Request for Qualifications 721-19 (RFQ)

for

Housing Element Update for the City of Lancaster

November 12, 2019

Responses Due: Monday, December 20, 2019 by 2PM
ATTN: City Clerk
RFQ 721-20 Housing Element Update: City of Lancaster
44933 Fern Avenue
Lancaster, California 93534
Request for Qualifications

Housing Element Update

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Request for Qualifications
Housing Element Update

SECTION 1 INTRODUCTION & PROJECT SUMMARY
The City of Lancaster (“City”) is a charter city incorporated in 1977. The City is governed by a five-member City Council whose members are elected at large, and operates under a Council/City Manager form of government. The City serves as the northern boundary of Los Angeles County, with Kern County to the north. The City is the largest city in the Antelope Valley.

PROJECT SUMMARY
The City of Lancaster is requesting a statement of qualifications from consultants who are qualified to prepare an update to the City’s Housing Element of the General Plan for the 2021-2029 planning period. The City is looking to identify a cost baseline and timeline for this work to be able to allocate the monies during the City’s budget process beginning in January, 2020. Concurrently, the City is applying for an SB 2 Planning Grant that would aid in the preparation of the Housing Element Update.

The City may select a consultant from those who respond to this request and may invite the team to an interview for the preparation of the Housing Element Update. The City anticipates that this work would begin by Spring of 2020.

SECTION 2 ANTICIPATED SCOPE OF WORK
The consultant shall review the existing Housing Element and any other pertinent information or resource and shall revise the document and any other necessary updates to the City’s General Plan to reflect current conditions, city policies, state mandates, and methods to meet the housing requirements mandated by the State of California. The City is seeking a qualified consultant with experience in the preparation of Housing Elements and corresponding environmental documents prepared in accordance with the California Environmental Quality Act (“CEQA”). The consultant must have a familiarity with the California Department of Housing and Community Development (“HCD”) processes and with state housing law. The consultant must be proactive in maintaining communication with city staff, keeping staff informed with project status updates, meeting deadlines and ultimately meeting the requirements of HCD for the timely certification of the Housing Element by 2021.

Tasks for the Housing Element Update may include the following:
Task 1 – Assessment
a) Evaluation of 2014-2021 Housing Element: The consultant shall be required to review and evaluate the current Housing Element and its programs, including:
   • An assessment of the City’s progress in meeting existing Housing Element goals and objectives, including RHNA goals;
   • A discussion of the effectiveness of the housing program and policies;
   • A comparison of projected results from the adopted Housing Element to actual accomplishments;
   • A summary of how these results are important to a revision of the Housing
Element; and

• An evaluation of the existing Housing Element’s compliance with applicable statutes and current State Housing Law.

b) Document Review: The consultant shall review City documents to aid in understanding local conditions and the community’s housing needs.

Task 2 – Housing Element Preparation

a) Needs Analysis: The consultant shall complete an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of these needs in conformance with Government Code Section 65583(a). The consultant shall evaluate housing conditions using state-approved criteria. Where necessary to complete this task, the consultant shall obtain and analyze the most current data available on demographics and housing in the City, including resources from Geographic Information Systems (GIS) data, the Southern California Association of Governments (SCAG), U.S. Census Bureau and the California Department of Finance and any other available resource. The gathered data shall be used to draft a housing needs assessment that shall identify: population, demographics, employment trends and projections of the City’s existing and projected housing needs. These existing and projected needs shall include the City’s share of the regional housing need; household characteristics; an inventory of suitable land for a residential development; an analysis of special housing needs; and any other pertinent analysis that the consultant may recommend to be necessary.

b) Housing Resources and Opportunities: The consultant shall identify housing resources, including programmatic, physical, and financial. Existing development policies shall be assessed and sites adequate for the development of housing shall be identified to meet RHNA requirements, which are anticipated to be adopted by HCD and SCAG in January/February, 2020.

