

REPORT OF THE CHIEF LEGISLATIVE ANALYST

TO: Honorable Members of the Economic Development Committee November 18, 2013

FROM: Gerry F. Miller *KEK* Council File No.: 13-0838
Chief Legislative Analyst Assignment No.: 13-11-0986

Sun Valley Public Improvements Project – Economic Development Administration Grant

SUMMARY

On June 24, 2010, the United States Department of Commerce, Economic Development Administration (EDA) awarded the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) a \$3,165,771 (75 percent) grant for the design and construction of the Sun Valley Public Improvements Project (EDA Project) in Council District 6. The Grant required a 25 percent local match (\$1.1 Million) which was funded with Council District 6 AB 1290 funds (C.F. 10-0046). On September 3, 2013, Council adopted Motion (Perry-LaBonge) (Attachment 1) instructing our Office to work with City staff to transmit the Assignment and Assumption Agreement (AAA) (Attachment 2) to the City, report on the status of the EDA Project, and identify the necessary actions to complete the Sun Valley EDA Project (C.F. 13-0838).

In 2012, the State of California dissolved all redevelopment areas directly impacting projects, programs, grants and contracts under the authority of the CRA/LA including the EDA Project. At that time, all work on the project was stopped and only 90 percent of the design phase had been completed. To successfully complete the Project, the EDA Grant must now be transferred from the CRA/LA-DLA to the City through an Assignment and Assumption Agreement (attached) and funding must be identified (\$1.78 million) to cover the cost increase due to Bureau of Engineering contingencies. The EDA Grant defaulted on June 24, 2013. However, EDA has expressed interest in extending the Grant period to allow the City successfully complete the Project.

Given the unique needs of the Sun Valley community and the benefit to all by improving the roads for emergency vehicles, our Office recommends that the City Council take the necessary actions to transfer the management of the EDA Grant to the City, secure the extension of the EDA Grant, and identify the necessary funds to successfully complete the Sun Valley Public Improvements Project.

Project Description

The EDA Project, which is in Council District 6, includes design and construction upgrading of curbs, gutters, sidewalks, and pavement along two streets and five intersections. The purpose of the Project is to repair and improve existing transportation corridors and intersections for improved emergency traffic flow and create an engaging, efficient and pedestrian-friendly streetscape. The proposed improvements also provide for job creation, job retention and attraction, business assistance and strategic capital improvements. As further explained below, this Project would complement other construction efforts along the same parameters which could result in a multitude of benefits for the Sun Valley community. The EDA Project would consist of making improvements to the following streets and intersections:

Streets

1. San Fernando Road from Kagel Canyon Street to Allegheny Street
2. Sheldon Street from Telfair Avenue to Glenoaks Boulevard

Intersections:

1. Branford Street and Laurel Canyon Boulevard
2. Branford Street and San Fernando Road
3. Branford Street and Glenoaks Boulevard
4. Sheldon Street and San Fernando Road
5. Sheldon Street and Glenoaks Boulevard

KOA Contract

In 2011, the CRA/LA issued a Request for Proposals soliciting engineering design and construction administration services for the EDA Project and selected from among 23 applicants, KOA Corporation, Inc. (KOA). On March 21, 2011, the CRA/LA awarded \$265,480 to KOA to provide civil engineering design services for this project pursuant to CRA/LA Board of Commissioners and Council approval (C.F. 10-0046). Subsequently, on March 30, 2011, EDA concurred that the KOA contract was eligible for EDA funding. To date, KOA has completed approximately 90 percent of the design and approximately 60 percent of its contracted services. The remaining balance of the contract would be administered by the BOE.

CRA Dissolution & Assignment and Assumption Agreement

On February 1, 2012, California Assembly Bill (AB) 1x26 dissolved all redevelopment agencies in California and all CRA/LA redevelopment project areas, operations, property, assets and projects were transferred to a Successor Agency, CRA/LA, a Designated Local Authority (CRA/LA-DLA). The Successor Agency, CRA/LA-DLA now wishes to assign its rights, title, interests and obligations associated with the Sun Valley Public Improvements Project to the City Department of Public Works, Bureau of Engineering (BOE). These actions were approved by the CRA/LA-DLA Governing Board and Oversight Board on July 18, 2012 and August 9, 2012, respectively. Our Office recommends that Council authorize the BOE to execute the AAA attached to this report.

With the dissolution of the CRA/LA and the transfer of the EDA Sun Valley Project to the City, additional contingency costs increased the Total Cost of the Project as demonstrated on Table 1. The Bureau of Engineering (BOE) estimates the project cost to be \$7.4 Million which leads to a funding shortfall associated with BOE contingencies of \$3.25 Million. However, because some of the construction has been completed by the Bureau of Street Services, the estimated cost for the remaining part of the Project is \$6,010,493 which results in a funding shortfall of \$1.78 Million.

Table 1- Bureau of Engineering Cost Estimates

	CRA Budgeted Amounts	BOE Estimates Excl. BSS Work	Difference
Valley Dist Bond Estimate for Civil and Striping Work		\$4,099,422	
Mobilization (3%)		\$122,983	
Estimating Contingency (10% / 5%)		\$204,971	
Escalation (5%/yr for 1 years):		\$204,971	
TOTAL CONSTRUCTION COST	\$3,053,905	\$4,632,347	(\$1,578,442)
Construction Contingency (10%) (BOE)	\$154,840	\$463,235	(\$308,395)
TOTAL CONSTRUCTION BUDGET	\$3,208,745	\$5,095,582	(\$1,886,637)
Design Bid Award (19.7% X.15%)(BOE)	\$709,783	\$150,574	\$559,209
Construction Management/Inspection (15%) (BOE)	\$302,500	\$764,337	(\$461,837)
Right-of-Way Acquisition	\$0	\$0	\$0
TOTAL PROJECT COST	\$4,221,028	\$6,010,493	(\$1,789,465)

Extension Request

The EDA Project defaulted on June 24, 2013. However, City staff has been in communication with EDA which has expressed interest in awarding a two-year extension to the City for completion of the Project. In order to augment the probability an extension, City staff has advised identifying and allocating City funds to meet the funding shortfall. To meet the funding shortfall, our Office and the City Administrative Officer have identified \$1,421,760 from Measure R and \$378,240 from the Special Services Fund for the Sun Valley Public Improvements Project.

Construction Completed by the Bureau of Street Services

The Bureau of Street Services has resurfaced San Fernando Road from Sheldon Street to Branford Street. San Fernando Road was resurfaced starting at Terra Bella Street going north. Paving has been completed from just South of the Branford Street/San Fernando Road intersection north to Kagel Canyon Street.

Concurrent Construction Projects

The Bureau of Street Services is currently managing the construction of a bicycle path along San Fernando Road between Wolfskill Street and Branford Street with Sully Miller as the General Contractor. This project consists of a 12-foot wide asphalt concrete bicycle path with security fences along the existing railroad tracks, including, pedestrian lights, landscaping, bus landings and access ramps. Also to be included is a change order to widen and improve traffic signal at the railroad crossing between San Fernando Road and San Fernando Road North.

The target date for completion of the bicycle path is April 2014. Improvements to the Branford intersection are scheduled for completion September 2014. The source of funds for this project is the Department of Transportation Bikeway Fund.

Conclusion

Should the City Council not wish to proceed with funding the Sun Valley EDA Project, the City would lose approximately \$3,000,000 in funding for public improvements, staff time dedicated to the project, KOA costs associated with design and initial construction of the Project, costs associated with outside counsel for preparation of the Assignment and Assumption Agreement, and other related costs.

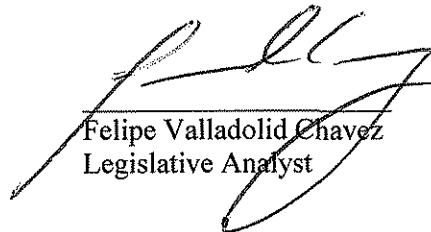
Given the unique needs of the Sun Valley community and the benefits associated with the proposed public improvements, our Office recommends that the Council take the necessary actions to transfer the management of the EDA Grant to the City, secure the extension of the EDA Grant, and identify the necessary funds to successfully complete the Sun Valley Public Improvements Project.

