

1 CONTRACT FOR SERVICES

2 **29957**

3
4 THIS CONTRACT ("Contract") is entered, in duplicate, as of December 1,
5 2006 for reference purposes only, pursuant to a minute order adopted by the City Council
6 of the City of Long Beach at its meeting on December 19, 2006, by and between EDWARD
7 WHITE & CO., LLP, a California limited liability partnership, Certified Public Accountants,
8 whose business address is 21700 Oxnard Street, Suite 400, Woodland Hills, California
9 91367 ("Contractor"), and the CITY OF LONG BEACH, a municipal corporation ("City").

10 1. RECITALS. This Contract is made with reference to the following facts
11 and objectives:

12 A. The City of Long Beach and the State of California ("State") are
13 continuing to inspect the records of certain oil companies with regard to purchases, sales
14 and exchanges, for the purpose of determining whether further compensation for the oil
15 allocated to those companies in 2006 is due the City and State under provisions of Article 9
16 of the Contractor's Agreement of the Long Beach Unit, Wilmington Oil Field.

17 B. Contractor, a firm of certified public accountants, has extensive
18 experience auditing corporation records, particularly of the type and complexity of the oil
19 companies dealing with the City in the Long Beach Unit of the Wilmington Oil Field, and
20 have reviewed the records of certain oil companies for the City of Long Beach and the
21 State of California during the previous twenty (20) years.

22 C. City desires to employ Contractor to continue to assist the City as
23 directed by the Director of the Gas and Oil Department of the City of Long Beach
24 ("Director") or his designee in reviewing and analyzing certain additional records of the oil
25 companies receiving oil under the Long Beach Unit Contractor's Agreement. City further
26 desires Contractor to prepare certain reports and summaries of the Contractor's findings.

27 D. Contractor is willing to undertake the duties of reviewing and analyzing
28 certain oil company records as directed by the Director or his designee and prepare such

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

1 reports and records as requested by the Director.

2 2. SCOPE OF SERVICE. Contractor shall perform the following
3 services:

4 A. Review and analyze the records of certain oil companies as directed
5 by the Director or his designee for the purpose of determining whether further
6 compensation for oil allocated to those certain companies in 2006 is due the City and State
7 under the provisions of Article 9(c) of the Contractor's Agreement, Long Beach Unit,
8 Wilmington Oil Field. Prepare appropriate summaries and reports with regard to this
9 section as directed by the Director or his designee;

10 B. Review and analyze the records of certain oil companies as directed
11 by the Director or his designee for the purpose of determining whether further
12 compensation for oil allocated to those certain companies in 2006 is due the City and State
13 under the provisions Article 9(b) 3 and 4 of the Contractor's Agreement, Long Beach Unit,
14 Wilmington Oil Field. Prepare appropriate summaries and reports with regard to this
15 section as directed by the Director or his designee;

16 C. Consult with the City, as may be requested by the Director or his
17 designee, on matters regarding money that may be due to the City and State under the
18 Contractor's Agreement or related documents.

19 3. TERM. The term of this Contract shall commence December 1, 2006
20 and shall terminate on November 30, 2007, unless terminated earlier pursuant to
21 Section 6.

22 4. COMPENSATION. City shall compensate Contractor at the following
23 rates:

24 A. For services rendered pursuant to this Contract, an hourly fee at a rate
25 of \$350-\$400 per hour for Senior Partners, \$350 per hour for Directors, \$280-\$325 per
26 hour for Partners, \$170-\$240 per hour for Managers, \$145-\$165 per hour for Supervisors,
27 \$120-\$140 per hour for Professional Staff, \$55-\$65 per hour for Paraprofessional Staff and
28 \$55 per hour for Administrative Staff, billable on a monthly basis;

1 B. In addition to said fees, Contractor shall be reimbursed for actual and
2 necessary expenses incurred by Contractor or its employees in connection with the
3 services outlined above. The maximum compensation paid to Contractor shall not
4 exceed \$205,000 for the combined services and fees described above without approval
5 of the City Council, and execution of an amendment to this Contract.

6 5. BOOKS AND RECORDS. Contractor shall keep an accurate account
7 of time spent by its employees in rendering services pursuant to this Contract, and not later
8 than the 10th day of each month, Contractor shall furnish the City with an itemized
9 statement of time spent during the preceding month by each of its employees. Upon
10 receipt of such statement by the Contractor, payment for services during the preceding
11 month will be paid by City at the rate specified above. Such itemized statement shall also
12 set forth in detail all costs, expenses and disbursements paid or incurred by Contractor
13 during the preceding month in connection with or arising out of the scope of services set
14 forth in this Contract.

