

**Audit of the Agreement  
Between the City of Beverly  
Hills and the Beverly Hills  
Chamber of Commerce and  
Civic Association for  
Business Attraction and  
Retention Services for  
Fiscal Year 2018-19**



**Office of the City Auditor  
Eduardo Luna, City Auditor**

**Report 01-FY 2019/20 | December 2019**



The Office of the City Auditor has established the Trust & Innovation Portal (TIP) in order to enhance trust by safeguarding public monies and resources and holding City officials and employees accountable as stewards. TIP is an online tool accessible at [beverlyhills.org/TIP](https://beverlyhills.org/TIP) designed to encourage residents and employees to:

- 1) Share innovative ideas about improving City services; and
- 2) Report suspected cases of improper activity in City operations.

Residents and employees can also offer suggestions or make reports by emailing [TIP@beverlyhills.org](mailto:TIP@beverlyhills.org) or by calling **310-288-2TIP (310-288-2847)**. All emails and calls will be treated with the utmost confidentiality.



December 20, 2019

Honorable Mayor and City Council  
City of Beverly Hills, California

Transmitted herewith is an audit report on the Agreement between the City of Beverly Hills and the Beverly Hills Chamber of Commerce and Civic Association for Business Attraction and Retention Services for Fiscal Year (FY) 2018-19. The Results in Brief is presented on page 1. We made no recommendations in this report.

We would like to thank the Beverly Hills Chamber of Commerce and the City of Beverly Hills' Policy and Management staff for their assistance and cooperation during this audit. All of their valuable time and efforts spent providing us information are greatly appreciated. The audit staff member responsible for this audit report is Abbey Tenn.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Eduardo Luna".

Eduardo Luna  
City Auditor

cc: George Chavez, City Manager  
Nancy Hunt-Coffey, Assistant City Manager  
Pamela Mottice-Muller, Director of Emergency Management  
Laura Biery, Marketing and Economic Sustainability Manager  
Laurence Wiener, City Attorney  
Keith Sterling, Public Information Manager  
Todd Johnson, President and Chief Executive Officer  
Blair Schlechter, Vice President of Economic Development and Government Affairs  
Farimah Fayyad, Chief Financial Officer and Office Manager

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## Results in Brief

In accordance with the City Auditor's FY 2019 Audit Work Plan, we performed an audit of the Agreement between the City of Beverly Hills (City) and the Beverly Hills Chamber of Commerce and Civic Association (Chamber) for Business Attraction and Retention Services for FY 2018-19 (Agreement). Specifically, our objectives were to:

- Evaluate whether business attraction and retention services expenses are reasonable; and
- Verify that components agreed upon by the City and the Chamber in the FY 2018-19 work plan occurred.

Based on our review of financial data provided by the Chamber, we found that FY 2018-19 work plan expenditures appear to be reasonable. Further, we found that, with limited exceptions, the components listed in the FY 2018-19 work plan occurred.<sup>1</sup>

We provided a copy of this report to City and Chamber staff for their review. They generally concurred with the report and only had minor comments.

## Background

The Beverly Hills Chamber of Commerce (Chamber) is a membership organization comprised of about 800 local businesses. Their mission is to empower businesses to thrive by being an invaluable resource for optimizing connections. The City of Beverly Hills (City) has a partnership with the Chamber to conduct or participate in business attraction and retention programs for the benefit of the City.

### Fiscal Year 2018-19 Work Plan

As shown in **Exhibit 1**, the City provided funding to the Chamber for 14 programming activities that occurred during the period of July 1, 2018 through June 30, 2019 for business attraction and retention programs services. The amount of \$334,390 was in accordance with the work plan and budget submitted by the Chamber, and as modified, at the September 17, 2018 City Council Study Session.<sup>2</sup> **Appendix II** (page 17) summarizes the 13 components that the Chamber agreed to provide to the City. The 14<sup>th</sup> component – Holiday BOLD Programming – was a later addition reflected in Amendment No. 1 to the Agreement.

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<sup>1</sup> The exceptions to the FY 2018-19 work plan components are described further on page 3.

<sup>2</sup> An additional \$8,750 was added to the work plan for Holiday BOLD Programming in Amendment No. 1 to the Agreement.