RECOMMENDATIONS

That the City Council:

- 1) Authorize the Department of Public Works, Bureau of Engineering, to execute all documents, including an Assignment and Assumption Agreement (Attachment 2) by and among the CRA/LA-DLA, a Designated Local Authority (former Agency), the City of Los Angeles, and the U.S. Department of Commerce, Economic Development Administration (EDA) for the transfer of the EDA Grant from the former CRA/LA to the City in the amount of \$3,165,771 for completion of the Sun Valley Public Improvements Project, subject to City Attorney review.
- 2) Authorize the Mayor to execute an Application for Federal Assistance in the amount of \$3,165,331 and related Grant documents with the EDA, as required;
- 3) Authorize the Department of Public Works, Bureau of Engineering to act as Project Manager for the Sun Valley Public Improvements Project, including but not limited to management of any Third Party Agreements for engineering design services as defined in the Assignment and Assumption Agreement;
- 4) Instruct the Department of Transportation and request the Controller to transfer \$1,421,760 from Measure R Local Return Fund, Fund 51Q/94, Account No. 94H450, ATSAC Project Front Funding and appropriate to a new Account (Account number to be determined) entitled "SFV-EDA";
- 5) Instruct the City Engineer and request the Controller to appropriate \$378,240 available cash from within the Engineering Special Services Fund, Fund 682/50, to a new Account (Account number to be determined) entitled "SFV-EDA";

- 6) Authorize the City Engineer and the Department of Transportation, with the concurrence of the CAO, to make technical corrections required to carry out the intent of the Council and Mayor; and
- 7) Instruct the BOE to prepare and remit a letter to EDA articulating the City's intent and commitment to complete the Sun Valley Public Improvements Project and to report to Council with a project status update in September 2014.



Felipe Valladolid Chavez
Legislative Analyst

Attachments: 1) Motion (Perry-LaBonge)
2) Assignment and Assumption Agreement;

GFM:fvc

13-0838
CD 6

JUN 28 2013

MOTION

HOUSING, COMM & ECON. DEVELOP.

On June 24, 2010, the United States Department of Commerce Economic Development Administration awarded the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) a \$4,221,028 grant (including a 25 percent CRA/LA match) to design and construct Sun Valley road improvements in Council District 6. Such improvements include design and construction upgrading of curbs, gutters, sidewalks and pavement along two main streets and five intersections. The proposed project is strategically located within easy access to multiple interstate freeways, three airports, and a freight rail system. These infrastructure improvements are essential for stimulating economic development in the Sun Valley community by creating a competitive environment to attract new investment into the region to generate and retain jobs.

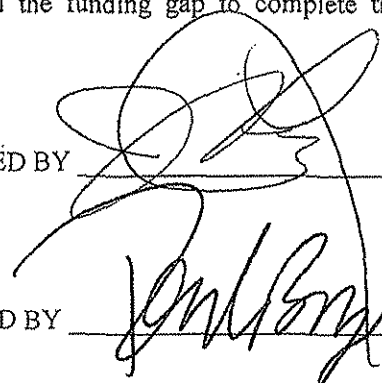
The proposed improvements will also improve key transportation corridors used in the initial emergency response to natural disasters such as the 2008 wildfires in Los Angeles County which devastated over 17 square miles and destroyed 615 structures. The improved roadways will facilitate the movement of emergency vehicles, public safety personnel, and the evacuation of disaster victims to and from emergency shelters, fire stations, hospitals, and airports.

On February 1, 2012, California Assembly Bill (AB) 1x26 dissolved all redevelopment agencies in California. By this point, the design of the EDA project was approximately 90 percent complete. In July 2012, CRA/LA Designated Local Authority (CRA/LA-DLA) was created to succeed the former CRA/LA. The CRA/LA-DLA has prepared an Assignment and Assumption Agreement for the City Department of Public Works, Bureau of Engineering (BOE) to be assigned the rights and fulfill the obligations of the original CRA/LA in regards to the EDA grant. BOE has agreed to accept the assignment subject to Council approval.

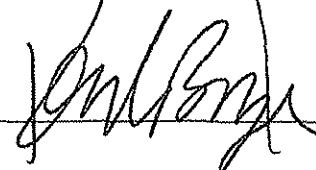
The BOE estimates the project cost of the Sun Valley improvements to be approximately \$7.8 Million which results in a funding shortfall of approximately \$3.6 Million. The EDA grant expired on June 24, 2013. However, EDA has indicated that the City may transmit an extension request to allow BOE to complete the project. Therefore, City staff should be instructed to prepare recommendations to fill the funding gap and submit an extension request to EDA to complete the project in a timely manner.

I THEREFORE MOVE that the City Council, with respect to the Sun Valley EDA grant, instruct the CLA and the CAO to: 1) work with the CRA/LA-DLA to transmit the Assignment and Assumption Agreement for the City Department of Public Works, Bureau of Engineering to be assigned the rights and fulfill the obligations of the former CRA/LA in regards to the EDA grant for Council review; 2) prepare and submit for Council review an extension request to EDA, with the assistance of BOE and CRA/LA-DLA, to allow the City to complete the proposed road improvements in Council District 6; and, 3) report on the status of the EDA project and provide recommendations to fill the funding gap to complete the Sun Valley improvement project as originally proposed to EDA.

PRESENTED BY _____



SECONDED BY _____



fvc

ORIGINAL


JUN 28 2013

ECONOMIC DEVELOPMENT COMMITTEE REPORT relative to assignment of the Sun Valley Economic Development Administration Grant to the Public Works Bureau of Engineering.

Recommendations for Council action, as initiated by Motion (Perry - LaBonge):

1. INSTRUCT the Chief Legislative Analyst (CLA) and the City Administrative Officer (CAO) to:
 - a. Work with the Community Redevelopment Agency of Los Angeles, a Designated Local Authority (CRA/LA-DLA) to transmit the Assignment and Assumption Agreement for the City Department of Public Works, Bureau of Engineering (BOE) to be assigned the rights and fulfill the obligations of the former CRA/LA in regards to the U.S. Department of Commerce Economic Development Administration (EDA) grant for Council review.
 - b. Prepare and submit for Council review an extension request to the EDA, with the assistance of the BOE and the CRA/LA-DLA, to allow the City to complete the proposed road improvements in Council District Six.
 - c. Report on the status of the EDA project and provide recommendations to fill the funding gap to complete the Sun Valley improvement project as originally proposed to the EDA.
2. INSTRUCT the City's outside counsel to expedite their review of the draft Assignment and Assumption Agreement.
3. INSTRUCT the CLA and BOE to work expeditiously with CRA/LA-DLA so that the Successor Agency may request the necessary grant extension from the EDA.
4. INSTRUCT the CLA, upon receipt of the final draft agreement, to immediately prepare a report for Council consideration authorizing the BOE to execute the Assignment and Assumption Agreement, which will approve the assignment of the Federal grant from the CRA/LA to the City.
5. INSTRUCT the CAO to identify necessary funding and take actions necessary to address the potential funding shortfall so that this project can be implemented.

Fiscal Impact Statement: Neither the CAO nor the CLA has completed a financial analysis of this report.

Community Impact Statement: None submitted.

SUMMARY

At a regular meeting held on August 28, 2013, the Housing Committee considered Motion (Perry - LaBonge) relative to assignment of the Sun Valley Economic Development Administration Grant to the Public Works Bureau of Engineering.

A representative of the Chief Legislative Analyst addressed the Committee relative to this item and provided a brief overview. CLA reports that in 2010, the former Community Redevelopment Agency of Los Angeles (CRA/LA) received a \$3 million grant from the Economic Development Administration for street improvements in Council District Six. The improvements include design

ASSIGNMENT AND ASSUMPTION AGREEMENT

(Sun Valley Public Improvements Project, Economic Development Administration Investment)

This Assignment and Assumption Agreement (the "Agreement"), is made as of this ____ day of _____, 2013 (the "Effective Date"), by and among CRA/LA-DLA, A Designated Local Authority, a public body formed under California Health & Safety Code Section 34173(d)(3) (the "Assignor" or "CRA/LA-DLA"), the City of Los Angeles, a municipal corporation acting by and through its Department of Public Works, Bureau of Engineering (the "Assignee" or the "City"), and the United States Department of Commerce, acting by and through its Economic Development Administration (the "Grantor"), with reference to the following recitals of fact:

RECITALS:

A. WHEREAS, the Community Redevelopment Agency of the City of Los Angeles (the "Former Agency") was awarded a grant in the amount of Three Million One Hundred Sixty Five Thousand Seven Hundred Seventy One and No/Hundredths Dollars (\$3,165,771.00) by the Grantor on June 24, 2010 for the Sun Valley Public Improvements Project (the "Grant").

