



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 2005 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 2005 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, 2005  
20 and shall terminate on November 30, 2006, 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/Directors, \$280-\$325 per hour for  
26 Partners, \$170-\$260 per hour for Managers, \$125-\$165 per hour for Supervisors,  
27 and \$95-\$115 per hour for Staff, billable on a monthly basis;

28 B. In addition to said fees, Contractor shall be reimbursed for actual and

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1 necessary expenses incurred by Contractor or its employees in connection with the  
2 services outlined above. The maximum compensation paid to Contractor shall not  
3 exceed \$220,000 for the combined services and fees described above without approval  
4 of the City Council, and execution of an amendment to this Contract.

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

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

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

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

27           9.     INDEPENDENT CONTRACTOR. In performing services hereunder,  
28 Contractor is and shall act as an independent contractor and not an employee,

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

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

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

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

27           13. MISCELLANEOUS. A. This Contract shall not be amended, nor any  
28 provision or breach hereof waived, except in writing signed by the parties which expressly

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1 refers to this Contract.

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

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

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

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

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

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

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1 defense.

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

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

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

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

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

27           E.    Blanket Honesty or Comprehensive Crime Bond in an amount of fifty  
28 percent (50%) of sums payable under this Contract, or Twenty-Five Thousand

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1 Dollars (\$25,000), whichever is higher, to safeguard the proper handling of funds by those  
2 employee's agents or representatives of the Contractor who sign as the maker of checks  
3 or drafts or in any manner authorize the disbursement or expenditure of said funds.

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

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

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

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

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

January 25, 2006

By Lawrence C. Lennett  
Partner

January 25, 2006

By Jrey Sel  
Partner

"Contractor"

CITY OF LONG BEACH, a municipal corporation

February 6, 2006

By Christine F. Shippey  
City Manager ASSISTANT

"City"

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

Approved as to form on 1/27, 2006.

ROBERT E. SHANNON, City Attorney

By: AT Quinn  
Senior Deputy

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