The consultant shall build upon previously identified sites from the existing Housing Element and identify new sites.

c) Inventory of Sites: In close consultation with City staff, the consultant shall create an inventory of land suitable and available for residential development, including vacant sites and sites having realistic and demonstrated potential for redevelopment during the planning period, and an analysis of the relationship of zoning and public facilities and services to these sites. The Inventory of Sites shall consist of a comprehensive list and map of potential RHNA sites throughout the City to aid in the formulation of the Housing Element Residential Sites Inventory.

d) Affirmatively Furthering Fair Housing: Include in the Housing Element an analysis of barriers that restrict access to opportunity and a commitment to specific, meaningful actions to affirmatively further fair housing.

d) Housing Constraints: The consultant shall identify potential and actual governmental and nongovernmental constraints to housing production and constraints on special needs populations, such as those with disabilities. In coordination with staff, housing development
procedures and fees shall be assessed and recommendations shall be made as to whether the structure and/or amount of said fees should be modified. The consultant shall also assess existing design and development standards from the Zoning Ordinance and Subdivision Ordinance. Where constraints exist, the consultant shall develop housing programs to mitigate them or, where appropriate and legally possible, remove them.

e) Identification of Sites for Rezoning: As a component of the Administrative Draft Housing Element, the Residential Sites Inventory should be finalized with any sites requiring a zoning reclassification identified. The City shall initiate any necessary rezoning as a separate project and complete the environmental review and adoption of such rezoning within the timeline of the Housing Element preparation and adoption established herein.

f) Housing Goals, Policies, and Quantified Objectives: The consultant must build on the existing Housing Element and the needs and constraints analyses to formulate an implementation plan with appropriate and feasible housing policies and quantified objectives. This work shall satisfy the requirements of Government Code Sections 65583(b) and (c).

Task 3 – Prepare and Finalize Housing Element and Corresponding Environmental Review

a) Administrative Draft Housing Element and Initial Study: Upon execution of the Professional Services Agreement, the consultant shall initiate work on the Administrative Draft Housing Element and corresponding Initial Study.

b) Draft Housing Element and Draft Initial Study/Negative Declaration: Within completion of City staff’s review of the Administrative Draft Housing Element, the consultant shall modify the Administrative Draft as directed and complete an initial study for the project. The consultant shall then prepare and submit ten hardcopies and electronic copies (in word and pdf) of the Draft Housing Element and Draft Negative Declaration for City staff distribution to HCD, the City Council, agencies, stakeholders and the general public for review and comment. The City intends to make the Draft Housing Element and Negative Declaration accessible both in hard copy format and on the City’s web site. The City shall prepare, post and distribute the Notice of Availability (NOA) and Intent (NOI) to Adopt a Negative Declaration. During the NOI period, the consultant shall assist City staff in conducting a Planning Commission and City Council Workshop to provide an overview of the Draft Housing Element and Draft Negative Declaration. The consultant must respond to questions from the public and incorporate any oral and written comments on the draft Negative Declaration into a Responses to Comments document.

• b1) Tribal Consultation: As part of task 3-b, the consultant shall coordinate with staff on the consultation process as part of Senate Bill 18 (SB 18) and Assembly Bill 52 (AB 52).

c) Responses to Comments: The consultant shall prepare a Responses to Comments document for comments received on the draft Initial Study. City staff shall forward comments on the Initial Study as they are received during the NOI period to the consultant. The consultant is expected to initiate responses to such comments as they are received. Within 15 days of closure of the NOI period, the consultant shall submit a complete Responses to Comments document to the City. In coordination with City staff, the consultant shall finalize the Responses to Comments
d) Final Draft Housing Element and Public Hearing: The consultant shall finalize the Draft Housing Element ensuring that relevant comments from HCD, responsible agencies, City staff, the City Council, and the public are addressed. The consultant shall work closely with HCD to achieve a Determination of Compliance. Upon a Determination of Compliance by HCD, the City shall schedule a public hearing before the City Council for adoption of the Negative Declaration and the Housing Element. The consultant may be asked to assist staff with the preparation of a PowerPoint presentation and be prepared to respond to questions from the City Council on the Final Draft Housing Element and Draft Negative Declaration.

e) Adopted Housing Element: Upon adoption of the Final Draft Housing Element by the City Council, the consultant shall prepare a final adopted version of the Housing Element. The adopted Housing Element shall feature the date of adoption prominently on the cover and throughout the document to distinguish it as the official document and from other versions of the Housing Element. The consultant shall provide 15 bound copies and electronic copies (pdf and word) of the Adopted Housing Element for distribution to HCD, City Departments, and other stakeholders.

f) State Certification: The consultant must follow through with assisting the City in achieving State certification of the Housing Element after adoption by the City. The consultant shall work closely with HCD and the City to ensure the City meets State requirements and shall recommend modifications to the adopted Housing Element, if required to obtain certification.