B. WHEREAS, the Grant is evidenced by an award letter, or equivalent documentation, and/or certain agreements and documents executed by the Former Agency in favor of the Grantor regarding the Former Agency's obligation to utilize the Grant for certain specified purposes (collectively, the "Grant Documents"). Copies of all of the original executed Grant Documents are attached as **Exhibit A**.

C. WHEREAS, to fulfill the obligations and purposes of the Grant, the Former Agency entered into certain agreements (each, a "Third Party Agreement", and, collectively, the "Third Party Agreements") with certain consultants and other third parties (each a "Third Party", and, collectively, the "Third Parties") with the understanding that the Former Agency would utilize the services to be provided by the Third Parties pursuant to the Third Party Agreements in connection with the project funded, in part or in whole, by the Grant. Copies of all of the original executed Third Party Agreements are attached as **Exhibit B**.

D. WHEREAS, as of February 1, 2012, the Former Agency was dissolved pursuant to California Health & Safety Code Section 34172.

E. WHEREAS, in accordance with California Health & Safety Code Section 34173(d)(3), CRA/LA-DLA was formed to serve as the successor agency of the Former Agency. In accordance with California Health & Safety Code Section 34175(b), all property and assets of the Former Agency, including, but not limited to, the rights to the Grant, were transferred to the control of CRA/LA-DLA. As the successor-in-interest to the Former Agency, CRA/LA-DLA is a party to the Grant Documents, and the Third Party Agreements, and has all of the Former Agency's rights, duties, and obligations thereunder.

F. WHEREAS, Assignor desires to assign its rights, title, interests and obligations in and to the Grant, as evidenced by the Grant Documents, to the Assignee, and the Assignee desires to assume Assignor's rights, title, interests and obligations in and to the Grant as more fully set forth herein.

G. WHEREAS, Assignor desires to assign its rights, title and interests and obligations in and to the Third Party Agreements to the Assignee, and the Assignee desires to assume Assignor's rights, title, interests and obligations in and to the Third Party Agreements as more fully set forth herein.

H. WHEREAS, Assignor is authorized to enter into this Agreement pursuant to California Health & Safety Code Section 34177(i) and California Health & Safety Code Section 34177(c).

I. WHEREAS, Assignor's Governing Board approved and authorized Assignor's assignment of the Grant, as evidenced by the Grant Documents, and the Third Party Agreements, to Assignee on July 19, 2012, and the Assignor's Oversight Board approved and authorized Assignor's assignment of the Grant, as evidenced by the Grant Documents, and the Third Party Agreements, to Assignee on August 9, 2012.

J. WHEREAS, the City Council of the City approved and authorized the City's assumption of the Grant, as evidenced by the Grant Documents, and the assumption of the Third Party Agreements, from Assignor on [REDACTED], 2013.

K. WHEREAS, the Grantor wishes to consent to the assignment and assumption set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties hereto hereby agree as follows:

A G R E E M E N T:

1. Assignment. As of the Effective Date and subject to the provisions of Section 5 hereof, Assignor hereby assigns to the Assignee all of Assignor's rights, title and interests to the Grant, and all of Assignor's obligations under the Grant Documents and the Third Party Agreements. In addition, Assignor hereby represents to Assignee that no Grant Proceeds have been disbursed to Assignor.

2. Assumption. As of the Effective Date and subject to the provisions of Section 5 hereof, (i) the Assignee hereby accepts the above assignment of all of the Assignor's rights, title and interests to the Grant, and all of Assignor's obligations under the Grant Documents and the Third Party Agreements and (ii) the Assignee hereby agrees to perform all of the terms, covenants, obligations and conditions imposed upon Assignor under the Grant Documents and the Third Party Agreements as if the Assignee were the original signatory thereto. All references in the Grant Documents and the Third Party Agreements to the Former Agency or the Assignor, as applicable, shall hereafter be deemed to be references to the Assignee.

3. Grantor Release and Consent. The Grantor hereby consents to the assignment and assumption set forth above in connection with the Grant. The Grantor hereby releases and forever discharges the Assignor from the obligations in connection with the Grant. Pursuant to such release of the Assignor, the Grantor hereby expressly acknowledges and waives any right the Grantor may have under Section 1542 of the California Civil Code, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if

known by him or her must have materially affected his or her settlement with the debtor. "

Grantor's Initials: _____

4. Representations Regarding Grant and Third Party Agreements. The Assignor represents that, as of the Effective Date, the undisbursed amount of the Grant is Three Million One Hundred Sixty Five Thousand Seven Hundred Seventy One and No/Hundredths Dollars (\$3,165,771.00). However, the Assignor and the Assignee agree and acknowledge that as of the Effective Date, the Grantor is processing a draw request submitted by the Assignor on June 28, 2013, in the amount of One Hundred Twenty Thousand Nine Hundred Sixty Six and No/Hundredths (\$120,966.00) payable to the Assignor for reimbursable costs incurred for eligible grant activities. The Assignor and the Assignee anticipate that the Grantor shall process such draw requests, and release Grant funds to the payee indicated on draw request. In the event that, due to the assignment and assumption of the Grant that is the subject of this Agreement, the Grantor releases Grant funds for the Assignor's June 28, 2013 draw request to the Assignee rather than the Assignor, Assignee shall promptly pay such funds to the Assignor upon receiving the required approvals. Except as set forth on **Exhibit C**, there is no default under the Grant Documents or Third Party Agreements, and no event has occurred or failed to occur which, with the passage of time or the giving of notice or both, would constitute a default by Assignor under the Grant Documents or Third Party Agreements. As of the Effective Date, Assignor has disbursed One Hundred Fifty Nine Thousand Two Hundred Eighty Eight and No/Hundredths Dollars (\$159,288.00) to Third-Parties in connection with the Third-Party Agreements, as more particularly set forth in **Exhibit C-1**.

5. Apportionment of Liability. Assignee shall be responsible for all claims, liabilities, obligations, costs and expenses of every kind and nature whatsoever that Assignor may suffer or incur and that arise from or are related, directly or indirectly, to conditions, actions, inactions or events that first existed or occurred from and after the Effective Date with respect to the Grant or Third Party Agreements. Assignor shall be responsible for all claims, liabilities, obligations, costs and expenses of every kind and nature whatsoever that Assignee may suffer or incur and that arise from or are related, directly or indirectly, to conditions, actions, inactions or events that first existed or occurred prior to the Effective Date with respect to the Grant or Third Party Agreements. Unless paid by Assignor from funds otherwise available, Assignor agrees to timely take all such actions as necessary to include on the appropriate Recognized Obligation Payment Schedule ("ROPS") all costs associated with its obligations under this Section 5.

6. Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

7. Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement, including, without limitation, delivery of the original executed Grant Documents and Third Party Agreements to the Assignee.

8. Successors and Assigns. This Agreement shall inure to the benefit of, and be binding upon, the parties hereto and their respective successors and permitted assigns.

9. No Attorneys' Fees. Should any action be brought arising out of this Agreement, including, without limitation, any action for declaratory or injunctive relief, each party shall bear their own attorneys' fees and costs and expenses of investigation as may be incurred.

10. Entire Agreement. This Agreement, including and incorporating the Recitals, represents the entire agreement between the parties with respect to the subject matter of this Agreement and supersedes all prior oral or written agreements, understandings, representations, and covenants.

11. Exhibits. All exhibits attached to this Agreement are hereby incorporated into this Agreement by this reference.

12. Terminology. All personal pronouns used in this Agreement, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural; and the plural shall include the singular. Titles of sections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement.

13. Third Party Consents. As set forth in **Exhibit C** each Third Party has consented to the assignment and assumption of the applicable Third Party Agreement. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute one and the same instrument.

Remainder of Page Left Intentionally Blank

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the Effective Date.

