

MEETING DATE:

01/26/09

AGENDA ITEM:

Approval of a Contract Amendment with AON
Consulting for Actuarial Services

ATTACHMENTS

Pages

1. Agreement 2007-201

1-7

CITY OF CULVER CITY
STANDARD FORM CONTRACT
WITH: AON CONSULTING & INSURANCE SERVICES
FOR: ACTUARIAL SERVICES

THIS AGREEMENT is made and entered into by and between THE CITY OF CULVER CITY, a municipal corporation, hereinafter referred to as "City" and AON CONSULTING & INSURANCE SERVICES, a California corporation, hereinafter referred to as "Consultant."

1. CONSULTANT'S SERVICES. Consultant agrees to perform, during the term of this Agreement, the tasks, obligations, and services set forth in the "Scope of Service" attached to and incorporated into this Agreement as Exhibit "A."
2. TERM OF AGREEMENT. The term of this Agreement shall be from the effective date pursuant to Paragraph 27 of this Agreement and shall end upon satisfactory completion of the work, as reasonably determined by City's City Treasurer.
3. PAYMENT FOR SERVICES. City shall pay for the services performed by Consultant pursuant to the terms of this Agreement, the compensation set forth in the "Schedule of Compensation" attached to and incorporated into this Agreement as Exhibit "B." The compensation shall be paid at the time and manner set forth in said Exhibit "B."
4. TIME FOR PERFORMANCE. Consultant shall not perform any work under this Agreement until (a) Consultant furnishes proof of insurance as required under Paragraph 7 of this Agreement; and, (b) City gives Consultant a written and signed Notice to Proceed.
5. DESIGNATED REPRESENTATIVE(S). Bradley J. Au shall be the designated Consultant Representative, and shall be responsible for job performance, negotiations, contractual matters, and coordination with the City. Consultant Representative shall actually perform, or provide immediate supervision of Consultant's performance of, the Scope of Service.
6. HOLD HARMLESS. Consultant shall be responsible for any and all injuries to or death of any person, and for any and all damage to any and all real or personal property including City's or others, caused by or resulting from any acts, errors or omissions of Consultant, its employees or its agents arising out of or connected with rendition of services hereunder. Consultant shall defend, hold harmless and indemnify City

and its officers and employees from any and all liability claims, including costs, for damages to real or personal property, or personal injury or death, resulting from Consultant's, its employees or agent's acts, errors or omissions arising out of or connected with rendition of services hereunder.

7. INSURANCE. Without limiting its obligations pursuant to Paragraph 6 of this Agreement, Consultant shall submit one or more duly executed certificates of insurance for Comprehensive General Liability in the minimum amount of One Million Dollars (\$1,000,000) single limit coverage (endorsed by an endorsement, approved by the City Attorney), Professional Liability in the minimum amount of One Million Dollars (\$1,000,000), Automobile Liability in the minimum amount of \$500,000/\$500,000 and Workers Compensation insurance in statutorily required amounts.
8. INDEPENDENT CONSULTANT STATUS. City and Consultant agree that Consultant, in performing the services herein specified, shall act as an independent Consultant and shall have control of all work and the manner in which it is performed. Consultant shall be free to contract for similar service to be performed for other employers while under contract with City. Consultant is not an agent or employee of City, and is not entitled to participate in any pension plan, insurance, bonus, worker's compensation or similar benefits City provides for its employees. Consultant shall be responsible to pay and hold City harmless from any and all payroll and other taxes and interest thereon and penalties therefor which may become due as a result of services performed hereunder.
9. NON-APPROPRIATION OF FUNDS. Payment due and payable to Consultant for current services is within the current budget and within an available, unexhausted and unencumbered appropriation of City. In the event City has not appropriated sufficient funds for payment of Consultant services beyond the current fiscal year, this Agreement shall cover only those costs incurred up to the conclusion of the current fiscal year.
10. ASSIGNMENT. This Agreement is for the specific services with Consultant as set forth herein. Any attempt by Consultant to assign the benefits or burdens of this Agreement without written approval of City shall be prohibited and shall be null and void; except that Consultant may assign payments due under this Agreement to a financial institution.
11. RECORDS AND INSPECTIONS. Consultant shall maintain full and accurate records with respect to all services and matters covered under this Agreement. City shall have free access at all reasonable times to such records, and the right to examine and audit the same and to make transcripts therefrom, and to inspect all program data, documents, proceedings and activities. Consultant shall maintain an up-to-date list of key personnel and telephone numbers for emergency contact after normal business hours.

