

AGREEMENT TO FURNISH CONSULTING SERVICES
TO PROVIDE RIGHT-OF-WAY ACQUISITION SERVICES FOR REDLANDS
BOULEVARD, ALABAMA STREET AND COLTON AVENUE PROJECT

This Agreement is made and entered into this 21st day of June, 2005 by and between the City of Redlands, a municipal corporation (hereinafter "City") and Paragon Partners Ltd. hereinafter ("Consultant").

In consideration of the mutual promises contained herein, City and Consultant agree as follows:

ARTICLE 1 - ENGAGEMENT OF CONSULTANT

1.1 City hereby engages Consultant to provide right-of-way acquisition services for Redlands Boulevard, Alabama Street and Colton Avenue Project which are more particularly described in Attachment "A" attached hereto and incorporated herein by this reference (the "Services").

1.2 The Services shall be performed by Consultant in a professional manner, and Consultant represents that it has the skill and the professional expertise necessary to provide the Services to City at a level of competency presently maintained by other practicing professional consultants in the industry providing similar types of services.

ARTICLE 2 - SERVICES OF CONSULTANT

2.1 The specific Services which Consultant shall perform are more particularly described in Attachment "A," which is attached hereto and incorporated herein by this reference.

2.2 Consultant shall comply with all applicable Federal, State and local laws in its performance of the Services including, but not limited to, all California Labor Code requirements and non-discrimination laws including the Federal Americans with Disabilities Act and the state's Fair Employment and Housing Act.

2.3 Consultant acknowledges and agrees that if it violates the provisions of the California Labor Code relating to prevailing wage that City may withhold payments to Consultant pursuant to Labor Code sections 1726, 1727 and 1771.6.

ARTICLE 3 - RESPONSIBILITIES OF CITY

3.1 City shall make available to Consultant information in City's possession that is relevant to the performance of Consultant's Services.

3.2 City will make provision for Consultant to enter upon City-owned property to perform the Services.

3.3 City designates Tom T. Fujiwara to act as its representative with respect to the Services to be performed under this Agreement.

ARTICLE 4 - PERIOD OF SERVICE

4.1 Consultant shall perform the Services in a prompt and diligent manner and in accordance with the schedule set forth in Attachment "B," entitled "Project Schedule," which is attached hereto and incorporated herein by this reference. The Services may commence on June 22, 2005 and shall end on April 30, 2006, unless an extension is approved by City.

ARTICLE 5 - PAYMENTS TO CONSULTANT

5.1 The total compensation for Consultant's performance of the Services shall be based on time and materials and shall not exceed the amount set forth in Attachment "C," which is attached hereto and incorporated herein by reference.

5.2 Within ten days following the end of each month Consultant shall submit an invoice to City indicating the portion of the Services performed, who performed the Services, indirect costs, and the detailed cost of all Services including backup documentation. Payments by City to Consultant shall be made within 30 days after receipt and approval of Consultant's invoice, by warrant payable to Consultant.

5.3 All notices, bills and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills and payments sent by mail shall be addressed as follows:

City

Tom T. Fujiwara
City of Redlands
Public Works Dept.
PO Box 3005
Redlands, CA 92373

Consultant

James M. Rushing
Paragon Partners, Ltd.
5762 Bolsa Avenue, Suite 201
Huntington Beach CA 92649

When so addressed, such notices shall be deemed given upon deposit in the United States Mail. Changes may be made in the names and addresses of the person to whom notices and payments are to be given by giving notice pursuant to this section.

ARTICLE 6 - INSURANCE AND INDEMNIFICATION

6.1 Consultant's Insurance to be Primary

All insurance required by this Agreement shall be maintained by Consultant during its performance of the Services and shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City. Consultant shall not commence the Services unless and until all required insurance listed below is obtained by Consultant and Certificates of Insurance and endorsements evidencing such insurance are presented to City. All insurance policies shall include a provision prohibiting cancellation, except upon thirty (30) days prior written notice to City.