"ASSIGNOR"

CRA/LA, A DESIGNATED LOCAL AUTHORITY, a public body formed under Health & Safety Code Section 34173(d)(3), as successor to the Community Redevelopment Agency of the City of Los Angeles

By: _____
Steve Valenzuela
Chief Executive Officer

APPROVED AS TO FORM:

GOLDFARB & LIPMAN LLP

By: _____
Thomas Webber
CRA/LA-DLA Special
Counsel

"ASSIGNEE"

THE CITY OF LOS ANGELES, a municipal corporation acting by and through its Department of Public Works, Bureau of Engineering

By: _____

Name: _____

Its: _____

APPROVED AS TO FORM:

RICHARDS, WATSON & GERSHON
A Professional Corporation

By: _____
Steven R. Orr
Special Counsel to the
City of Los Angeles

(Signatures continue on following page)

"GRANTOR"

The United States Department of Commerce, acting by
and through its Economic Development Administration

By: _____

Name: _____

Its: _____

EXHIBIT A

GRANT DOCUMENTS

Exhibit A-1

Grant Award Letter

[BEHIND THIS PAGE]

AD0000

RECEIVED
RECORD'S DEPT.



U. S. DEPARTMENT OF COMMERCE
Economic Development Administration
915 Second Avenue, Room 1890
Seattle, WA 98174
Fax: 206.220.7669
Voice: 206.220.7660

June 24, 2010 JUL -9 P2:08

Mr. Calvin Hollis
Interim Chief Executive Officer
Community Redevelopment Agency
of the City of Los Angeles
354 South Spring Street, Suite 800
Los Angeles, CA 90013

In reply refer to:
Investment No.: 07-79-06545

Dear Mr. Hollis:

I am pleased to inform you that the Department of Commerce's Economic Development Administration (EDA) has approved your application for a \$3,165,771 EDA investment in the City of Los Angeles. This investment will fund the design and construction of road improvements in the Sun Valley area of the City.

Enclosed are three signed copies of the Financial Assistance Award. Your agreement to the terms and conditions of the award should be indicated by the signature of your principal official on each of the signed copies of the Financial Assistance Award. Two of the executed copies should be returned to A. Leonard Smith, Regional Director, EDA Seattle Regional Office, 915 Second Avenue, Room 1890, Jackson Federal Building, Seattle, Washington 98174. If not signed and returned within 30 days of receipt, EDA may declare the Award null and void.

Please do not make any commitments in reliance on this award until you have carefully reviewed and accepted the terms and conditions. Any commitments entered into prior to obtaining the approval of EDA in accordance with its regulations and requirements will be at your own risk.

EDA's mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. EDA implements this mission by making strategic investments in the nation's most economically distressed communities that encourage private sector collaboration and creation of higher-skill, higher wage jobs. EDA investments are results driven, embracing the principles of technological innovation, entrepreneurship and regional development.

I share your expectations regarding the impact of this investment and look forward to working with you to meet the economic development needs of your community.

Sincerely,

A. Leonard Smith
Regional Director

cc: Hollis
info:
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.....

Enclosures

Exhibit A-2

Financial Assistance Award Agreement

[BEHIND THIS PAGE]

FORM CD-450
(REV.12-04-09)
(CD450-1PW)

U.S. DEPARTMENT OF COMMERCE

FINANCIAL ASSISTANCE AWARD

GRANT COOPERATIVE AGREEMENT

ACCOUNTING CODE

RECIPIENT NAME **Community Redevelopment Agency of the
City of Los Angeles**

AWARD NUMBER
07-79-06545

STREET ADDRESS **354 South Spring Street, Suite 800**

FEDERAL SHARE OF COST \$ **3,165,771**

CITY, STATE, ZIP CODE **Los Angeles, California, 90013**

RECIPIENT SHARE OF COST \$ **1,055,257**

AWARD PERIOD **From date of approval shown below through 60 months**

TOTAL ESTIMATED COST \$ **4,221,028**

DEPARTMENT OF COMMERCE OPERATING UNIT **Economic Development Administration**

AUTHORITY **42 U.S.C. Section 3141, et seq. Public Works and Economic Development Act, as amended
by Public Law 108-373.**

CFDA NO. **11.307** PROJECT TITLE: **Economic Adjustment Assistance**

BUREAU	FCFY	FUND	PROGRAM CODE	BUDGET SUBACTIVITY	OBJECT 1	CLASS EXPEND	ENTITY
20	10	40	79	921	41	10	16

This Award approved by the Grants Officer is issued in triplicate and constitutes an obligation of federal funding. By signing the three documents, the Recipient agrees to comply with the Award provisions checked below and attached. Upon acceptance by the Recipient, two signed Award documents shall be returned to the Grants Officer and the third document shall be retained by the Recipient. If not signed and returned without modification by the Recipient within 30 days of receipt, the Grants Officer may unilaterally terminate this Award.

- EDA Standard Terms and Conditions Public Works and Implementation Construction Components, dated 12/2007
- Special Award Conditions and Attachments
- Line Item Budget
- 15 CFR Part 24, Uniform Admin Requirements for Grants/Cooperative Agreements to State & Local Governments
- OMB Circular A-87, Cost Principles for State and Local Governments and Indian Tribal Governments
- OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations
- 15 CFR, Part 14, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, Other Nonprofit, and Commercial Organizations
- OMB Circular A-122, Cost Principles for Nonprofit Organizations
- OMB Circular A-21, Cost Principles for Educational Institutions
- EDA Standard Terms and Conditions Capacity Building Programs
- Department of Commerce Financial Assistance Standard Terms and Conditions, dated May 2007

SIGNATURE OF DEPARTMENT OF COMMERCE GRANTS OFFICER
A. Leonard Smith

NAME **A. Leonard Smith**
TITLE **Regional Director**

DATE
June 24, 2010

SIGNATURE OF AUTHORIZED RECIPIENT OFFICIAL
Christine Essei

TYPED NAME AND TITLE
**Christine Essei
Chief Executive Officer**

DATE
August 5, 2010

PUBLIC WORKS PROJECT COST CLASSIFICATIONS

EDA Award No. 07-79-06545 State: California County: Los Angeles

<u>Cost Classification</u>	<u>Proposed</u>	<u>Approved</u>
Administrative and legal expenses	\$ 304,783	\$ 304,783
Land, structures and rights-of-way appraisals, etc.	0	0
Relocation expenses and payments	0	0
Architectural and engineering fees	400,000	400,000
Other architectural and engineering fees	5,000	5,000
Project inspection fees	302,500	302,500
Site work	0	0
Demolition and removal	0	0
Construction	3,053,905	3,053,905
Equipment	0	0
Contingencies	154,840	154,840
TOTAL PROJECT COSTS	\$ 4,221,028	\$ 4,221,028

EXHIBIT "A"

U.S. DEPARTMENT OF COMMERCE
Economic Development Administration

Page 1 of 4

Public Works and Development Facilities

RECIPIENT: Community Redevelopment Agency
of the City of Los Angeles

Award No. 07-79-06545

SPECIAL AWARD CONDITIONS

1. PROJECT DEVELOPMENT TIME SCHEDULE: The Recipient agrees to the following Project development time schedule:

Time allowed after receipt of Financial Assistance Award for:

Return of Executed Financial Assistance Award - 30 days

Time allowed after acceptance by Recipient of Financial Assistance Award for:

Start of Construction - 24 months
Construction Period - 24 months

Project Closeout - All Project closeout documents, including final financial information and any required program reports, shall be submitted to the Government not more than 90 days after the date the Recipient accepts the completed Project from the contractor(s).

The Recipient shall pursue diligently the development of the Project so as to ensure completion of the Project and submission of closeout documents within this time schedule. Moreover, the Recipient shall notify the Government in writing of any event which could delay substantially the achievement of the Project within the prescribed time limits. The Recipient further acknowledges that failure to meet the development time schedule may result in the Government's taking action to terminate the Award in accordance with the regulations set forth at 13 CFR 305.99(b) and 15 CFR 24.43 (53 Fed. Reg. 8048-9, 8102, March 11, 1988).