TASK 4 -Other Items
The City is asking the consultants to identify any other tasks that may be relevant and advisable as part of the scope. These tasks should be identified in the proposal with an associated cost. This includes updates to other elements of the General Plan as required under State Law.

SECTION 3 CITY PROVIDED INFORMATION

Consultants who submit a Statement of Qualifications should include any information that will be required for the City to provide, should the Consultant be selected to enter into contract negotiations.

SECTION 4 QUALIFICATIONS/PROPOSAL CONTENTS
Please prepare and organize your proposal based on the requirements provided below.

1. Cover letter: Provide a cover letter and introduction, including the name and address of the organization or individual submitting the proposal, together with the name, address, telephone and fax numbers, and e-mail address of the contact person who shall be authorized to make representations for the organization, and an expression of the consultant’s ability
and desire to meet the requirements of this Request. The letter must be signed by an individual authorized to bind the firm contractually.

2. **Table of Contents:** This section shall include a detailed table of contents and an outline of the submittal, identified by sequential page number and by section reference number and section title as described herein.

3. **Executive Summary:** An executive summary should briefly describe the Project Lead and any Subcontractors. The summary should include a description of the consultant and/or subconsultants, briefly describe the consultant’s and/or subconsultant’s experience in preparing Housing Elements and associated CEQA review, and disclose the person authorized to negotiate contract conditions for the project.

4. **Experience:** Describe the firm’s resources, experience and capabilities as they relate to the scope of services described hereinabove. This section should include a description of similar projects completed for other cities or counties.

5. **Approach and Scope of Work:** Describe the firm’s approach to completing the Housing Element, provide summary of major tasks and key sub-tasks that align with the scope of work described hereinabove. The consultant should explain its approach toward CEQA review of the Housing Element.

6. **Work Schedule:** Include a proposed draft schedule of work or timeline and phased milestones for completion of the scope of work. The work schedule should demonstrate key tasks and corresponding completion dates that commence with the execution of a professional services agreement and end with the certification of the Housing Element by HCD.

7. **Cost Proposal -** Consultant shall provide a separate cost proposal for each of the services they intend to perform described in the RFQ. Consultant shall provide cost based on hourly rates, per occurrence, or per product, as appropriate for the task. Also provide a fee breakdown by hours and personnel to provide the services in accordance with the requirements above (typically referred to as your “Rate Sheet”).

**SECTION 5 QUALIFICATIONS/PROPOSAL SUBMITAL PROCEDURE**
Consultants shall submit six (6) hard copies and one electronic copy via USB or CD (in pdf format) of the proposal in accordance with the following requirements:

- Proposal shall be transmitted with a cover letter as described in Section 4
- Envelope shall be labeled “RFQ #721-20 for Housing Element Update
- The Proposal shall be received prior to 2:00 PM on December 20, 2019

The proposal shall be addressed exactly as follows:
SECTION 6 CONSULTANT SELECTION PROCESS
The City intends to select the most qualified candidate with the best value. The Proposals for will be evaluated and scored (maximum of 100 points) using the following criteria:

- Demonstrated successful experience with similar types of projects (30 points)
- Specific experience of key project team members (20 points)
- Satisfaction of previous clients (references) (10 points)
- Project understanding and approach (20 points)
- Cost of service (20 points)

Scale will be determined as follows:
Does not meet qualifications – 0 points
Meets minimum qualifications – 50%
Exceeds minimum qualifications – 75%
Far exceeds minimum qualifications – 100%

SECTION 7 SELECTION PROCESS KEY DATES
The following are key dates in the process:

- RFQ document posted on City website: November 12, 2019
- Deadline for questions/clarification requests: November 22, 2019 prior to 5 PM
- Responses to questions posted by: November 26, 2019 prior to 5 PM
- Proposals due: December 20, 2019 by 2 PM
- Contract Negotiations with selected consultant(s): January- March, 2020
- Tentative Contract Approvals by Council: no later than July, 2020

It is the responsibility of the Consultant to clarify any requirement of this RFQ that are not understood. All questions and requests for clarification to this RFQ must be emailed and received by the City prior to 5:00 PM on November 22, 2019. Inquiries received by the City after the date and time specified may or may not be responded to, within the discretion of the City.