## Exhibit 1: Beverly Hills Chamber of Commerce and Civic Association FY 2018-19 Work Plan Components

No.	Work Plan Component	Time Frame	Events Agreed Upon According to Work Plan	Proposed 2018-2019 Budget
1	New York Business Attraction and Retention Mission	Year-Round (Mission scheduled for 10/29/18 - 11/2/18)	Four-day trip to New York	109,010
2	Management of Mayoral Business Retention Meetings	Year-Round	12 meetings between Beverly Hills business owners and the City of Beverly Hills	15,745
3	Broker's Roundtables	December 2018 & June 2019	Two roundtable meetings per year	10,470
4	Economic Sustainability Plan Support*	Year-Round	The Chamber will host up to 3 focus groups annually	10,085
5	Get to Know Your City Program	Year-Round	Bi-yearly (two) "open houses" where businesses can interact with relevant City Departments to learn how they function	13,190
6	Small Business Development Center Partnership	Year-Round	Program encompasses one-on-one coaching and 12 educational seminars (one per month)	20,760
7	My Beverly Hills	Year-Round	12 monthly programs from July 2018 through June 2019	66,720
8	Outreach and Support of Holiday BOLD Programming	November 2018 - December 2018	Chamber will provide outreach and marketing to support the City's Holiday BOLD Program	8,750
9	San Francisco Business Attraction and Retention Mission	Spring 2019	1.5 day trip	38,425
10	Destination Master Plan Strategic Support	Year-Round	Monthly two-hour planning meetings	4,450
11	Beverly Hills Economic Development Data Portal	Year-Round	Create a dedicated economic development website portal for the City of Beverly Hills which will provide a series of economic development data tools to help existing and prospective businesses gather critical business information	10,525
12	La Cienega Landowner and Property Manager Forum	Winter 2019	A forum for property owners and managers along La Cienega Boulevard to develop a vision for driving business and development in the area with the addition of the forthcoming subway	4,910
13	Metro PLE Stakeholder Outreach Plan	Year-Round	The Chamber proposed a series of up to 12 stakeholder meetings, to be attended by key business stakeholders surrounding the construction of Section 2 of the Purple Line Subway extension	14,005
14	Management of Small Business Task Force	Year-Round	The Chamber proposed conducting up to 10 meetings, approximately one per month	17,430
<b>TOTAL FY 2018-2019</b>				<b>\$ 334,390</b>

\* Carried over from Fiscal Year 2017-2018 Agreement. Not included in Grand Total row.

Source: Office of the City Auditor (OCA) generated based on Attachment 1 to Exhibit A in Amendment No. 1 to the Agreement.



## Audit Results

### **Fiscal Year 2018-19 Work Plan Expenditures Appear To Be Reasonable**

We reviewed all available information provided by the Chamber in support of FY 2018-19 work plan expenditures and determined that work plan expenditures appear to be reasonable. Chamber staff provided us with calculations supporting FY 2018-19 work plan expenditures.<sup>3</sup> We reviewed the terms of the Agreement, which require that the City compensate the Chamber for expenses incurred in the performance of the Agreement.<sup>4</sup> Further, per Amendment No. 1 to the Agreement, the Chamber is required to accept in full satisfaction for such services, a sum not to exceed \$334,390, which includes reimbursement for all actual and necessary expenditures incurred in the performance of the Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable).<sup>5</sup> Based on our review, work plan expenditures appeared reasonable.

### **With Limited Exceptions, the Components Listed in the FY 2018-19 Work Plan Occurred**

The FY 2018-19 work plan consisted of 14 components including the New York Business Attraction and Retention Mission, My Beverly Hills, and the San Francisco Business Attraction and Retention Mission. Each work plan component involved different obligations such as monthly meetings, multi-day trips, or bi-yearly open houses. We reviewed a variety of supporting documentation for each component including agendas, summary reports, marketing materials and presentations and determined that, with limited exceptions, the components listed in the FY 2018-19 work plan occurred.

While the components listed in the Agreement were substantially completed, there were some minor exceptions. Specifically:

- The Economic Sustainability Plan Support was carried over to FY 2019-20 at the request of the City due to a change in timing on development of the plan. The original amount budgeted for this component was \$10,085. However, half of this amount (\$5,042.50) was spent in FY 2017-18 before the Chamber received notice not to proceed. The remaining balance of \$5,042.50 was carried over to FY 2019-20.
- Only four of 12 scheduled Mayoral Business Retention meetings occurred throughout FY 2018-19 due to scheduling conflicts. According to Chamber staff, the remaining eight meetings and \$5,248 from the FY 2018-19 budget will be rolled over to FY 2019-20.
- The FY 2018-19 work plan specified 12 monthly planning meetings for Destination Master Plan Strategic Support. However, the CEO of the Beverly Hills Conference & Visitors Bureau confirmed that the meeting period was condensed from 12 months to an approximately 6-month period so that findings and recommendations could be provided to the City Council before the end of 2018. There was no carryover amount for this work plan component.

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<sup>3</sup> Chamber staff provided calculations supporting \$325,640 outlined in the Agreement. See **Appendix II** for Agreement. Calculations were not provided for the additional \$8,750 for Holiday BOLD Programming outlined in Amendment No. 1 to the Agreement.

<sup>4</sup> Refer to Section 3(a) of the Agreement. See **Appendix II** for Agreement.

<sup>5</sup> Refer to Sections 3(a) and 3(b) of the Agreement. See **Appendix II** for Agreement.

- The Economic Development Portal began in FY 2018-19 but was placed on hold until FY 2019-20 at the request of the City in order to coincide with the launch of the City's new website. A total amount of \$5,525 was carried over to FY 2019-20 for the Economic Development Portal.

## Conclusion

The Chamber's expenditures appear reasonable. Agreed upon activities occurred as planned with some minor exceptions, primarily due to scheduling issues. No recommendations were necessary.