2. GOALS FOR WOMEN AND MINORITIES IN CONSTRUCTION: Department of Labor regulations set forth in 41 CFR 60-4 establish goals and timetables for participation of minorities and women in the construction industry. These regulations apply to all Federally assisted construction contracts in excess of \$10,000. The Recipient shall comply with these regulations and shall obtain compliance with 41 CFR 60-4 from contractors and subcontractors employed in the completion of the Project by including such notices, clauses and provisions in the Solicitations for Offers or Bids as required by 41 CFR 60-4. The goal for the participation of women in each trade area shall be as follows:

From April 1, 1981, until further notice: 6.9 percent

All changes to this goal, as published in the Federal Register in accordance with the Office of Federal Contract Compliance Programs regulations at 41 CFR 60-4.6, or any successor regulations, shall hereafter be incorporated by reference into these Special Award Conditions.

Goals for minority participation shall be as prescribed by Appendix B-80, Federal Register, Volume 45, No. 194, October 3, 1980, or subsequent publications. The Recipient shall include the "Standard Federal Equal Employment Opportunity Construction Contract Specifications" (or cause them to be included, if appropriate) in all federally assisted contracts and subcontracts. The goals and timetables for minority and female participation may not be less than those published pursuant to 41 CFR 60-4.6.

3. TITLE: Prior to EDA authorization to start construction, the Recipient shall provide evidence satisfactory to the Government that the Recipient has acquired good and merchantable title, free of all mortgages, foreclosable liens, or encumbrances, to all land, rights-of-way, and easements necessary for the completion of the Project.
4. ARCHITECT/ENGINEER AGREEMENT: Prior to the disbursement of funds by EDA, the Recipient must submit to the Government for approval an Architect/Engineer agreement that meets the requirements of EDA publication "Summary of EDA Construction Standards" V. Requirements During Construction, E. Competitive Procurement Requirements, as well as the competitive procurement standards of 15 CFR Part 24 or 15 CFR Part 14, as applicable. The fee for basic Architect/Engineer services will be a lump sum or an agreed maximum and no part of the fees for other services will be based upon a cost-plus-a-percentage-of-cost or a cost using a multiplier.
5. FEDERAL SHARE OF PROJECT COSTS: The EDA participation in total eligible project costs will be limited to the EDA grant amount or the EDA share of total allowable project costs based on the area's grant rate eligibility at the time of award, whichever is less.
6. REPORT ON UNLIQUIDATED OBLIGATIONS: If there is an EDA grant award of more than \$100,000 which has not been fully disbursed (or disbursed and closed out) as of September 30 each year the recipient must submit OMB Standard Form 269A, Financial Status Report, to EDA annually on the status of unreimbursed obligations. The report will provide information on the amount of allowable project expenses that have been incurred by the Recipient but not claimed for reimbursement as of September 30. The report must be submitted to EDA no later than October 30 of each year. Noncompliance with this requirement will result in the suspension of EDA grant disbursements. EDA will furnish instructions for completing and filing the report to all recipients at least 60 days before the report is due.
7. GRANT SUSPENSION FOR FAILURE TO START CONSTRUCTION: If significant construction (as determined by EDA) is not commenced within two years of approval of the project or by the date estimated for start of construction in the grant award (or the expiration of any extension granted in writing by EDA), whichever is later, the EDA grant will be automatically suspended and may be terminated if EDA determines, after consultation with the

grant recipient, that construction to completion cannot reasonably be expected to proceed promptly and expeditiously.

8. **PRESERVATION OF OPEN COMPETITION AND GOVERNMENT NEUTRALITY TOWARDS GOVERNMENT CONTRACTORS' LABOR RELATIONS ON FEDERAL AND FEDERALLY FUNDED CONSTRUCTION PROJECTS:** Pursuant to E.O. 13202, unless the project is exempted under section 5(c) of the order, bid specifications, project agreements, or other controlling documents for construction contracts awarded by recipients of grants or cooperative agreements, or those of any construction manager acting on their behalf, shall not:
a) include any requirement or prohibition on bidders, offerors, contractors, or subcontractors about entering into or adhering to agreements with one or more labor organizations on the same or related construction project(s); or b) otherwise discriminate against bidders, offerors, contractors, or subcontractors for becoming or refusing to become or remain signatories or otherwise to adhere to agreements with one or more labor organizations, on the same or other related construction projects(s).
9. **RECIPIENT'S DUTY TO REFRAIN from Employing Certain Government Employees:**
For the two-year period beginning on the date the Government executes this award, the Recipient(s) agrees that it will not employ, offer any office or employment to, or retain for professional services any person who,:
(i) On the date the Government executes this award or within the one-year period ending on that date, served as an officer, attorney, agent, or employee of the Government; and
(ii) Occupied a position or engaged in activities that the Assistant Secretary determines involved discretion with respect to the award of Investment Assistance under PWEDA.
The two-year period and associated restrictions referenced above also shall apply beginning on the date the Government executes any cost amendment to this award that provides additional funds to the Recipient(s).
10. **REAFFIRMATION OF APPLICATION:** Recipient(s) acknowledges that Recipient's application for this Award may have been submitted to the Government and signed by Recipient(s) electronically. Regardless of the means by which Recipient(s) submitted its application to the Government, Recipient(s) hereby reaffirms and states that a.) all data in said application and documents submitted with the application are true and correct as of the date of this Award and were true and correct as of the date of said application, b.) said application was as of the date of this Award and as of the date of said application duly authorized by the governing body of the Recipient(s) and c.) Recipients(s) will comply with the Assurances and Certifications submitted with or attached to said application.
11. **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY:** Prior to the initial disbursement of EDA funds, the Recipient shall submit, and EDA approve the Sun Valley Comprehensive Economic Development Strategy (CEDS).
12. **INDIVIDUAL BACKGROUND SCREENINGS:** Notwithstanding the requirements pertaining to Individual Background Screenings set forth in Section F of the Department of Commerce (DOC) Standard Terms and Conditions (March 2008), Individual Background Screenings will be conducted in accordance

Exhibit "A" Page 4 of 4
Special Award Conditions

Award No: 07-79-06545

with the updated guidance contained in Chapter 21 (February 2010) of the DOC Grants and Cooperative Agreements Interim Manual. This guidance may be viewed on line at <http://oamweb.osec.doc.gov/docs/RevisedChapter21020210.pdf>.

EXHIBIT B

THIRD-PARTY AGREEMENTS

Exhibit B-1

Third Part Agreement – CBM Consulting

[BEHIND THIS PAGE]



CIVIL ENGINEERING SERVICES

**SUN VALLEY EDA PUBLIC IMPROVEMENT PROJECT
WITHIN THE PACOIMA/PANORAMA CITY REDEVELOPMENT PROJECT AREA
EAST VALLEY REGION**

THIS CONTRACT ("Contract") is entered into on March 8th, 2011, by and between THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF LOS ANGELES, CALIFORNIA, a public body, corporate and politic, organized under the laws of the State of California, with its principal place of business at 1200 West 7th Street, Suite 500, Los Angeles, CA 90017 ("CRA/LA") and CBM CONSULTING, a wholly owned subsidiary of KOA CORPORATION, with its principal place of business located at 1411 West 190th Street, Suite 525, Gardena, CA 90248 ("Consultant").

R E C I T A L S

WHEREAS, on January 20, 2010, the City Council of the City of Los Angeles, California ("City Council") authorized the CRA/LA to submit a \$3,000,000 grant application to the United States Department of Commerce, Economic Development Administration (EDA), and to commit \$1,100,000 in AB 1290 funds to serve as the required local match, for the construction of various public improvements with the Pacoima/Panorama City Redevelopment Project Area in Council District 6 (Council File 10-0046); and

WHEREAS, on August 3, 2010, the City Council of the City of Los Angeles, approved acceptance of grant funding in the amount of \$3,165,771 from the U.S. Department of Commerce, Economic Development Administration (EDA) for the Sun Valley EDA Public Improvements Project (Council File No. 10-0046-S1); and

WHEREAS, the purpose of this Project is to repair and improve existing transportation corridors and intersections for improved emergency traffic flow conditions. Proposed improvements include; cold planing asphalt pavement and overlay, replacement of concrete pavement with asphalt pavement, striping, replace or new sidewalk, curb and gutter, upgrade bus pads, access ramps, lighted street name sign and improve drainage condition at the intersections. See Location Map (Exhibit B) for the proposed street improvements locations; and

WHEREAS, the CRA/LA has a need for a consultant to provide civil engineering services for design of street improvements, including assessment of the existing street conditions, design development, construction and bidding documents, permit application and construction support for San Fernando Road and Sheldon Streets within the Pacoima/Panorama City Redevelopment Project Area; and

ORIGINAL

WHEREAS, the Consultant was selected from a field of twenty-three (23) firms responding to a CRA/LA Request for Proposal (RFP) No. NP-13551 issued on August 30, 2010; and

WHEREAS, the Consultant represents that it is qualified and available to perform such services under this Contract; and

WHEREAS, the CRA/LA Board of Commissioners on January 6, 2011 and City Council of the City of Los Angeles, California on February 1, 2011 (Council File No. 10-0046) approved the CRA/LA awarding this contract.