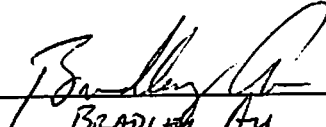
12. OWNERSHIP OF CONSULTANT'S WORK PRODUCT. City shall be the owner of any and all computations, plans, correspondence and/or other pertinent data, information, documents and computer media, including disks and other materials gathered or prepared by Consultant in performance of this Agreement, or at any earlier or later time when the same may be requested by City. Such work product shall be transmitted to City within ten (10) days after a written request therefor. Consultant may retain copies of such products. All written documents shall be provided to City in digital and in hard copy form.
13. NOTICES. All notices given or required to be given pursuant to this Agreement shall be in writing and may be given by personal delivery or by mail. Notice sent by mail shall be addressed as follows:
- To City: City of Culver City
 Attention: Crystal Alexander, City Treasurer
 9770 Culver Boulevard
 Culver City, CA 90232-0507
- To Consultant: Aon Consulting & Insurance Services
 Attention: Bradley J. Au, Senior Vice President
 707 Wilshire Blvd., Suite 5700
 Los Angeles, CA 90017
14. TAXPAYER IDENTIFICATION NUMBER. Consultant shall provide City with a complete Request for Taxpayer Identification Number ("TIN") and Certification, Form W-9, as issued by the Internal Revenue Service.
15. PERMITS AND LICENSES. Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, licenses, and certificates that may be required in connection with the performance of services under this Agreement including, but not limited to, a Culver City business tax certificate.
16. APPLICABLE LAWS, CODES AND REGULATIONS. Consultant shall perform all work in accordance with all applicable laws, codes and regulations required by all authorities having jurisdiction over such work. Consultant agrees to comply with prevailing wage requirements as specified in the California Labor Code, Sections 1770, et seq.
17. PURCHASES OF SUPPLIES AND MATERIALS WITHIN CULVER CITY. For work performed, Consultant agrees to seek bids for supplies and materials from businesses located within the City of Culver City, with the intent to make purchases from these businesses if such purchases can be made at competitive prices.
18. RIGHT TO UTILIZE OTHERS. City reserves the right to utilize others to perform work similar to the services provided hereunder.

19. MODIFICATION OF AGREEMENT. This Agreement may not be modified, nor may any of the terms, provisions or conditions be modified or waived or otherwise affected, except by a written amendment signed by all parties hereto.
20. WAIVER. If at any time one party shall waive any term, provision or condition of this Agreement, either before or after any breach thereof, no party shall thereafter be deemed to have consented to any future failure of full performance hereunder.
21. COVENANTS AND CONDITIONS. Each term and each provision of this Agreement to be performed by Consultant shall be construed to be both a covenant and a condition.
22. RIGHT TO TERMINATE. City may terminate this Agreement at any time, with or without cause, in its sole discretion, with thirty-days' (30-days') written notice.
23. EFFECT OF TERMINATION. Upon termination as stated in Paragraph 22 of this Agreement, City shall be liable to Consultant only for work satisfactorily performed by Consultant up to and including the date of termination of this Agreement, unless the termination is for cause, in which event Consultant need be compensated only to the extent required by law. Consultant shall be entitled to payment for work satisfactorily completed to date, based on a proration of the monthly fees set forth in Exhibit "B" attached hereto. Such payment will be subject to City's receipt of a close-out billing.
24. GOVERNING LAW. The terms of this Agreement shall be interpreted according to the laws of the State of California. If litigation arises out of this Agreement, then venue shall be in the Superior Court of Los Angeles County.
25. LITIGATION FEES. If litigation arises out of this Agreement for the performance thereof, then the court shall award costs and expenses, including attorney's fees, to the prevailing party. In awarding attorney's fees, the court shall not be bound by any court fee schedule but shall award the full amount of costs, expenses and attorney's fees paid or incurred in good faith.
26. INTEGRATED AGREEMENT. This Agreement represents the entire Agreement between City and Consultant, and all preliminary negotiations and agreements are deemed a part of this Agreement. No verbal agreement or implied covenant shall be held to vary the provisions of this Agreement. This Agreement shall bind and inure to the benefit of the parties to this Agreement, and any subsequent successors and assigns.