## Appendix I: Objectives, Scope and Methodology

In accordance with the City Auditor's FY 2019 Audit Work Plan, we performed an audit of the Agreement between the City of Beverly Hills (City) and the Beverly Hills Chamber of Commerce and Civic Association (Chamber) for Business Attraction and Retention Services for FY 2018-19 (Agreement). Specifically, our objectives were to:

- Evaluate whether business attraction and retention services expenses are reasonable; and
- Verify that components agreed upon by the City and the Chamber in the FY 2018-19 work plan occurred.

To evaluate whether business attraction and retention services expenses were reasonable, we interviewed Chamber and Policy and Management staff regarding the annual work plan budget process and the travel policy. We also reviewed calculations provided by the Chamber supporting the FY 2018-19 work plan expenditures. Work plan expenditures were a combination of labor, material and travel expenses.

To verify that components agreed upon by the City of Beverly Hills and the Beverly Hills Chamber of Commerce in the FY 2018-19 work plan occurred, we reviewed supporting documentation provided by Chamber staff and reconciled these documents to components listed in the FY 2018-19 work plan. Supporting documentation for work plan components included agendas, summary reports, marketing materials and presentations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Appendix II: Agreement between the City of Beverly Hills and the Beverly Hills Chamber of Commerce and Civic Association for Business Attraction and Retention Services for FY 2018-19

AGREEMENT NO.

401-18

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE  
BEVERLY HILLS CHAMBER OF COMMERCE AND CIVIC ASSOCIATION  
FOR BUSINESS ATTRACTION AND RETENTION SERVICES FOR  
FISCAL YEAR 2018-19

NAME OF CONTRACTOR: Beverly Hills Chamber of Commerce and Civic Association

RESPONSIBLE PRINCIPAL OF CONTRACTOR: Todd Johnson, Chief Executive Officer

CONTRACTOR'S ADDRESS: 9400 Santa Monica Boulevard  
Beverly Hills, CA 90210  
Attention: Todd Johnson, Chief Executive Officer

CITY'S ADDRESS: City of Beverly Hills  
455 N. Rexford Drive  
Beverly Hills, CA 90210  
Attention: Pamela Mottice Muller, Director of Emergency Management, Recovery, and Resilience

COMMENCEMENT DATE: July 1, 2018

TERMINATION DATE: June 30, 2019

CONSIDERATION: Not to exceed \$325,640

AGREEMENT BETWEEN THE CITY OF BEVERLY HILLS AND THE  
BEVERLY HILLS CHAMBER OF COMMERCE AND CIVIC ASSOCIATION  
FOR BUSINESS ATTRACTION AND RETENTION SERVICES FOR  
FISCAL YEAR 2018-19

THIS AGREEMENT is made by and between the City of Beverly Hills (hereinafter called "CITY"), and Beverly Hills Chamber of Commerce and Civic Association (hereinafter called "CONTRACTOR" or "CHAMBER").

RECITALS

A. CHAMBER is located in the City of Beverly Hills and has special knowledge and experience to conduct or participate in business attraction and retention programs for the benefit of CITY.

B. Section 37110 of the State Government Code authorizes the expenditure of monies for promotions.

C. CITY desires to have certain services and/or goods provided as set forth in Exhibit A (the "Scope of Work"), attached hereto and incorporated herein.

D. CHAMBER represents that it is qualified and able to perform the Scope of Works.

NOW, THEREFORE, the parties agree as follows:

Section 1. CHAMBER's Scope of Work.

CHAMBER shall perform the Scope of Work described in Exhibit A in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. CITY shall have the right to order, in writing, changes in the Scope of Work. Any changes in the Scope of Work by CHAMBER must be made in writing and approved by both parties. The cost of any change in the Scope of Work must be agreed to by both parties in writing.

Section 2. Time of Performance.

CHAMBER shall commence its services under this Agreement upon the Commencement Date or upon a receipt of a written notice to proceed from CITY. CHAMBER shall complete the performance of services by the Termination Date set forth above and/or in conformance with the project timeline established by the City Manager or his designee.

Section 3. Compensation.

(a) *Compensation.* CITY agrees to compensate CHAMBER for the services and/or goods provided under this Agreement, and CHAMBER agrees to accept in full satisfaction for such services, a sum not to exceed the Consideration set forth above and more particularly described in Exhibit B, attached hereto and incorporated herein.

(b) Expenses. The amount set forth in paragraph (a) shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement (including, but not limited to, all labor, materials, delivery, tax, assembly, and installation, as applicable). There shall be no claims for additional compensation for reimbursable expenses.

(c) Additional Services. CITY may from time to time require CHAMBER to perform additional services not included in the Scope of Services. Such requests for additional services shall be made by CITY in writing and agreed upon by both parties in writing.

Section 4. Method of Payment. CITY shall pay CHAMBER said Consideration in accordance with the method and schedule of payment set forth in Exhibit B.