6.2 Workers' Compensation and Employer's Liability

A. Consultant shall secure and maintain Workers' Compensation and Employer's Liability insurance throughout its performance of the Services in amounts which meet statutory requirements with an insurance carrier acceptable to City.

B. Consultant expressly waives all rights to subrogation against City, its elected officials and employees for losses arising from work performed by Consultant for City by expressly waiving Consultant's immunity for injuries to Consultant's employees. Consultant agrees that its obligation to indemnify, defend and hold harmless provided for in this Agreement extends to any claim brought by or in behalf of any employee of Consultant. This waiver is mutually negotiated by the parties. This section shall not apply to any damage resulting from the sole negligence of City, its agents or employees, the obligations provided herein to indemnify, defend and hold harmless are valid and enforceable only to the extent of the negligence of Consultant, its officers, agents and employees.

6.3 Comprehensive General Liability Insurance. Consultant shall secure and maintain in force throughout its performance of the Services comprehensive general liability insurance with carriers acceptable to City. Minimum coverage of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate for public liability, property damage and personal injury is required. Consultant shall obtain an endorsement that City shall be named as an additional insured.

6.4 Professional Liability Insurance. Consultant shall secure and maintain professional liability insurance throughout its performance of the Services in the amount of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) annual aggregate.

6.5 Business Auto Liability Insurance. Consultant shall have business auto liability coverage, with minimum limits of one million dollars (\$1,000,000) per occurrence, combined single limit for bodily injury liability and property damage liability. This coverage shall include all Consultant-owned vehicles used in connection with its performance of the Services, hired and non-owned vehicles, and employee non-ownership vehicles. Consultant shall obtain an endorsement that City shall be named as an additional insured.

6.6 Assignment and Insurance Requirements. Consultant is expressly prohibited from assigning any of the Services without the prior written consent of City. In the event of mutual agreement between the parties to sublet or assign a portion of the Services, Consultant shall add the assignee as an additional insured to Consultant's insurance policies and provide City with insurance endorsements prior to any Services being performed by the assignee. Assignment does not include printing or other customary reimbursable expenses that may be provided in this Agreement.

6.7 Hold Harmless and Indemnification. Consultant shall defend, indemnify and hold harmless City, its elected officials, officers, employees and agents from and against any and all actions, claims, demands, lawsuits, losses and liability for damages to persons or property, including costs and attorney fees, that may be asserted or claimed by any person, firm, entity, corporation, political subdivision or other organization arising out of or in connection with Consultant's negligent and/or intentionally wrongful acts or omissions in performing the Services; but excluding such actions, claims, demands, lawsuits and liability for damages to persons or property arising from the sole negligence or intentionally wrongful acts of City, its officers, employees or agents.

ARTICLE 7 - GENERAL CONSIDERATIONS

7.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees.

7.2 Consultant's key personnel for the Project are:
Neilia A. La Valle, Principal-in-Charge
James M. Rushing, Project Manager

Consultant agrees that these key people shall be made available and assigned to perform the Services and that they shall not be replaced without concurrence from City.

7.3 All documents, records, drawings, designs, cost estimates, electronic data files, databases and other documents developed by Consultant pursuant to this Agreement and any copyright interest in such documents shall become the property of City and shall be delivered to City upon completion of the Services, or upon the request of City. Any reuse of such documents and any use of incomplete documents will be at City's sole risk.

7.4 Consultant is for all purposes an independent contractor. Consultant shall supply all tools and instrumentalities required to perform the Services described in this Agreement. All personnel employed by Consultant are for its account only, and in no event shall Consultant or any personnel retained by it be deemed to have been employed by City or engaged by City for the account of or in behalf of City.

7.5 Unless earlier terminated, as provided for below, this Agreement shall terminate upon completion and acceptance of the Services by City.

7.6 This Agreement may be terminated by City, without cause, by providing five (5) days prior written notice to Consultant (delivered by certified mail, return receipt requested) of intent to terminate.