15 6. TERMINATION. The City and the Contractor shall each have the right
16 to terminate this Contract at any time for any or no reason by giving to the other party
17 thirty (30) days notice. In the event of termination under this Section, City shall pay
18 Contractor for services satisfactorily performed to the effective date of termination for which
19 Contractor has not previously been paid.

20 7. NO CONFLICT OF INTEREST. Contractor agrees that during the time
21 services shall be rendered by Contractor to the City under this Contract, Contractor does
22 not now and will not in the future represent any other client or perform any other service
23 which in the considered judgment of the Contractor would create a conflict as between the
24 interests of the City and the interests of the other client or clients.

25 8. NO ASSIGNMENT. This Contract contemplates the personal
26 professional services of Contractor and this Contract or any portion hereof shall not be
27 assigned by the Contractor.

28 9. INDEPENDENT CONTRACTOR. In performing services hereunder,

1 Contractor is and shall act as an independent contractor and not an employee,
2 representative, or agent of City. Contractor shall have control of Contractor's work and the
3 manner in which it is performed. Contractor acknowledges and agrees that the City will not
4 withhold taxes of any kind from Contractor's compensation, will not secure workers'
5 compensation or pay unemployment insurance to, for or on Contractor's behalf, and will
6 not provide and Contractor is not entitled to any of the usual and customary rights, benefits
7 or privileges of City employees.

8 10. NO BOND. Contractor shall not be required to post any bond for
9 faithful performance of services to be rendered under this Contract.

10 11. NON-DISCRIMINATION. In the performance of this Contract,
11 Contractor shall not discriminate against any employee or applicant for employment on the
12 basis of race, color, religion, national origin, sex, sexual orientation, AIDS, HIV status, age,
13 marital status, disability or handicap. Contractor will take appropriate action to ensure that
14 applicants are employed, and that employees are treated during employment, without
15 regard to their race, color, religion, national origin, sex, sexual orientation, AIDS, HIV
16 status, age, marital status, disability or handicap. Such action shall include, without
17 limitation, the following: employment, promotion, demotion or transfer; recruitment or
18 recruitment advertising; layoff or termination; rates of pay or other forms of compensation;
19 selection for training, including apprenticeship; and maintenance of the premises and
20 facilities in a condition permitting reasonable access thereto by handicapped persons.

21 12. NOTICE. All notices hereunder shall be in writing and personally
22 delivered or deposited in the U.S. Postal Service, first class, postage prepaid, addressed
23 to Contractor at the address first stated above, and to the City at 333 West Ocean
24 Boulevard, Long Beach, California 90802 Attn: City Manager. Notice of change of address
25 shall be given in the same manner as stated herein for other notices. Notice shall be
26 deemed given on the date deposited in the mail or on the date personal delivery is made,
27 whichever is earlier.

28 13. MISCELLANEOUS. A. This Contract shall not be amended, nor any

1 provision or breach hereof waived, except in writing signed by the parties which expressly
2 refers to this Contract.

3 B. This Contract shall be governed by and construed in accordance with
4 the laws of the State of California except those provisions of California law pertaining to
5 conflict of laws.

6 C. This Contract constitutes the entire understanding between the parties
7 and supersedes all other agreements, oral or written, with respect to the subject matter
8 herein.

9 D. The acceptance of any services or the payment of any money by the
10 City shall not operate as a waiver of any provision of this Contract, or of any right to
11 damages or indemnity stated in this Contract. The waiver of any breach shall not
12 constitute a waiver of any other or subsequent breach.

13 E. Termination or expiration of this Contract shall not affect rights or
14 liabilities of the parties which accrued prior to termination or expiration.

15 F. This Contract is intended by the parties to benefit themselves only and
16 is not in any way intended or designed to or entered for the purpose of creating any benefit
17 or right for any person or entity of any kind that is not a party to this Contract.

18 14. INDEMNITY. Contractor shall defend, indemnify and hold harmless
19 the City, its officials, employees and agents from and against all claims, demands,
20 damage, causes of action, loss, liability, costs, and expense (including reasonable
21 attorneys' fees) of any kind whatsoever (collectively in this Section "claims") alleging (a)
22 injury to or death of persons or damage to property, including property owned by or under
23 the care and custody of the City and (b) that such injury, death or damage arises from or
24 is attributable to or caused by a negligent act or omission, any misrepresentation, or the
25 willful misconduct of Contractor, its employees and agents in the performance of services
26 hereunder except to the extent that the injury, death, or damage was caused by the
27 negligence of the City. Contractor shall notify the City of any claim within ten (10) days.
28 Likewise, City shall notify Contractor of any claim, shall tender the defense of such claim

1 to Contractor, and shall assist Contractor, as may be reasonably requested, in such
2 defense.