27. EFFECTIVE DATE. The effective date of this Agreement is the date it is signed on behalf of City, and shall remain in full force and effect until amended or terminated; provided, that the indemnification and hold harmless provisions shall survive the termination.

**AON CONSULTING
& INSURANCE SERVICES**

Dated: 4/15/08

By 
Its Bradley Hu
Sr. Vice President

Dated: _____

By _____

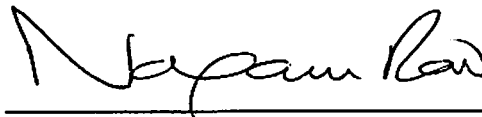
Its _____

CITY OF CULVER CITY, CALIFORNIA

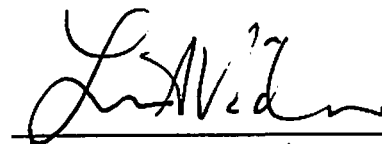
Dated: 12 MAY 2008

By Martin L. Cole, ACM
Jerry Fulwood
FOR City Manager

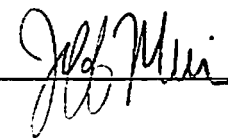
APPROVED AS TO CONTENT
& BUSINESS TAX CERTIFICATE


TREASURY DIVISION
#067765

APPROVED AS TO FORM:


Carol Schwab
City Attorney

APPROVED AS TO FINANCING:



Jeff Muir,
Chief Financial Officer

EXHIBIT A

CITY OF CULVER CITY
AGREEMENT

WITH: AON CONSULTING & INSURANCE SERVICES

FOR: ACTUARIAL SERVICES

SCOPE OF SERVICE

Consultant shall satisfactorily perform actuarial services associated with implementation of Governmental Accounting Standards Board (GASB) Statement No. 45.

The actuarial calculation will be based on the following scope of services:

- Disclosure of the OPEB obligations in accordance with GASB Statement No. 45
- Breakdown of the liability by current employees; retired employees and dependents; over age 65; under age 65; valuation of liability assuming conversion to eight options
- The required annual total contribution amount under various funding options
- A detailed schedule for each valuation indicating the projected number of retirees for each of the next 30 years based on the current retirees and active employees, with the projected benefits payable
- A summary of the actuarial basis and assumptions used in the valuation

Such services shall be conducted according to the Timeline on pages 8-11 in Consultant's September 28, 2007 response to City's Request for Proposals.

EXHIBIT B

CITY OF CULVER CITY
AGREEMENT

WITH: AON CONSULTING & INSURANCE SERVICES

FOR: ACTUARIAL SERVICES

SCHEDULE OF COMPENSATION
(TIME AND MATERIALS BASIS)

- A. METHOD OF PAYMENT. Payment for all work performed by Consultant pursuant to the terms of this Agreement, including Consultant's meeting with City staff, shall be based on the level of staff working on the engagement. The applicable rates for this project vary from \$120 - \$450 per hour. Typically, the majority of hours are charged at the lower rates such that the average billing rate is approximately \$200 - \$225.
- B. BILLING. At the end of each calendar month in which services are performed or expenses are incurred under this Agreement, and prior to the 10th day of the following month, Consultant shall submit an invoice to the City at the following address:

City of Culver City
Attn: Crystal Alexander, City Treasurer
9770 Culver Boulevard
Culver City, CA 90232-0507

The invoice submitted pursuant to this paragraph shall show the City Agreement Number, hours worked by each person who performed services during the billing period, the hourly rate of pay for each person who performed services, the dates on which the services were performed, a description of the services performed, actual out-of-pocket expenses incurred in the performance of the services, and such other information as City may reasonably require.

- C. TIME OF PAYMENT. Payment to Consultant shall be made within thirty (30) days after submittal of Consultant's invoice and approval by City, in accordance with City's normal demand procedure.
- D. MAXIMUM COMPENSATION. Notwithstanding the foregoing, Consultant shall complete all the work and tasks described in Exhibit A for a total amount of compensation that does not exceed Fifteen Thousand Dollars (\$15,000.00), which amount includes all out-of-pocket expenses.