7.7 If this Agreement is terminated by City, an adjustment to Consultant's compensation shall be made, but no amount shall be allowed for anticipated profit or unperformed Services, and any payment due Consultant at the time of termination may be adjusted to the extent of any additional costs to City occasioned by any default by Consultant.

7.8 Upon receipt of a termination notice, Consultant shall immediately discontinue all Services, and deliver or otherwise make available to City, copies (in both hard copy and electronic form, where applicable) of any data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Services. Consultant shall be compensated on a pro-rata basis for work completed up until notice of termination.

7.9 Consultant shall maintain books and accounts of all payroll costs and expenses incurred in performing the Services. Such books shall be available at all reasonable times for examination by City at the office of Consultant.

7.10 This Agreement, including the attachments incorporated herein by reference, represents the entire agreement and understanding between the parties as to the matters contained herein, and any prior negotiations, written proposals or agreements with regard to the subject matter hereof between City and Consultant are superseded by this Agreement. Any amendment to this Agreement shall be in writing, approved by City Council of City and signed by City and Consultant.

7.11 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, duly authorized representatives of City and Consultant have signed in confirmation of this Agreement.

Attest:

By: 
Susan Peppler, Mayor

By: 
Lorrie Poyzer, City Clerk

Paragon Partners Ltd.

By:  President
Neilia A. LaValle

ATTACHMENT “A”

SECTION E – SCOPE OF SERVICES

Work Tasks

Real Property Appraisals

Right of Way and Property will be appraised in accordance with the Uniform Acquisition Act, USPAP and Title 25, California Code of Regulations. Paragon has selected Gary Peck to serve as Appraisal Coordinator on all appraisal functions. Mr. Peck will be supported by appraisal subconsultant Mark Linnes, MAI. Mr. Linnes is a State of California Certified (general) Real Estate Appraiser. He will prepare fair market value appraisals in accordance with all applicable professional appraisal methods and standards.

Mr. Linnes has more than 30 years of experience with various public works projects involving state, federal and local funds. Appraisal assignments have included public and private rights-of-way for freeway and street widening, surface and subsurface easements for electrical and oil line transmission, and City street widening and redevelopment project acquisition appraisals.

The following general procedures will be utilized by Mr. Linnes in the performance of the appraisal work for the City of Redlands:

1. Prepare a complete self-contained tabbed appraisal report in triplicate valuing the right of way take area. If a report is being prepared for multiple parcels, the report will be divided and labeled to identify the beginning of the narrative analysis and valuation for that parcel.
2. The report shall conform to the requirements promulgated by the Appraisal Foundation and known as the Uniform Standards of Professional Appraisal Practice, which are effective at the time the report is delivered to the City.
3. The report shall be prepared in conformity with the Eminent Domain Law and interpretive cases. Paragon will complete an Appraisal Summary Statement including the attachments using a form provided or approved by the City in order to comply with the requirements of California Government Code, Section 7267.2.
4. The report will contain the following: all real estate items (land, buildings, and appurtenant on-site improvements), exclusive of non-realty fixtures, equipment and business inventory; pertinent property data; a date of value; discussions and conclusions of highest and best use; a narrative explanation of approaches to value; summary and tabulation of market data; analysis of market data and conclusions of value, including severance damages where applicable.
5. The Appraiser will attend a “scoping session” meeting with the City, submit a draft report and attend a pre-submission conference with City staff, if required by staff.



6. The Appraiser will be available to testify in depositions or as an expert witness in any case in which such services would, in the City's discretion, be required. Any such services will be billed on a time & material basis as approved by the City.
7. Nothing contained in this Scope of Services shall be construed as relieving the Appraiser from the performance of any work and/or inclusion of any item in the appraisal report that would otherwise be required for sound appraisal practices.
8. Fees for additional appraisals and acquisitions above the 23 cases identified in this scope of services will be subject to negotiation and approval by the City.