Section 5. Independent Contractor. CHAMBER is and shall at all times remain, as to CITY, a wholly independent contractor. Neither CITY nor any of its agents shall have control over the conduct of CHAMBER or any of CHAMBER's employees, except as herein set forth. CHAMBER shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

Section 6. Assignment. This Agreement shall not be assigned in whole or in part, by CHAMBER without the prior written approval of CITY. Any attempt by CHAMBER to so assign this Agreement or any rights, duties or obligations arising hereunder shall be void and of no effect.

Section 7. Responsible Principal(s)

(a) CHAMBER's Responsible Principal set forth above shall be principally responsible for CHAMBER's obligations under this Agreement and shall serve as principal liaison between CITY and CHAMBER. Designation of another Responsible Principal by CHAMBER shall not be made without prior written consent of CITY.

(b) CITY's Responsible Principal shall be the City Manager or his designee set forth above who shall administer the terms of the Agreement on behalf of CITY.

Section 8. Personnel. CHAMBER represents that it has, or will secure at its own expense, all personnel required to perform the services under this Agreement. All personnel engaged in the work shall be qualified to perform such services. CITY shall review and has the right to approve all subcontractors used in provision of services under this Agreement within five (5) business days of CHAMBER's submission and prior to their engagement by CHAMBER. Such approval shall not be unreasonably withheld by CITY. CHAMBER, however, shall be solely responsible for the work performed by those third party contractors, including timely performance and payment.

Section 9. Permits and Licenses. CHAMBER shall obtain and maintain during the Agreement term all necessary licenses, permits and certificates required by law for the provision of services under this Agreement, including a business license.

Section 10. Interests of CHAMBER. CHAMBER affirms that it presently has no interest and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of the Scope of Work contemplated by this Agreement. No person having any such interest shall be employed by or be associated with CHAMBER.

Section 11. Insurance.

(a) CHAMBER shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

(1) A policy or policies of Comprehensive General Liability Insurance, with minimum limits of Two Million Dollars (\$2,000,000) for each occurrence, combined single limit, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts by CHAMBER.

(2) A policy or policies of Comprehensive Vehicle Liability Insurance covering personal injury and property damage, with minimum limits of One Million Dollars (\$1,000,000) per occurrence combined single limit, covering any vehicle utilized by CHAMBER in performing the Scope of Work required by this Agreement.

(3) Workers' compensation insurance as required by the State of California.

(b) CHAMBER shall require each of its sub-contractors to maintain insurance coverage which meets all of the requirements of this Agreement.

(c) The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least a A+;VII in the latest edition of Best's Insurance Guide.

(d) CHAMBER agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, CITY may take out the necessary insurance and pay, at CHAMBER's expense, the premium thereon.

(e) At all times during the term of this Agreement, CHAMBER shall maintain on file with the City Clerk a certificate or certificates of insurance on the form set forth in Exhibit C, attached hereto and incorporated herein, showing that the aforesaid policies are in effect in the required amounts. CHAMBER shall, prior to commencement of work under this Agreement, file with the City Clerk such certificate or certificates. The general liability insurance shall contain an endorsement naming the CITY as an additional insured.

(f) CHAMBER shall provide CITY with thirty (30) days prior written notice if the policies required under this Agreement will be canceled or reduced. All of the policies required under this Agreement shall state that the coverage contained in the policies affords insurance pursuant to the terms and conditions as set forth in this Agreement.

(g) The insurance provided by CHAMBER shall be primary to any coverage available to CITY. The policies of insurance required by this Agreement shall include provisions for waiver of subrogation.

(h) Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CHAMBER shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CHAMBER shall procure a bond guaranteeing payment of losses and expenses.



(i) The insurance coverage amounts required under the Agreement do not limit CITY's right to recover against CHAMBER and its insurance carriers.

Section 12. Indemnification. CHAMBER agrees to indemnify, hold harmless and defend CITY, City Council and each member thereof, and every officer, employee and agent of CITY, from any claim, liability or financial loss (including, without limitation, attorney's fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of CHAMBER or any person employed by CHAMBER in the performance of this Agreement.

Section 13. Termination.

(a) CITY may terminate this Agreement at any time with or without cause upon fifteen (15) days written notice to CHAMBER. In the event of such termination, CITY shall pay CHAMBER for all costs and obligations reasonably incurred by CHAMBER for CHAMBER activities in performing its services under this Agreement prior to the date of termination and such payment shall be in full satisfaction of CITY's obligations hereunder. CITY shall not be obligated to pay additional funds after issuance or receipt of such notice. CHAMBER shall return any monies advanced to CHAMBER by CITY for performing services that were not yet performed within thirty (30) days of this Agreement being terminated.

(b) In the event of termination or cancellation of this Agreement by CITY, due to no fault or failure of performance by CHAMBER, CHAMBER shall be paid based on the percentage of work satisfactorily performed at the time of termination. In no event shall CHAMBER be entitled to receive more than the amount that would be paid to CHAMBER for the full performance of the services required by this Agreement. CHAMBER shall have no other claim against CITY by reason of such termination, including any claim for compensation.

