



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

3                   A.     Review and analyze the records of certain oil companies as directed  
4 by the Director or his designee for the purpose of determining whether further  
5 compensation for oil allocated to those certain companies in 2007, 2008 and 2009 is due  
6 the City and State under the provisions of Article 9 of the Contractor's Agreement, Long  
7 Beach Unit, Wilmington Oil Field. Prepare appropriate summaries and reports with  
8 regard to this section as directed by the Director or his designee;

9                   B.     Consult with the City, as may be requested by the Director or his  
10 designee, on matters regarding money that may be due to the City and State under the  
11 Contractor's Agreement or related documents.

12                  3.     TERM. The term of this Contract shall commence December 1,  
13 2007 and shall terminate on November 30, 2010, unless terminated earlier pursuant to  
14 Section 6.

15                  4.     COMPENSATION. City shall compensate Contractor at the  
16 following rates:

17                  A.     For services rendered in Calendar year 2008 pursuant to this  
18 Contract, an hourly fee at a rate of \$400 per hour for Senior Partners, \$350 per hour for  
19 Directors, \$315 per hour for Partners, \$185-\$240 per hour for Managers, \$175 per hour  
20 for Supervisors, \$145 per hour for Professional Staff, \$55-\$80 per hour for  
21 Paraprofessional Staff and \$55 per hour for Administrative Staff, billable on a monthly  
22 basis; revised fee schedule for Calendar years 2009 and 2010 shall be submitted by  
23 Contractor to City.

24                  B.     In addition to said fees, Contractor shall be reimbursed for actual and  
25 necessary expenses incurred by Contractor or its employees in connection with the  
26 services outlined above. The maximum compensation paid to Contractor for services  
27 related to 2007 transactions shall not exceed \$195,000 for the combined services and  
28 fees described above without approval of the City Council, and execution of an

1 amendment to this Contract. The maximum compensation paid to Contractor for services  
2 related to 2008 transactions shall not exceed \$205,000 for the combined services and  
3 fees described above without approval of the City Council, and execution of an  
4 amendment to this Contract. The maximum compensation paid to Contractor for services  
5 related to 2009 transactions shall not exceed \$215,000 for the combined services and  
6 fees described above without approval of the City Council, and execution of an  
7 amendment to this Contract.

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

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

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

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

1 assigned by the Contractor.

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

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

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

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

1 shall be deemed given on the date deposited in the mail or on the date personal delivery  
2 is made, whichever is earlier.

3 13. MISCELLANEOUS. A. This Contract shall not be amended, nor any  
4 provision or breach hereof waived, except in writing signed by the parties which expressly  
5 refers to this Contract.

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

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

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

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

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

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

1 hereunder except to the extent that the injury, death, or damage was caused by the  
2 negligence of the City. Contractor shall notify the City of any claim within ten (10) days.  
3 Likewise, City shall notify Contractor of any claim, shall tender the defense of such claim  
4 to Contractor, and shall assist Contractor, as may be reasonably requested, in such  
5 defense.

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

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

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

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

25 D. Accidental Medical, Death and Dismemberment Insurance for all  
26 participants not entitled to workers' compensation benefits under the provisions of  
27 Section 3700 of the Labor Code of the State of California, unless this requirement has  
28 been waived in writing by the City Risk Manager. Said insurance shall be in amounts not

1 less than One Hundred Thousand Dollars (\$100,000) Accident Medical and Twenty-Five  
2 Thousand Dollars (\$25,000) Accidental Death and Dismemberment.

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

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

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

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

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

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

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

January 11, 2008

By Lawrence C. Ferrito

January 11, 2008

By Joy Sedell  
Partner  
Partner

"Contractor"

CITY OF LONG BEACH, a municipal corporation

1/23, 2008

By [Signature] **ASSISTANT**  
City Manager

"City"

**EXECUTED PURSUANT  
TO SECTION 301 OF  
THE CITY CHARTER.**

Approved as to form on January 15, 2008.

ROBERT E. SHANNON, City Attorney

By: Charles Parkin  
Principal Deputy