NOW, THEREFORE, THE PARTIES HERETO DO HEREBY MUTUALLY AGREE AS FOLLOWS:

1. Contract Documents

- A. This Contract consists of the Basic Contract, Exhibit A – Statement of Work, Exhibit B – Location Map, Exhibit C – Schedule of Performance, Exhibit D - Payment Schedule, Exhibit E - CRA/LA's Standard Terms and Conditions with Subcontractors (Rev. 1/08), Exhibit F – United States Department of Commerce Economic Development Administration Summary of EDA Construction Standards (October 2007, Amended November 29, 2007) and Exhibit G - Standard Terms and Conditions for Construction Projects (October 2007, Amended December 13, 2007).
- B. Conflicting provisions hereof, if any, shall prevail in the following descending order of precedence: (1) provisions set forth in this Basic Contract, (2) EDA provisions set forth in Exhibits F and G (3) provisions set forth in the Additional Contract Requirements (if applicable), (4) provisions set forth in the CRA/LA's Standard Terms and Conditions with Subcontractors, (5) provisions set forth in the Statement of Work, Schedule of Performance and Payment Schedule, and (6) any attachments to this Contract incorporated by reference.

2. Representatives of the Parties and Service of Notices

The representatives of the respective parties who are authorized to administer this Contract and to whom formal notices, demands and communications shall be given are as follows:

- A. CRA/LA Representatives. The representatives of the CRA/LA shall be, unless otherwise stated in this Contract:
 - 1. For Legal Notices and General Contract Administration Matters (e.g., contract modifications, contract language interpretations, etc.):

Ms. Flora O'Brien, Contracts and Purchasing Manager – Contracts Unit
The Community Redevelopment Agency
of the City of Los Angeles, California
1200 West 7th Street, Suite 200
Los Angeles, CA 90017
Telephone: (213) 977-1833
Facsimile: (213) 626-0090
Email: fobrien@cra.lacity.org

2. For project management and technical matters, the CRA/LA's Technical Representative shall be:

Ms. Margarita H. de Escontrias, Regional Administrator II
The Community Redevelopment Agency
of the City of Los Angeles, California
East Valley Region
5250 Lankershim Boulevard, Suite 650
North Hollywood, CA 91601
Telephone: (818) 623-2131
Facsimile: (818) 506-8625
Email: mescontrias@cra.lacity.org

and copies to:

Mr. Duran Villegas, Project Manager
The Community Redevelopment Agency
of the City of Los Angeles, California
East Valley Region
5250 Lankershim Boulevard, Suite 650
North Hollywood, CA 91601
Telephone: (818) 623-1068
Facsimile: (818) 506-8625
Email: dvillegas@cra.lacity.org

- B. Consultant Representative. The representative of the Consultant shall be:

Mr. Chuck Stephan, P.E., LEED AP
KOA Corporation/CBM Consulting, Inc.
1411 West 190th Street, Suite 525
Gardena, CA 90248
Telephone: (310) 329-0102
Facsimile: (310) 329-1021
Email: cstephan@koacorporation.com

- C. Written Notices. Formal notices, demands, and communications to be given hereunder by either party shall be made in writing and may be effected by personal delivery or delivery by a bona fide mail service and shall be deemed communicated as of the date of receipt.

D. Notification Changes. If the name of the person(s) designated to receive the notices, demands or communications or the address of such person(s) is changed, if your firm has merged, have been acquired by another firm or has changed firm name, written notice shall be given, in accordance with this section, within five (5) working days of said change.

3. **Services to be Performed**

As directed by the CRA/LA's Technical Representative, the Consultant shall provide civil engineering services for the for the design of street improvements that includes: assessment of the existing street conditions, design development, construction and bidding documents, permit application and construction support for a section of San Fernando Road and Sheldon Streets, and five identified intersections, as defined in attached location map (Exhibit B) within the Pacoima/Panorama City Redevelopment Project Area in the East Valley Region.

The Consultant shall perform the services under this Contract in accordance with the Statement of Work, attached hereto as Exhibit A, and by this reference incorporated herein. Services shall include, but are not limited to, the following Milestones 1-6, as listed below:

Milestone 1 – Pre-Design

Milestone 2 – Topographic Survey and Utility Mapping/ Geotechnical Investigation

Milestone 2A – Post Survey Design Strategy Session

Milestone 3 – Design/Construction Documents

Milestone 4 – Advertise, Bid and Award

Milestone 5 – Construction Monitoring

Milestone 6 – Final Inspection and Closeout

4. **Assistance and Data to be Furnished by the CRA/LA**

A. As available to the CRA/LA, the CRA/LA shall provide information pertinent to services to be rendered by the Consultant when such documents and information are readily available to the CRA/LA and the CRA/LA deems the provision of such material to be necessary to the Consultant's performance of its obligations.

B. As it deems necessary, the CRA/LA shall provide appropriate CRA/LA professional staff assistance and take prompt action to ensure proper and timely performance by the Consultant.

5. Term of Performance

- A. Consultant shall commence services upon execution of this Contract by all parties signatory hereto and the Consultant's compliance with Paragraph 9.A Professional Liability, 9.B Automobile Liability Insurance; and the CRA/LA's Standard Terms and Conditions with Subconsultants (Rev. 1/08), Section 3, Insurance; and Section 5, Business Tax Registration Certificate (Business License), as required in this Contract.
- B. Consultant shall complete the milestones outlined in the Statement of Work (Exhibit A) in accordance with the Schedule of Performance (Exhibit C). Consultant shall complete the milestones within eighteen (18) months. The CRA/LA may authorize changes to the schedule of completion as may be required and agreed upon by both parties.
- C. Contract Expiration. This Contract shall expire in twenty-four (24) months from the execution date of the Contract by all parties. The CRA/LA may exercise its option to renew for one (1) additional six-month period subject to Section 6, Option to Extend, of this Contract.

6. Option to Extend

- A. Consultant hereby grants to the CRA/LA, the option to extend the term of this Contract for one (1) additional six-month period commencing when the prior term expires upon each and all of the following terms and conditions:
 - 1. CRA/LA gives to Consultant and Consultant receives written notice of the exercise of the option to extend this Contract for each additional term prior to the time that the option period would commence if the option were exercised, time being of the essence. If said notification of the exercise of said option is not so given and received, this option may automatically expire.
 - 2. Consultant shall submit, upon CRA/LA request, additional task/methodology and cost information for the one (1) additional six-month period prior to the CRA/LA exercising any options to extend the term of this Contract.
 - 3. All additional work and costs associated with the option periods in this Contract shall be subject to negotiation and written acceptance by the CRA/LA prior to Consultant's performance of additional work that may be required.

7. Compensation and Method of Payment

- A. The CRA/LA shall compensate the Consultant per milestone upon satisfactory completion of the services or satisfactory progress toward the completion of the milestone and acceptance of deliverables/work products, as determined by the CRA/LA, in accordance with the schedule of payments hereto and incorporated herein as Exhibit D.
- B. CRA/LA may, in its discretion, interchangeably transfer funds within the various tasks described above, as mutually agreed upon by CRA/LA and Consultant.

C. Reimbursement of Other Expenses/Costs

Compensation for completing Contract milestones is all-inclusive of all expenses/costs associated with completing such milestones. As such, CRA/LA shall only compensate the Consultant for completed milestones and shall not reimburse the Consultant for specific expenses/costs incurred to carry out the agreed upon milestones. Any costs incurred by the Consultant above the agreed upon milestone compensation amount is strictly the responsibility of the Consultant.