Section 14. CITY's Responsibility. CITY shall provide CHAMBER with all pertinent data, documents, and other requested information as is available for the proper performance of CHAMBER's Scope of Work.

Section 15. Information and Documents. All data, information, documents and drawings prepared for CITY and required to be furnished to CITY in connection with this Agreement shall become the property of CITY, and CITY may use all or any portion of the work submitted by CHAMBER and compensated by CITY pursuant to this Agreement as CITY deems appropriate.

Section 16. Records and Inspections. CHAMBER shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years. CITY shall have access, without charge, during normal business hours to such records, and the right to examine and audit the same and to make copies and transcripts therefrom, and to inspect all program data, documents, proceedings and activities.

Section 17. Changes in the Scope of Work. The CITY shall have the right to order, in writing, changes in the scope of work or the services to be performed. Any changes in the scope of work requested by CHAMBER must be made in writing and approved by both parties.

Section 18. Notice.

(a) Any notices, bills, invoices, etc. required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during the receiving party's regular

business hours or by facsimile before or during the receiving party's regular business hours; or (b) on the second business day following deposit in the United States mail, postage prepaid to the addresses set forth above, or to such other addresses as the parties may, from time to time, designate in writing pursuant to this section.

(b) Whenever it shall be necessary for any party to serve notice on another respecting this Agreement, such notice shall be served by certified mail addressed to the City Clerk of the City of Beverly Hills, 455 North Rexford Drive, Beverly Hills, California 90210; or to Beverly Chamber of Commerce, 9400 Santa Monica Blvd., Beverly Hills, California 90210, unless and until a different address may be furnished in writing by any party, and such notice shall be deemed to have been served within seventy-two (72) hours after the same has been deposited in the United States Post Office by certified mail. This shall be valid and sufficient service of notice for all purposes.

Section 19. Attorney's Fees. In the event that either party commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, costs and necessary disbursements, in addition to such other relief as may be sought and awarded.

Section 20. Entire Agreement. This Agreement represents the entire integrated agreement between CITY and CHAMBER, and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by a written instrument signed by both CITY and CHAMBER.

Section 21. Exhibits; Precedence. All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

Section 22. Governing Law. The interpretation and implementation of this Agreement shall be governed by the domestic law of the State of California.

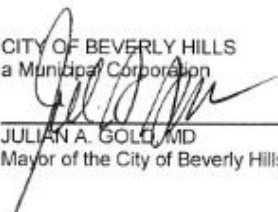
Section 23. CITY Not Obligated to Third Parties. CITY shall not be obligated or liable under this Agreement to any party other than CHAMBER.

Section 24. Severability. Invalidation of any provision contained herein or the application thereof to any person or entity by judgment or court order shall in no way affect any of the other covenants, conditions, restrictions, or provisions hereof, or the application thereof to any other person or entity, and the same shall remain in full force and effect.

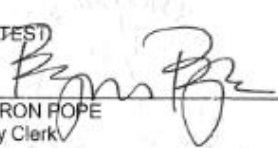


IN WITNESS WHEREOF, the parties hereto have executed this Agreement the 17<sup>th</sup> day  
of July 2018, at Beverly Hills, California.

CITY OF BEVERLY HILLS  
a Municipal Corporation

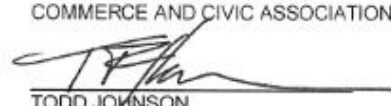
  
JULIAN A. GOLD, MD  
Mayor of the City of Beverly Hills, California

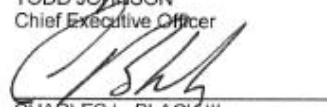
ATTEST

  
BYRON POPE  
City Clerk

(SEAL)

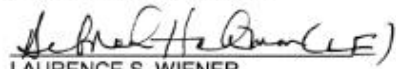
BEVERLY HILLS CHAMBER OF  
COMMERCE AND CIVIC ASSOCIATION

  
TODD JOHNSON  
Chief Executive Officer


  
CHARLES L. BLACK III  
Board Chair

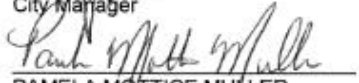
[City Signatures Continue Next Page]

APPROVED AS TO FORM:

  
LAURENCE S. WIENER  
City Attorney

APPROVED AS TO CONTENT:

  
MAHDI ALUZRI  
City Manager

  
PAMELA MOTTICE MULLER  
Director of Emergency Management,  
Recovery, and Resilience

  
SHARON L'HEUREUX DRESSEL  
Risk Manager

## EXHIBIT A

### SCOPE OF WORK

CHAMBER shall perform the services described in Attachment 1 to Exhibit A, attached hereto and incorporated herein.

CHAMBER and CITY, in consideration of the mutual covenants of the parties hereto, the parties hereby agree as follows:

#### Section 1. Fund Authorization/Use of Funds.

(a) For Fiscal Year 2018-2019 (July 1, 2018 – June 30, 2019) ("Period"), CITY shall provide CHAMBER the amount of \$325,640 from CITY's General Fund for the services outlined in Attachment 1 to Exhibit A, attached hereto and incorporated herein.