Negotiation and Acquisition

Working closely with the PM, acquisition services for the Project will be lead by Paragon's Senior Acquisition Services Coordinator, Mike Elmore. Paragon's acquisition services and procedures for public works projects are presented below. These procedures assure that property and interests in real property are acquired in accordance with applicable State and/or Federal guidelines and City policies. Specific City procedures for reporting, coordination, etc., are incorporated into these general procedures to ensure that the City's goals and requirements are achieved.

1. Paragon will review title reports and appraisal reports in sufficient detail to prepare for negotiations with property owners and other parties to acquire interests in the real property to be acquired.
2. A complete and separate file for each parcel will be prepared and maintained. It will include a Parcel Diary of all pertinent information and contacts made relative to the acquisition negotiations.
3. All offer letters, "Notices of Intent", appraisal summary statements, acquisition agreements, deeds, legal descriptions, plats, copies of "The Public Acquisition Process" and any other required real property acquisition documents will be prepared in accordance with the City's procedures.
4. Paragon acquisition agents will set appointments with the appropriate parties for presentation of the formal written offers.
5. The acquisition agents will contact and negotiate in "good faith" with each property owner, their agent or representative, tenants or lessees at appointed times convenient for them to present offers and explain the acquisition process. Negotiations with out of state or out of area property owners will be conducted only via mail, telephone or e-mail.
6. Receipted copies of offer letters and appraisal summary statements or the agents certification of the tender of said offer will be promptly delivered to the City.
7. The Project Manager will coordinate and manage the acquisition process with the City, legal counsel, the escrow company, the City's engineer and the appraiser.

8. The Project Manager will coordinate and manage the acquisition process with the acquisition agents, the property owners and the City; and maintain project status and progress tracking reports.
9. The Project Manager will promptly transmit all executed documents (acquisition agreements, etc.) to the City for acceptance and processing. A report summarizing the pertinent data relative to the transaction will be included. The Project Manager will coordinate opening of all escrow's, monitor same, assist the escrow company in obtaining additional documentation as necessary, supervise the closing of all escrow's and review all closing statements for completeness and accuracy.
10. The Project Manager will serve as liaison between the title company, escrow holder and the City.
11. The Project Manager will prepare and deliver a written monthly progress report of the status of the acquisition of each parcel; and verbally communicate regularly with the City.
12. The Project Manager will monitor and report progress of the Project.
13. The Project Manager will recommend condemnation action when negotiations have reached an impasse. The required justification will be submitted in writing to the City. Assistance to the City's legal counsel will be provided as necessary. However, Paragon's primary goal will be to reach a successful acceptance of the offer with each property owner. The Project Manager will work with the City and its legal counsel in recommending solutions to achieve acceptance of the offer.
14. Paragon will provide condemnation support as directed. At such time that negotiations reach an impasse and eminent domain proceedings have commenced, Paragon will provide coordination and assistance necessary to aid the condemnation counsel on a time & material basis.
15. Oral and written bi-lingual (Spanish) services will be provided as needed.
16. The Project Manager will deliver completed original acquisition files with all pertinent information including the Parcel Diary and all notes to the City at the conclusion of the Project.

On-Line Project Tracking

In addition to the activities discussed above, Paragon will provide the City with an on-line project tracking capability via a secure project-specific website. Project data will be readily accessible and will feature ongoing project file updates and continuous document tracking.

ATTACHMENT "B"

Project Schedule:

With the Notice to Proceed issued no later than July 5, 2005, the project completion date is April 12, 2006.

ATTACHMENT "C"

Total Compensation:

The compensation is based on Time and Materials not to exceed \$99,980.00 at the fee schedule attached.



SECTION H: FIXED FEE FOR SERVICES PROVIDED & SCHEDULE OF PROFESSIONAL FEES

Paragon's Fixed Fee to provide Right-of-Way Acquisition Services for the Redlands Boulevard, Alabama Street, and Colton Avenue Improvement Project, as well as our 2005 Schedule of Professional Fees are included on the following pages.