Questions pertaining to the Request for Qualifications should be titled “RFQ 721-19 Questions” and sent via email only to:

Christine Malta: cmalta@cityoflancasterca.org
Exhibit A

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT FOR PROFESSIONAL SERVICES is made and entered into this _____ day of _____________, 2019, by and between the CITY OF LANCASTER, a municipal corporation and charter city, (“City”), and _______________________, a [entity type (e.g., California corporation] (“Consultant”) (collectively, sometimes referred to hereinafter as the “Parties”).

RECITALS

WHEREAS, the City desires to engage Consultant to perform certain technical and professional services, as provided herein, identified as:

   Impact Fee Nexus Study (THE “SERVICES”)

WHEREAS, the principal members of Consultant are qualified and duly registered/licensed under the laws of the State of California, and Consultant desires to accept such engagement;

NOW, THEREFORE, the parties agree as follows:

1. **Parties to the Agreement.**

   The parties to this Agreement are:

   A. CITY: City of Lancaster

   B. CONSULTANT: ______________________

2. **Notices.** All written notices required by or related to this Agreement shall be sent by Certified Mail, Return Receipt Requested, postage prepaid and addressed as listed below. Neither party to this Agreement shall refuse to accept such mail; parties to this Agreement shall promptly inform the other party of any changes of address. All notices required by this Agreement are effective on the day of receipt, unless otherwise indicated herein.

   CITY
   City of Lancaster
   Attn: Jason Caudle, City Manager
   44933 North Fern Avenue
   Lancaster, California 93534

   CONSULTANT
   ______________________
   Attn: __________
   Address
   ______________________
3. **Successors and Assigns.** The terms hereof shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto; provided, however, that no party hereto shall assign any of the benefits and burdens hereunder, whether voluntarily or by operation of law, without prior written consent of the other party, and any such assignments without said consent shall be void.

4. **Description of Work.** The City hereby engages Consultant, and Consultant accepts such engagement, to perform the technical and professional services set forth in the “Scope of Services and Rates Schedule,” attached hereto as Exhibit “A” and incorporated herein by reference. Consultant shall perform and complete, in a manner satisfactory to the City, all work and services set forth in Exhibit “A.” The City Manager or his designee shall have the right to review and inspect the work during the course of its performance at such times as may be specified by the City Manager, or his designee.

5. **Obligations of the City.**

   A. The City shall pay Consultant an amount not to exceed $____________ for all work necessary to complete the Services, as described in the Scope of Services and Rates Schedule. Payments shall be due within thirty (30) days following submittal of an invoice detailing the services performed, at the hourly rates set forth in Exhibit A.

   B. No payment made hereunder by the City to Consultant, other than the final payment, shall be construed as an acceptance by the City of any work or materials, nor as evidence of satisfactory performance by Consultant of its obligations under this Agreement.

6. **Obligations of the Consultant.**

   A. Consultant shall perform as required by this Agreement and in accordance with the Scope of Services and Rates Schedule set forth in Exhibit A.

   B. Consultant shall be responsible for payment of all employees’ wages and benefits, and shall comply with all requirements pertaining to employer’s liability, workers’ compensation, unemployment insurance, and Social Security.

   C. Consultant shall not subcontract any of the work required to perform the Services without the express prior written approval of the City.

7. **Hold Harmless and Indemnification.** Consultant agrees to indemnify and hold harmless the City, its elected officials, officers and employees, from and against any and all third party claims, losses, obligations, or liabilities whatsoever, including reasonable attorney’s fees, incurred to the extent arising out of or related to Consultant’s negligent or willful wrongful acts, errors or omissions, or those of its employees or agents. Consultant agrees to defend the City, its officers and employees, using counsel of the City’s choosing, from and against any and all claims covered by the indemnity in the preceding sentence.
8. **Amendments.** Any amendment, modification, or variation from the terms of this Agreement shall be in writing and shall be effective only upon mutual written approval by the City and Consultant.

9. **Non-Discrimination and Equal Employment Opportunity.**

   A. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor, or applicant for employment because of race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Consultant will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment without regard to their race, color, religion, ancestry, sex, national origin, physical or mental disability or age. Affirmative action relating to employment shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment; layoff or termination; rates of pay or other forms of compensation; and selection for training including apprenticeship.