(b) CHAMBER shall use the funds from CITY during the Period for programming as specified in Attachment 1 to Exhibit A.

(c) In connection with CHAMBER's programs and activities, CHAMBER may, on behalf of and at the sole discretion of CITY, use the funds to produce, purchase, install and de-install light pole banners or other displays in the public-right-of-way. All such light pole banners shall comply with CITY's adopted Banner Policy, copies of which are available from the Office of Communications and Marketing. All banner designs shall be submitted to CITY for review and approval in advance of CHAMBER authorizing the manufacturing of banners. Submissions to CITY for approval must thirty (30) days in advance of when banners are desired to be installed so that any requested changes by CITY can be incorporated prior to manufacture. CHAMBER shall obtain CITY approval in writing prior to installation. CITY shall have sole discretion over the design, placement, and duration of display and shall retain ownership of all banners funded under this Agreement.

#### Section 2. Payments.

CHAMBER shall submit written requests for advanced payments for expenditures based on the schedule listed in Exhibit B, attached hereto and incorporated herein, for the various projects as set forth in Attachment 1 to Exhibit A. CITY shall provide payment to the CHAMBER upon approval of the request by CITY's Finance Director or his/her designee. CITY shall use its best efforts to make payment to CHAMBER within 15 days of receipt of request. CHAMBER shall return to CITY any unused funding within thirty (30) days of the conclusion of the Period, unless such funding is carried over as part of the work plan for the next fiscal year.

#### Section 3. Reports.

(a) Within thirty (30) days of the conclusion of the Period, CHAMBER shall submit a report to CITY in a form acceptable to the City Manager or his/her designee. The reports shall include, without limitation, information on overall project management and achievement of goals in relation to the items listed in Attachment 1 to Exhibit A and budget set forth in Attachment A to Attachment 1 to Exhibit A, attached hereto and incorporated herein. This report will include the percentage of services and/or action items completed and defined

measurements of goal achievement for the Period. This report shall also include copies of requests for proposals, agreements, invoices, and proof of time worked where applicable.

(b) With reasonable notice from CITY, CHAMBER shall provide to CITY copies of any and all work product, documents reports, property and books produced by CHAMBER in fulfillment of this Agreement ("Documents"). This shall be solely for the purpose of confirming and evaluating the execution of the programs described in this Agreement and shall not include records and documents unrelated to the execution of such programs (e.g., personnel records). CHAMBER's obligation to maintain such Documents shall continue for three years after the termination of this Agreement. This provision shall survive the termination of this Agreement.

(c) CHAMBER shall also include the activities associated with this Agreement in their Annual Review that is prepared by a Certified Public Accountant for Fiscal Year 2018-19. A copy of this report shall be provided to CITY. Such report shall provide consolidated financial reporting for CHAMBER as a whole, and separately detailed accounts for each program funded by CITY. The report shall be due within six months of the end of CHAMBER's 2018-2019 fiscal year. At CITY's sole discretion, consolidated annual accounts may be substituted for full audited accounts.

(d) CHAMBER shall establish and maintain an accounting system in accordance with generally accepted accounting principles and standards. The system shall detail all costs chargeable to CITY under this Agreement and shall substantiate all such costs, and comply with any applicable State and Federal standards.

(e) CHAMBER shall endeavor to develop, in consultation with CITY, a program-based budget for all CITY-funded programs. Implementation of a program-based budget is not intended to affect the requirements outlined in paragraph (d) of this Section relating to generally accepted accounting principles.

(f) CITY shall have the right to request and perform a full audit of any and all activities undertaken by CHAMBER that is funded by CITY. CHAMBER shall fully comply with any request made by CITY selected auditor including, but not limited to, producing records and reports; providing information on business practices; and updating business practices, record keeping, reporting data, etc. as requested by CITY to comply with the audit findings.

#### Section 4. Ownership of Work Product.

(a) Unless otherwise agreed upon in writing, all reports, documents, or other written or visual material or any other material in any media, including any images, taglines, logos, or other media created or developed by CHAMBER or any third party contracted by the CHAMBER, in the performance of this Agreement, whether or not paid in whole or in part by the funding provided by this Agreement ("Work Product") shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. All Work Product shall be considered to be "works made for hire", and all such Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of CITY without restriction or limitation upon their use, duplication or dissemination by CITY. CHAMBER shall not obtain or attempt to obtain copyright protection as to any of the Work Products.

(b) CHAMBER hereby irrevocably assigns exclusively to CITY, all right, title and interest in such trademarks and/or copyrights or other intellectual property rights in the Work Products. CHAMBER shall take all acts requested by CITY in order to enforce CITY's rights under this Section.