Basis of Cost Estimate and Assumptions

1. The proposed acquisitions constitute partial takes.
2. The City will require no more than 6 monthly coordination/progress meetings.
3. The schedule for right-of-way appraisal and acquisition services to be initiated by early July 2005.
4. It is assumed the appraisal/acquisition process will be completed in six (6) months. If the project schedule is extended or delayed due to reasons beyond Paragon's control, the overall acquisition cost may be adjusted to reflect additional negotiation, coordination and management time.
5. If negotiations reach an impasse, the use of eminent domain will be recommended. Litigation Support after the filing of the condemnation action will be provided as needed on a time and materials basis.
6. The City's Engineering Consultant will provide legal descriptions of each part take, preliminary title reports, and acquisition plat maps for the parcels involved in the project. The appraisal plat maps will include the total parcel area, the area of take and the remainder area.
7. Escrow fees, closing costs and title insurance will be paid by the City.
8. Preliminary Title Reports will be supplied by the City. If Litigation Guarantees are required, they will be supplied by the City or its Project engineering consultant.

Paragon Partners Ltd.

Work Breakdown Structure

1. Kick-off Meeting			
Project Manager	4	\$110.00	\$440.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent		\$85.00	\$0.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support	1	\$50.00	\$50.00
ODCs			\$100.00
Total Task 1	5		\$590.00

Task 1 reflects estimated costs associated with the initial Project Kick-Off meeting with the City to verify reporting requirements, correspondence routing, day-to-day coordination, etc.

2. Appraisal and Appraisal Coordination (23 Parcels)			
Project Manager		\$110.00	\$0.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent		\$85.00	\$0.00
Sr. Staff Appraiser	8	\$100.00	\$800.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support	2	\$50.00	\$100.00
ODCs (Appraisals)			\$44,000.00
Total Task 2	10		\$44,900.00

Task 2 reflects estimated costs associated with managing and coordinating appraisals for 23 properties and the cost of 23 appraisals.

3. Review Title & Appraisal Items (23 parcels)			
Project Manager		\$110.00	\$0.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent	19	\$85.00	\$1,615.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support		\$50.00	\$0.00
ODCs			\$100.00
Total Task 3	19		\$1,715.00

Task 3 reflects costs associated with reviewing title and appraisal items in preparation for negotiations with the owners of 19 parcels.

4. File set-up & maintenance, Document Preparation (23 parcels)			
Project Manager	2	\$110.00	\$220.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent	23	\$85.00	\$1,955.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support	46	\$50.00	\$2,300.00
ODCs			\$200.00
Total Task 4	71		\$4,675.00

Task 4 reflects costs associated with setting up parcel files and preparing acquisition documents for 23 parcels.

Paragon Partners Ltd.
Work Breakdown Structure

5. Offer Presentation (19 parcels)			
Project Manager	2	\$110.00	\$220.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent	38	\$85.00	\$3,230.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support	4	\$50.00	\$200.00
ODCs			\$500.00
Total Task 5	44		\$4,150.00

Task 5 reflects estimated costs associated with presenting offers to acquire right of way from 19 parcels.

6. Conduct Negotiations (19 Parcels + 4 SANBAG Parcels)			
Project Manager	40	\$110.00	\$4,400.00
Senior Acquisition Coordinator	24	\$95.00	\$2,280.00
Sr. Acquisition Agent	304	\$85.00	\$25,840.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support		\$50.00	\$0.00
ODCs			\$1,500.00
Total Task 6	368		\$34,020.00

Task 6 reflects estimated costs associated with negotiating the acquisition of property from 19 parcels and coordinating the execution of documents for the 4 SANBAG parcels.

7. Escrow Coordination			
Project Manager	1	\$110.00	\$110.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent		\$85.00	\$0.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist	4	\$75.00	\$300.00
Administrative Support	12	\$50.00	\$600.00
ODCs			\$100.00
Total Task 7	17		\$1,110.00

Task 7 reflects the cost of the coordination time to open and monitor escrows.