3 15. INSURANCE. Concurrent with the execution of this Contract by
4 Contractor, and as a condition precedent to the effectiveness of this Contract and in partial
5 performance of the obligations assumed under Section 10 hereof, Contractor shall procure
6 and maintain at Contractor's expense for the duration of this Contract, the following
7 insurance against claims for injuries to persons or damage to property which may arise
8 from or in connection with the performance of this Contract by the Contractor, its agents,
9 representatives, employees or subcontractors.

10 A. Comprehensive General Liability in an amount not less than Two
11 Million Dollars (\$2,000,000) combined single limit for each occurrence for Four Million
12 Dollars (\$4,000,000) General Aggregate for bodily injury, personal injury and property
13 damage. The City, their officials, employees, agents, and volunteers shall be covered as
14 insureds as respects liability arising out of activities performed by or on behalf of the
15 Contractor and coverage shall be in a form acceptable to the City Risk Manager.

16 B. Automobile liability in amount not less than Five Hundred Thousand
17 Dollars (\$500,000) combined single limit per accident for bodily injury and property damage
18 covering owned, non-owned and hired vehicles.

19 C. Workers' compensation as required by the Labor Code of the State
20 of California and Employers' Liability limits of One Million Dollars (\$1,000,000) per
21 occurrence.

22 D. Accidental Medical, Death and Dismemberment Insurance for all
23 participants not entitled to workers' compensation benefits under the provisions of
24 Section 3700 of the Labor Code of the State of California, unless this requirement has
25 been waived in writing by the City Risk Manager. Said insurance shall be in amounts not
26 less than One Hundred Thousand Dollars (\$100,000) Accident Medical and Twenty-Five
27 Thousand Dollars (\$25,000) Accidental Death and Dismemberment.

28 E. Blanket Honesty or Comprehensive Crime Bond in an amount of fifty

1 percent (50%) of sums payable under this Contract, or Twenty-Five Thousand
2 Dollars (\$25,000), whichever is higher, to safeguard the proper handling of funds by those
3 employee's agents or representatives of the Contractor who sign as the maker of checks
4 or drafts or in any manner authorize the disbursement or expenditure of said funds.

5 Each insurance policy shall be endorsed to state that coverage shall not be
6 cancelled by either party, reduced in coverage or in limits, except after thirty (30) days prior
7 written notice has been given to the City, and shall be primary and not contributing to any
8 other insurance or self-insurance maintained by the City or Contractor.

9 Acceptable insurance coverage shall be placed with carriers admitted to write
10 insurance in California, or carriers with a rating of or equivalent to A:VIII by A.M. Best
11 Company and may be subject to such self-insurance or deductible as may be approved
12 by the City Risk Manager. Any subcontractors which Contractor may use in the
13 performance of services under this Contract shall be required to maintain insurance in
14 compliance with the provisions of this Section.

15 Contractor shall furnish the City with certificates of insurance and with original
16 endorsements affecting coverage as required above. The certificates and endorsements
17 for each insurance policy shall be signed by a person authorized by that insurer to bind
18 coverage on its behalf. Policies written on a "claims made" basis shall provide for an
19 extended reporting period of not less than one hundred eighty (180) days. No claims made
20 policies shall be acceptable to City unless the City Manager determines that no occurrence
21 policy is available in the market for the particular risk being insured. Any modification or
22 waiver of the insurance requirements contained in this Contract shall only be made with
23 the written approval of the City Risk Manager in accordance with established City policy.

24 16. AUTHORIZATION TO EXECUTE. Contractor warrants and affirms
25 to City that any and all persons signing this Contract are authorized and empowered to so
26 sign and signing by such person or persons does bind Contractor to all terms, covenants
27 and conditions of this Contract.

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1 City and Contractor have executed this Contract with all the formalities
2 required by law as of the date first stated above.

EDWARD WHITE & CO., LLP, a California
limited liability partnership, Certified Public
Accountants

3
4
5 December 26, 2006

By Lawrence C. Smith
Partner

6 December 26, 2006

By Joy S. [Signature]
Partner

8 "Contractor"

9
10 CITY OF LONG BEACH, a municipal
corporation

11 1-10, 2006

By [Signature]
City Manager

13 "City"

14 Approved as to form on January 5, 2006

16 ROBERT E. SHANNON, City Attorney

17 By: Charles Parkin
Principal Deputy

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200