D. Maximum Compensation. It is expressly understood and agreed that in no event shall the total compensation for services performed and reimbursement of incurred expenses to be paid under this Contract exceed the maximum sum of TWO HUNDRED SIXTY-FIVE THOUSAND AND FOUR HUNDRED EIGHTY (\$265,480.00), unless otherwise provided by written amendment hereto.

E. Method of Payment. Not more frequently than once a month or as otherwise directed or applicable, the Consultant may submit an invoice(s) in electronic form via email directly to the CRA/LA's Accounting Department at accounting@cra.lacity.org, with a copy to CRA/LA's Technical Representative, containing the following information. Payment of the invoice will be made after acceptance and approval of the invoice by the CRA/LA Representative:

1. The amount due for services performed by task for the billing period pursuant to the terms of the Contract
2. Contract No. 503582
3. Invoice Date and Billing Period
4. CRA/LA's Technical Representative named in the Contract (D. Villegas)
5. Consultant's Los Angeles Business Tax Registration Certificate (BTRC) Number (0000385544-0001-1)
6. A description of the services performed related to the associated tasks
7. Dollar amount remaining in each task and in the Contract

8. CRA/LA Terms and Conditions

The CRA/LA's Standard Terms and Conditions with Subconsultants are attached hereto and incorporated herein as Exhibit E to the extent that the provisions therein do not conflict with those provided in this Basic Contract. All reference to "Contractor" in the Standard Terms and Conditions shall mean "Consultant,"

9. Additional Terms and Conditions

A. Professional Liability Insurance. Consultant shall maintain throughout the term of this Contract professional liability insurance with coverage limits in an amount of not less than \$1,000,000 per claim. Consultant shall furnish to the CRA/LA a certificate

issued by the Consultant's professional liability insurance carrier, showing that the above-mentioned insurance has been issued and is in full force and effect, and providing thirty (30) days written notice to the CRA/LA's Risk Manager prior to any cancellation, termination, non-renewal, or reduction of said insurance. This insurance is in addition to the Workers' Compensation and the liability insurance requirements described in Section 3, Standard Terms and Conditions of this Contract.

- B. Automobile Liability Insurance. Should the Consultant be required to drive in the performance of services under this Contract, Consultant shall provide proof of Automobile Liability Insurance coverage to comply with the State of California's Financial Responsibility requirement law, California Vehicle Code (CVC) 16020 (a) in the following minimum limits:
1. Bodily Injury Insurance (BI) in the minimum amount of \$15,000 per person/\$30,000 per accident.
 2. Property Damage Insurance (PD) in the minimum amount of \$5,000 per accident.
 3. Receipt of certificate of insurance will be accepted by the CRA/LA as compliance with the above requirements. Certificates/endorsements must clearly state Contract Number 503582 and be sent to the attention of the CRA/LA's Risk Management Division.
- C. Subcontractors and Outside Associates. Any subcontractors required by the Consultant in connection with this Contract shall be limited to individuals or firms, which are approved in advance and in writing by the CRA/LA's Technical Representative. The sub-consultant firms identified and agreed to by both Parties to assist in the performance of services herein are KDM Meridian and GeoEnvironmental, Inc. Consultant shall obtain the CRA/LA Technical Representative's written consent before making any substitutions for these sub-consultants.
- D. Assignment of Staff. Upon request, the Consultant shall provide the CRA/LA's Technical Representative with a copy of the resume(s) of the individual(s) proposed to be assigned to perform services. Each resume shall indicate the individual's level of professional experience and related experience and qualifications. The CRA/LA shall have the right to request changes to the Consultant's proposed assignment of staff.
- E. Assignment of Consultant's Rights. The Consultant hereby assigns to the CRA/LA, in the event of a default, its rights, interest and title to all of the work products, including but not limited to architectural plans, technical reports, etc., resulting from the Consultant's services required under this Contract.

- F. Federal Terms and Conditions and Other City of Los Angeles Requirements. In the event specific work is either federally funded and/or funded in part with federal funds received through the City of Los Angeles to the CRA/LA, or other government agencies, the U.S. Department of Commerce, Economic Development Administration (EDA) Terms and Conditions, are attached hereto as Exhibit F and G, and by this reference incorporated herein, shall be applicable and/or the work to be performed shall be subject to any and all applicable City of Los Angeles Requirements, including, but not limited to, the City's Slavery Disclosure Ordinance (SDO). The SDO may be reviewed at the City's Website at www.cityofla.org.

In accordance with EDA terms and conditions, the CRA/LA, EDA, the Comptroller General of the United States, the Departmental Inspector General, or any of their duly authorized representatives, shall have access to any paper or electronic documents, books, correspondence, and records of the Consultant (which are pertinent to the award of the grant funds for this Project) to verify compliance with award requirements. See 13 C.F.R. §302.14.

In accordance with EDA terms and conditions, the Consultant shall maintain all records for at least three (3) years after the CRA/LA makes final payment and all pending matters are closed. See 15 C.F.R. 14.53(b) or 24.36(i)(11), as applicable.

- G. Drug-Free Workplace Certification. By signing this Contract, the Consultant hereby certifies under penalty of perjury under the laws of the State of California that the Consultant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code section 8350 et seq.) and will provide a drug-free workplace by doing all of the following:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code section 8355(a).
2. Establish a Drug-Free Awareness Program as required by Government Code section 8355(b) to inform employees about all of the following:
 - a. the dangers of drug abuse in the workplace,
 - b. the person's or organization's policy of maintaining a drug-free workplace,
 - c. any available counseling, rehabilitation, and employee assistance programs, and
 - d. penalties that may be imposed upon employee assistance programs, and
3. Provide as required by Government Code section 8355(c), that every employee who works on the proposed contract or grant:

- a. will receive a copy of the company's drug-free policy statement, and
- b. will agree to abide by the terms of the company's statement as a condition of employment on the Contract or grant.


Failure to comply with these requirements may result in suspension of payments under this Contract or termination of this Contract or both, and the Consultant may be ineligible for the award of any future contracts if CRA/LA determines that any of the following has occurred: (1) Consultant has made a false certification or, (2) Consultant violates the certification by failing to carry out the requirements as noted above.

(Signature Page to Follow)

IN WITNESS WHEREOF, the CRA/LA and the Consultant have executed this Contract as of the dates indicated below.

CRA/LA:


THE COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF LOS ANGELES, CALIFORNIA

By: 
Christine Essel
Chief Executive Officer

Date: 3-8-2011

APPROVED AS TO FORM:


CARMEN A. TRUTANICH
City Attorney

By: 
CRA/LA General Counsel

Date: 03-08-11

CONSULTANT:

CBM CONSULTING, a wholly owned subsidiary of
KOA CORPORATION

By: 
C. Stephen V. President
Print Name and Title

Date: 3/8/2011

EXHIBIT A

STATEMENT OF WORK (Amended December 6, 2010)

Civil Engineering Services Design of Street Improvement for: San Fernando Road and Sheldon Street (Sun Valley Transportation Corridor Improvements)

This project is jointly funded by CRA/LA and the U.S. Department of Commerce, Economic Development Administration ("EDA") and is subject to all CRA/LA and Federal EDA regulations, provisions and requirements.

A. Scope of Services

As requested by the CRA/LA's Representative, the Consultant shall provide civil engineering services for the design of street improvements that includes: assessment of the existing street conditions, design development, construction and bidding documents, permit application and construction support for a section of San Fernando Road (southwest roadway) on the south sides of the railroad track from Kagel Canyon Street to about 300' south of Sheldon Street and a section of Sheldon Street from Glenoaks Boulevard to Ilex Avenue; plus five intersections (Branford Street and Glenoaks Blvd., Branford Street and San Fernando Road, Branford Street and Laurel Canyon Boulevard, Sheldon Street and Glenoaks Boulevard and Sheldon Street and San Fernando Road); as defined in attached location map (Exhibit B) located within the Pacoima-Panorama City Redevelopment Project Area in the East Valley Region, in accordance with the following milestones listed below:

Milestone 1: Pre-Design

- 1.01 Orientation/kick-off meeting with CRA/LA staff to review scope.
- 1.02 Field assessment of the existing street condition, such as the pavement condition, sidewalk, curb and gutter conditions, access ramps and bus pads.
- 1.03 Outline the finding and recommendations of the street condition based on result of Task 1.02
- 1.04 Meeting with CRA/LA staff to finalize the improvement list for design.
- 1.05 Deliver Assessment Report and list of recommended improvement.