(c) CHAMBER shall not retain ownership of or any right, title or interest in any of the Work Products, including, but not limited to, in any related trademarks, copyrights, or other proprietary rights. CITY and CHAMBER agree that the Work Product and all such rights, title and interest in or to the Work Products belong to and are being sold and assigned in their entirety to CITY for whatever use it desires, and that CITY does and shall at all times own, solely and exclusively, complete and unencumbered, all right, title and interest in and to all of the Work Product worldwide, any modifications thereto and any derivative works based thereon (including, but not limited to, all patent, copyright, trademark, service mark and trade secret rights). Nothing contained herein shall be deemed to constitute a mere license or franchise in CITY. The parties further agree that CITY will be free to use, modify, distribute, sell, license or otherwise exploit all such Work Products and any modifications to or derivative works based thereon without any restrictions or limitations or any obligations or payments to CHAMBER and that CHAMBER shall have no such rights.

(d) From time to time CHAMBER will engage photographers to take photographs or will purchase images for use in CHAMBER's marketing campaigns, collateral or other uses. As to those third party photographs or images whereby CHAMBER negotiates to purchase not only the photograph or image but also the copyright or other intellectual property rights, the provisions of this Section 4 will apply. As to those third party photographs or images whereby CHAMBER negotiates to purchase only the use of the photograph or image and the copyright is maintained with the photographer, the provisions of this Section 4 will not apply.

(e) This Section shall survive termination of this Agreement.

# ATTACHMENT 1 TO EXHIBIT A

City shall provide funding to the Chamber of Commerce for the period of July 1, 2018 through June 30, 2019 for business attraction and retention programs services in the amount of \$325,640, in accordance with the work plan and budget submitted by Chamber at the June 19, 2018 City Council Study Session. The services to be provided by the Chamber to the City are set forth below.

	Work Plan Component	Time Frame	Proposed 2018-2019
IA	New York Business Attraction and Retention Mission	Year-round (Mission scheduled for Oct. 29 – Nov. 2 2018)	\$109,010
IB	Management of Mayoral Business Retention Meetings	Year-round	15,745
IC	Broker's Roundtables	December 2018 & June 2019	10,470
ID	Economic Sustainability Plan Support	Year-round	10,085*
IIA	Get to Know Your City Program	Year-round	13,190
IIB	Small Business Development Center Partnership	Year-round	20,760
IIC	My Beverly Hills	Year-round	66,720
IIIA	San Francisco Business Attraction and Retention Mission	Spring 2019	38,425
IIIB	Destination Master Plan Strategic Support	Year-round	4,450
IIIC	Economic Development Data Portal	Year-round	10,525
IIID	La Cienega Landowner and Property Manager Forum	Winter 2019	4,910
IIIE	Metro PLE Stakeholder Outreach Plan	Year-round	14,005
IIIF	Management of Small Business Task Force	Year-round	17,430
		<b>Grand Total</b>	<b>\$325,640</b>

\* Carried over from Fiscal Year 2017-2018 Agreement.  
Not included in Grand Total row.

## I. Beverly Hills Economic Development

### A. **New York City Business Attraction and Retention Mission**

Outreach, preparation and travel to New York City for a 4-day trip to attract and retain businesses in Beverly Hills.



**B. Management of Mayoral Business Retention Meetings**

The Chamber will set up and manage 12 meetings between Beverly Hills business owners of targeted sectors and the City of Beverly Hills.

**C. Broker's Roundtables**

The Chamber will organize and host a bi-yearly roundtable between commercial real estate brokers as well as senior City officials to spur discussions and business deals for Beverly Hills properties.

**D. Economic Sustainability Plan Support**

The City is preparing a new five-year Economic Sustainability Plan. The Chamber will host focus groups for the business community to provide input on the Plan. This is a carryover item from 2017-2018. The Chamber will host up to three focus groups.

**II Beverly Hills Business Programming and Development**

**A. Get to Know Your City Program**

The Chamber will organize and execute a bi-yearly "open house" where businesses can interact with relevant City Departments to learn how they function. The event can include speakers from relevant City departments impacting businesses as well as senior City staff and the City Council if available.

**B. Small Business Development Center Partnership**

The Chamber has a partnership with the Small Business Development Center (SBDC) at El Camino College which offers one-on-one business counseling and educational seminars at the Chamber. For the 2018-2019 year, the Chamber will continue the same program with one on one coaching and 12 educational seminars (one per month) and some additional funds set aside for expert speakers on particular topics.

**C. My Beverly Hills**

The My Beverly Hills Program is focused through networking events, marketing and a dedicated website on connecting businesses and residents and to encourage residents to shop locally. For 2018-2019, the centerpiece of the My Beverly Hills Program will continue to be a series of 12 programs, one every month from July 2018 through June 2019.

**III New Initiatives**

**A. San Francisco Business Attraction and Retention Mission**

Outreach, preparation and travel to San Francisco for a 1 and ½ day trip to attract select businesses to Beverly Hills.

**B. Destination Master Plan Strategic Support**

The Beverly Hills Conference and Visitors Bureau is working on a Destination Master Plan to identify strategies to continue to make Beverly Hills a leading destination for tourists and other visitors. In conjunction with these efforts, the Chamber will work with the CVB and our partners to strategize regarding members of the steering committee, attend planning meetings (2 hour meetings once a month) and provide any needed strategic direction for development of the written Destination Master Plan.



