coverage Form applies to the same "accident", the following applies:
1. If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived; or
2. If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS
Paragraph A.2.a. - DUTIES IN THE EVENT OF AN ACCIDENT, CLAIM, SUIT OR LOSS of SECTION IV - BUSINESS AUTO CONDITIONS is deleted and replaced with the following:
a. In the event of "accident", claim, "suit" or "loss", you must promptly notify us when the "accident" is known to:
   (1) You or your authorized representative, if you are an individual;
   (2) A partner, or any authorized representative, if you are a partnership;
   (3) A member, if you are a limited liability company; or
   (4) An executive officer, insurance manager, or authorized representative, if you are an organization other than a partnership or limited liability company.
Knowledge of an "accident", claim, "suit" or "loss" by other persons does not imply that the persons listed above have such knowledge. Notice to us should include:
(1) How, when and where the "accident" or "loss" occurred;
(2) The "insured's" name and address; and
(3) To the extent possible, the names and addresses of any injured persons or witnesses.

13. WAIVER OF SUBROGATION
Paragraph A.5. - TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US of SECTION IV - BUSINESS AUTO CONDITIONS is deleted and replaced with the following:
5. We will waive the right of recovery we would otherwise have against another person or organization for "loss" to which this insurance applies, provided the "insured" has waived their rights of recovery against such person or organization under a contract or agreement that is entered into before such "loss".
To the extent that the "insured's" rights to recover damages for all or part of any payment made under this insurance has not been waived, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them. At our request, the insured will bring suit or transfer those rights to us and help us enforce them.

14. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS
Paragraph B.2. – CONCEALMENT, MISREPRESENTATION or FRAUD of SECTION IV - BUSINESS AUTO CONDITIONS - is deleted and replaced with the following:
If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not void coverage under this Coverage Form because of such failure.

15. AUTOS RENTED BY EMPLOYEES
Paragraph B.5. - OTHER INSURANCE of SECTION IV - BUSINESS AUTO CONDITIONS - is amended to add the following:
e. Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire. If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

16. HIRED AUTO - COVERAGE TERRITORY
Paragraph B.7.b.(5). - POLICY PERIOD, COVERAGE TERRITORY of SECTION IV - BUSINESS AUTO CONDITIONS is deleted and replaced with the following:
(5) A covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 45 days or less; and

17. RESULTANT MENTAL ANGUISH COVERAGE
Paragraph C. of - SECTION V - DEFINITIONS is deleted and replaced by the following:
"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death as a result of the "bodily injury" sustained by that person.