8. Monthly Progress Meetings and Reporting for 6 Months (23 Parcels)			
Project Manager	48	\$110.00	\$5,280.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent		\$85.00	\$0.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support	24	\$50.00	\$1,200.00
ODCs			\$500.00
Total Task 8	72		\$6,980.00

Paragon Partners Ltd.

Work Breakdown Structure

Task 8 reflects estimated costs associated with developing 6 monthly progress reports and attendance at 6 monthly progress meetings.

9. Condemnation Recommendations/Support*			
Project Manager	4	\$110.00	\$440.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent		\$85.00	\$0.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support	4	\$50.00	\$200.00
ODCs			\$100.00
Total Task 9	8		\$740.00

Task 9 reflects estimated costs associated with developing recommendations for eminent domain proceedings.

10. Close Out and Transmit Completed Files			
Project Manager	2	\$110.00	\$220.00
Senior Acquisition Coordinator		\$95.00	\$0.00
Sr. Acquisition Agent	8	\$85.00	\$680.00
Sr. Staff Appraiser		\$100.00	\$0.00
Sr. Title Specialist		\$75.00	\$0.00
Administrative Support		\$50.00	\$0.00
ODCs			\$200.00
Total Task 10	10		\$1,100.00

Task 10 reflects estimated costs associated with transmitting completed acquisition files to the City upon completion of acquisition services.

COST SUMMARY

Project Manager	103	\$110.00	\$11,330.00
Senior Acquisition Coordinator	24	\$95.00	\$2,280.00
Sr. Acquisition Agent	392	\$85.00	\$33,320.00
Sr. Staff Appraiser	8	\$100.00	\$800.00
Sr. Title Specialist	4	\$75.00	\$300.00
Administrative Support	93	\$50.00	\$4,650.00
ODCs			\$47,300.00
Total Labor and Expenses	624		\$99,980.00

1. Additional acquisitions completed within the proposed schedule will be an additional cost of \$2,500 per parcel.

2. Additional acquisitions required beyond the scope of the proposed schedule will be an additional cost of \$2,950 per parcel.

3. The cost of any additional appraisals needed will be quoted on a case by case basis.

* 4. Condemnation Support after the condemnation filing will be provided on a time and materials basis to a maximum NTE budget to be determined by the scope required at the time.

**5. Escrow fees and closing costs will be calculated at \$830 for liabilities up to \$50,000

Paragon Partners Ltd.

SCHEDULE OF PROFESSIONAL FEES January 3, 2005

RIGHT OF WAY SERVICES

CLASSIFICATION	HOURLY RATES
Principal/Project Director	\$ 135.00
Project Manager	\$ 110.00
Senior Acquisition Coordinator	\$ 95.00
Senior Acquisition/Relocation Assistance Specialist	\$ 85.00
Acquisition/Relocation Assistance Specialist	\$ 75.00
Senior Property Manager	\$ 85.00
Senior Staff Appraiser	\$ 100.00
Senior Title Specialist	\$ 75.00
Title Specialist	\$ 65.00
Senior CADD Operator	\$ 60.00
CADD Operator	\$ 50.00
TECHNICAL SUPPORT SERVICES	
Administrative Support	\$ 50.00
Office Clerk	\$ 30.00

DIRECT CHARGES

Copies (Xerox) @ \$ 0.15 each	Pagers/Cellular @ Cost
Engineering Copies @ \$ 5.00 each	Air Travel & Lodging @ Cost
Experian Copies @ \$ 2.00 each	Mileage @ \$ 0.405 per mile*
Telephone/Fax @ Cost	Sub-Consultants @ Cost + 10%
Postage/FedEx @ Cost	Other Expenses @ Cost + 10%

*Or current IRS allowable.

TERMS OF PAYMENT: Net 30 days - Invoices will be submitted monthly. All rates are effective as of January 3, 2005. Rates may be revised January 2, 2006 with client concurrence to reflect current business conditions. Overtime for applicable labor classifications will be charged at 1.5 times the hourly rate in accordance with California law.