   B. The provisions of subsection A above shall be included in all solicitations or advertisements placed by or on behalf of Consultant for personnel to perform any services under this Agreement. The City shall have access to all documents, data and records of Consultant and its subcontractors for purposes of determining compliance with the equal employment opportunity and non-discrimination provisions of this Section.

10. **Term; Effective Date.** This Agreement shall become effective and shall be in full force and effect upon the execution of the Agreement by the City and the Consultant. This Agreement shall continue in full force and effect for twelve (12) months, unless the Agreement is sooner terminated in accordance with this Agreement; provided, however, that the City and the Consultant may mutually agree in writing to extend the Term of this Agreement.

11. **Termination.**

   A. For Convenience. The City may terminate this Agreement at any time without cause by giving thirty (30) days written notice to the other party of such termination and specifying the effective date thereof. In the event of termination of this Agreement, Consultant will be paid for work completed through the date of termination within thirty (30) days following submittal of a final invoice.

   B. For Cause. If Consultant fails to perform the services called for by this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, Consultant shall correct such failure within ten (10) days (or such longer period that the City may authorize in writing) after receipt of notice from the City specifying such failure. Should the failure not be corrected within this time period, the City may immediately terminate the Agreement by written notice to Consultant.
C. In the event of termination, whether for convenience or cause, reports, plans, studies and other documents (collectively, “documents”) related to the Services shall become the City’s property. Consultant shall provide all documents to the City that have not yet been within ten (10) calendar days after termination of the Agreement.

12. **Independent Contractor.** Consultant is an independent contractor and shall have no power or authority to incur any debt, obligation or liability on behalf of the City. It is expressly understood between the Parties to this Agreement that no employee/employer relationship is intended.

13. **Insurance.**

A. The Consultant, at its expense, shall maintain in effect at all times during the term of this Agreement the following coverage and limits of insurance, which shall be maintained with insurers listed “A-, VIII” or better in the Best’s Key Rating Guide:

<table>
<thead>
<tr>
<th>Insurance Type</th>
<th>Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Commercial General Liability</strong></td>
<td></td>
</tr>
<tr>
<td>Each Occurrence</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Per Project General Aggregate</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>Including Products/Completed Operations; Contractual Liability/Independent Contractors; Property Damage</td>
<td>(Coverage shall be at least as broad as ISO form CG2010 11/85 or CG2010 07/04 and CG2037 07/04 combined, or an equivalent providing ongoing and completed operations)</td>
</tr>
<tr>
<td><strong>Commercial Automobile Liability</strong></td>
<td></td>
</tr>
<tr>
<td>Combined Single Limit per Accident for Bodily Injury and Property Damage</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>(Coverage shall be at least as broad as ISO form CA00 01)</td>
<td></td>
</tr>
<tr>
<td><strong>Workers Compensation</strong></td>
<td></td>
</tr>
<tr>
<td>As Required by the State of California</td>
<td>Statutory Limits</td>
</tr>
<tr>
<td><strong>Employers’ Liability</strong></td>
<td></td>
</tr>
<tr>
<td>Each Accident</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Bodily Injury by Disease</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Each Employee</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>(A Waiver of Subrogation must be provided on behalf of the Certificate Holder for the Workers Compensation &amp; Employers’ Liability policies)</td>
<td></td>
</tr>
<tr>
<td><strong>Professional Liability</strong></td>
<td></td>
</tr>
<tr>
<td>Each Occurrence</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>General Aggregate</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

*Provide one of the following for cyber-related services*

**Technology Professional Liability**
(Errors and Omissions)
Each Occurrence  $2,000,000
General Aggregate $2,000,000

(Coverage shall be sufficiently broad to respond to the duties and obligations as are undertaken by Consultant pursuant to this Agreement and shall include, without limitation, claims involving invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as any applicable regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.)

Or
Cyber Liability Insurance
Each Occurrence  $2,000,000
General Aggregate $2,000,000

B. The Consultant’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insured’s liability.

C. Professional liability and/or cyber insurance written on a “claims made” basis must be renewed for a period of three (3) years after this contract expires or is terminated. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this contract and will cover Consultant for all claims made by the City insured entities arising out of any acts or omissions of Consultant or its officers, employees, or agents during the time this Agreement was in effect.