Milestone 2: Topographic Survey and Utility mapping/Geotechnical Investigation

- 2.01 Using a combination of 3D laser scanning technology, aerial survey mapping and/or conventional survey for a full topography of the right-of-ways with complete ties to vertical and horizontal benchmark/monuments data, including the centerlines. Data include, but not limited to street improvements, striping, flow lines, street cultures, street furniture, walls, fences, trees (over 3 inches in diameter), all visible utilities, poles, overhead wires/with vertical clearance, boxes, etc.; cross sectional details at minimum 50 foot intervals for full reconstruction areas (areas with proposed overlay of other lesser strategies may require less frequent cross section data); building

footprints; building overhang outlines and underground utility lines per available city records.

The survey shall extend at least 30 feet into private properties on each side of the streets depicting all building lines and entrances within the 30-foot limit. For street intersections, the survey limit shall extend at least 50 feet beyond the curb returns.

- 2.02 An overlay of the aerial photo for the CADD file.
- 2.03 Coordinate with CRA/LA Project Manager (PM) or designee on the completeness of the survey work with E-transmit AutoCAD files (AutoCAD 2007 Drawing Format) and related e-files for progress filing. CADD drafting standards per City of Los Angeles.
- 2.04 Deliver final copy of the survey map and supportive files in both CADD and PDF format, six (6) sets of 24x36 full size plans and six (6) sets of 11x17 reduced size plans. The sheets shall be numbered per index sheet.
- 2.05 Conduct geotechnical investigation of existing site pavement, base and subgrade conditions. Work will include sampling at an adequate number of locations to characterize the site soil conditions; perform laboratory analysis and testing to determine soil characteristics including R-value; complete engineering calculations to determine required pavement structural strength, and provide recommendations on various options to achieve the proposed pavement strength and life requirements.

Milestone 2A: Post Survey Design Strategy Session

- 2A.01 Meet with CRA/LA and representatives from City departmental stakeholders to review the project in it's entirety, including grant program, funding limitations and requirements, and preliminary design recommendations. Achieve consensus on the project strategy, including specifically included/not included items of work, contact information for review personnel from each department, and commitments for timely response and processing of submittals and clarifications.
- 2A.02 Prepare exhibits/handouts and Powerpoint presentation to thoroughly highlight the work area, proposed work, specific locations/areas of interest, and items of concern for further discussion/clarification.
- 2A.03 Prepare and distribute meeting agenda, minutes, exhibits, notes, and attendance sheet.

Milestone 3: Design / Construction Documents

- 3.01 Based on the improvement list approved by CRA/LA in writing, start design and prepare construction plans along with CSI specifications for relevant sections. Coordinate with CRA/LA PM or designee as needed.
- 3.02 Submit 50% design completion and coordinate with CRA/LA PM or designee. Meet with CRA/LA and City staff to review previously agreed project commitments, current project submittal, review requirements and schedule for comments. Prepare and distribute meeting agenda, minutes, exhibits, notes, and attendance sheet.
- 3.03 Submit 75% design completion and coordinate with CRA/LA PM or designee. Meet with CRA/LA and City staff to review previously agreed project commitments, current project submittal, review requirements and schedule for comments. Prepare and distribute meeting agenda, minutes, exhibits, notes, and attendance sheet.

- 3.04 Submit 90% design completion and coordinate with CRA/LA PM or designee. Meet with CRA/LA and City staff to review previously agreed project commitments, current project submittal, review requirements and schedule for comments. Prepare and distribute meeting agenda, minutes, exhibits, notes, and attendance sheet.
- 3.05 Submit and process 'A' and 'B' Permit Plans for approval and the issuance of the construction permit. Coordinate with CRA/LA PM or designee on the plan check issues. Meet with CRA/LA and City staff to review previously agreed project commitments, current project submittal, review requirements and schedule for comments. Prepare and distribute meeting agenda, minutes, exhibits, notes, and attendance sheet.
- 3.06 Assemble construction documents for the purpose of advertising and bidding.
- 3.07 Deliver final copy of approved drawings, supportive files in CADD and PDF formats; six (6) sets of 24x36 full size plans and six (6) sets of 11x17 reduced size plans. A final copy of the construction bidding documents in 2007-MS Word format.

Milestone 4: Advertise, Bid and Award

- 4.01 Attend one (1) pre-bid meeting and respond to bidders' inquiries in writing.
- 4.02 Attend one (1) job walk with bidders at the site.
- 4.03 Respond to bidders' request for information (RFI) in writing

Milestone 5: Construction Monitoring

- 5.01 Make periodic site visits (with a minimum of one per month) to review progress, observe the contractor's conformance to the plans and specs.; and to resolve issues raised during construction.
- 5.02 Resolve contractor inquiries (prepare addenda, respond to RFI's and process the ICA for BOE approval as needed). Coordinate with CRA/LA PM or designee to resolve issues during construction.
- 5.03 Review shop drawings and submittals; if any.
- 5.04 Prepare meeting notes after site visits and CC to CRA/LA PM or designee.

Milestone 6: Final Inspection and Closeout

- 6.01 Assemble punch list and conduct final walk-through with the CRA/LA PM or designee, contractor and city inspector. Obtain final inspection clearance from city.
- 6.02 Prepare and submit as-built drawings for BOE approval and close-out of all Permits.
- 6.03 Deliver as-built drawings in digital version (CADD and PDF formats), three (3) sets of 24x36 full size plans and three (3) sets of 11x17 reduced size plans; copy of final inspection clearance and all Permit close-out notices or acknowledgements for CRA/LA record.

Exclusions: Professional services not included

- Landscaping and irrigation design and plans.
- Traffic signalization design, other than lighting changes.
- 'A' and 'B' Permit Plan Check and Inspection Fees to be issued by CRA/LA upon submittals.

- Hydraulic/hydrology reviews for drainage/storm drain system modifications
- Area-wide street lighting analysis or improvements
- Title report property searches
- Railroad permit fees, railroad specific engineering design
- Survey during construction
- Geotechnical/material testing during construction

EXHIBIT C

THIRD-PARTY CONSENTS TO ASSIGNMENT

[BEHIND THIS PAGE]

EXHIBIT C-1

CONSENT TO ASSIGNMENT BY CBM CONSULTING

CONSENT TO ASSIGNMENT

CBM Consulting, a wholly owned subsidiary of KOA Corporation, a California Corporation ("Consultant") hereby consents to the assignment from CRA/LA, a Designated Local Authority ("Assignor"), to the City of Los Angeles, a municipal corporation, acting by and through its Department of Public Works, Bureau of Engineering ("Assignee") of that certain agreement dated March 8, 2011 (the "Third Party Agreement"), by and between the Consultant and the Community Redevelopment Agency of the City of Los Angeles, the predecessor-in-interest to the Assignor, in accordance with the Assignment and Assumption Agreement (Sun Valley Public Improvements Project, Economic Development Administration Investment) (the "Assignment Agreement") to which this Consent to Assignment is attached. Capitalized terms used, but not defined, in this Consent to Assignment shall have the meaning set forth in the Assignment Agreement.

The Consultant hereby acknowledges and represents for the benefit of Assignor and Assignee that as of the Effective Date: (i) the total amount due to the Consultant for all services rendered pursuant to the Third Party Agreement is Two Hundred Sixty Five Thousand Four Hundred Eighty and No/Hundredths Dollars (\$265,480.00), and, as of the Effective Date, Consultant has received the amount of One Hundred Fifty Nine Thousand Two Hundred Eighty Eight and No/Hundredths Dollars (\$159,288.00) for services performed pursuant to the Third-Party Agreement; (ii) there are no other amounts outstanding or owed to the Consultant pursuant to the Third Party Agreement, and (iii) neither Assignor nor the Consultant is in default under the Third Party Agreement, and no event has occurred or failed to occur which, with the passage of time or the giving of notice or both, would constitute a default by the Assignor or the Consultant under the Third Party Agreement.

CONSULTANT:

CBM Consulting, a wholly owned subsidiary of KOA Corporation

By: _____

Name: _____

Its: _____