D. Any deductibles or self-insurance retentions must be declared and approved by the City. At the City’s option, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City insured entities or the insurer shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

E. All insurance shall be primary and non-contributory as respects the City insured entities. Any insurance or self-insurance maintained by the City insured entities shall be in excess of the Consultant’s insurance and shall not contribute with it.

F. Consultant shall furnish the City with Certificates of Insurance and with original endorsements effecting coverage required by this Agreement. Certificates of Insurance shall meet the following requirements:

(1) Show that the insurance policy has been endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after 30 days’ prior written notice (10 days’ written notice for non-payment) to the City of Lancaster.

(2) List in the “Descriptions of Operations/Locations/Vehicles” section:
“Impact Fee Nexus Study”
The City of Lancaster, its elected officials, officers, employees and volunteers are included as additional covered parties, but only insofar as the operations under this contract are concerned.”

(3) List in the “Certificate Holder” section:
The City of Lancaster, 44933 Fern Avenue, Lancaster, California 93534.

14. **Commencement and Completion of Work.** The Services to be provided by Consultant pursuant to this Agreement shall commence within ___ days after execution of this Agreement, and shall be completed no later than _____ days following commencement; provided however, that the Parties may agree to extend the time for completion upon mutual written agreement.

15. **Ownership of Documents.** All plans, specifications, reports, studies, maps and other documents prepared or obtained by Consultant in the course of performing the work and are required by this Agreement to be delivered to the City shall be the property of the City. Basic sketches, charts, computations and similar data prepared or obtained by Consultant under this Agreement shall, upon request, be made available to City without restriction or limitation on their use.

16. **Data Provided to Consultant.** City shall provide to Consultant, without charge, all data, including reports, records, maps and other information, now in the City’s possession which may facilitate the timely performance of the work described in Exhibit A.

17. **Consultant’s Warranties and Representations.**

Consultant warrants and represents to City as follows:

A. Consultant has not employed or retained any person or entity, other than a bona fide employee working exclusively for Consultant, to solicit or obtain this Agreement.

B. Consultant has not paid or agreed to pay any person or entity, other than a bona fide employee working exclusively for Consultant, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the execution of this Agreement. Upon any breach or violation of this warranty, City shall have the right, in its sole discretion, to terminate this Agreement without further liability, or, in the alternative, to deduct from any sums payable hereunder the full amount or value of any such fee, commission, percentage or gift.

C. Consultant has no knowledge that any officer or employee of the City has any interest, whether contractual, noncontractual, financial, proprietary, or otherwise, in this transaction or in the business of the Consultant, and that if any such interest comes to the knowledge of Consultant at any time, a complete written disclosure of such interest will be made to City, even if such interest would not be deemed a prohibited “conflict of interest” under applicable laws.
D. Upon the execution of this Agreement, Consultant has no interest, direct or indirect, in any transaction or business entity which would conflict with or in any manner hinder the performance of services and work required by this Agreement, nor shall any such interest be acquired during the term of this Agreement.

18. **Resolution of Disputes.**

A. Disputes regarding the interpretation or application of any provisions of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the parties.

B. If the parties cannot resolve the dispute through good faith negotiations, either party may give Notice of Dispute to the other party. The Notice of Dispute shall state the nature of the dispute and the corrective action necessary to remedy the dispute.

   After Notice of Dispute, the parties shall first attempt to resolve any disputes by mediation. The parties shall agree on a single mediator. Mediation shall be conducted in Lancaster, California. Each party shall pay its own attorneys’ fees and the costs of mediation shall be split equally between the parties.

   If the dispute has not been resolved by mediation within 45 days after Notice of Dispute, or the parties are unable to agree to a mediator, within 15 days after Notice of Dispute, then, the dispute may, upon agreement of the parties be resolved by binding arbitration.

C. If any action at law or in equity is brought to enforce or interpret any provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney’s fees, cost and necessary disbursements, in addition to such other relief as may be sought and awarded.

19. **Exhibits.**

   The following exhibits to which reference is made in this Agreement are deemed incorporated herein in their entirety:

   Exhibit “A” Scope of Services and Rates Schedule

20. **Governing Law.**

   This Agreement shall be governed by the laws of the State of California.

21. **Effective Date.**

   This Agreement shall become effective as of the date set forth below on which the last of the parties, whether City or Consultant, executes said Agreement.
[Signatures begin on next page.]