**C. Economic Development Data Portal**

Create a dedicated economic development website portal for the City of Beverly Hills which will provide a series economic development data tools to help existing and prospective businesses gather critical business information.

**D. La Cienega Landowner and Property Manager Forum**

The Chamber proposes to organize and execute a forum for property owners and managers along La Cienega Boulevard. The purpose of the forum is to (1) understand current conditions along the street from the perspective of the owners; (2) discuss the impacts of the future subway and how to drive business and development; and (3) begin the process of working with landowners/developers on a vision and consensus about how the area should look in the future when the subway is complete.

**E. Metro PLE Stakeholder Outreach Plan**

The Chamber will convene major stakeholders at a series of meetings to discuss the details of the construction of Section 2 of the Purple Line Subway extension, develop feedback on ways to minimize disruption to businesses and develop a mechanism for the City and businesses to work together to respond to specific concerns as they arise. For 2018-2019, the Chamber proposes to organize a series of up to 12 stakeholder meetings, to be attended by key business stakeholders surrounding the construction, the City, the Chamber, Conference and Visitors Bureau, and Rodeo Drive Committee.

**F. Management of Small Business Task Force**

The Chamber's work will include (1) identifying an approximately 15 member Task Force group in consultation with the City and its partners to provide input, relay ideas and concerns in the business community and develop recommendations; (2) managing the meeting of the Task Force at the Chamber of Commerce. The Chamber proposes conducting up to 10 meetings be scheduled for the Task Force, approximately 1 per month; (3) working with the task force to identify and recommend specific deliverables to support the small business community; (4) identifying any holdover items that were not completed from the previous Task Force meetings; (5) preparing a report to the City summarizing the key findings and recommendations of the Task Force; and (6) working in partnership with the City to identify proposed solutions and to implement such solutions as appropriate.

## EXHIBIT B

### SCHEDULE OF PAYMENT

CITY shall compensate CHAMBER for the satisfactory performance of the work described in this Agreement, or as mutually agreed upon in writing prior to performing the services described in the Agreement, in an amount not-to-exceed Three Hundred Twenty-Five Thousand Six Hundred Forty Dollars (\$325,640.00). Invoices and payments shall be governed by the schedule below.

City Authorizes funding for Economic Sustainability Plan Support, which was part of CHAMBER's Fiscal Year 2017-2018 Agreement No. 378-17 and not completed in Fiscal Year 2017-2018, in the amount of Ten Thousand Eighty-Five Dollars (\$10,085.00) to carry over into this Fiscal Year 2018-2019 Agreement.

Within thirty (30) days of this Agreement's expiration or termination, CHAMBER shall return to CITY funds for work described in this agreement that is not completed.

Work Plan Component	Chamber Invoices City	City Issues Payment	Period Covered	Payment Amount
<b>First Payment</b> IA. New York Business Attraction Mission (100%) IB. Management of Mayoral Business Retention Meetings (33%) IIA. Get to Know Your City Program (50%) IIB. Small Business Development Center Partnership (33%) IIC. My Beverly Hills (33%) IIIB. Destination Master Plan Strategic Support (33%) IIIC. Economic Development Data Portal (100%) IIIE. Metro PLE Stakeholder Outreach Plan (33%) IIIF. Management of Small Business Task Force (33%)	08/01/2018	08/16/2018	07/01/2018- 10/31/2018	\$172,036
<b>Second Payment</b> IB. Management of Mayoral Business Retention Meetings (33%) IC. Broker's Roundtables (50%) IIB. Small Business Development Center Partnership (33%) IIC. My Beverly Hills (33%) IIIB. Destination Master Plan Strategic Support (33%) IIIE. Metro PLE Stakeholder Outreach Plan (33%) IIIF. Management of Small Business Task Force (33%)	10/03/2018	10/18/2018	11/01/2018- 02/28/2019	\$51,141
<b>Third Payment</b> IB. Management of Mayoral Business Retention Meetings (34%) IC. Broker's Roundtables (50%) IIA. Get to Know Your City Program (50%) IIB. Small Business Development Center Partnership (34%) IIC. My Beverly Hills (34%) IIIA. San Francisco Business Attraction Mission (100%) IIIB. Destination Master Plan Strategic Support (34%) IIID. La Cienega Landowner Forum (100%) IIIE. Metro PLE Stakeholder Outreach Plan (34%) IIIF. Management of Small Business Task Force (34%)	02/06/2019	02/21/2019	03/01/2019- 06/30/2019	\$102,463
<b>TOTAL</b>				<b>\$325,640</b>

## EXHIBIT C

## CERTIFICATE OF INSURANCE

This is to certify that the following endorsement is part of the policy(ies) described below:

**NAMED INSURED**

**COMPANIES AFFORDING COVERAGE**

**ADDRESS**

**A.**

**B.**

**C.**

COMPANY (A.B.C.)	COVERAGE	POLICY NUMBER	EXPIRATION DATE	B.I.	LIMITS P.D.	AGGREGATE
	<input type="checkbox"/> AUTOMOBILE LIABILITY <input type="checkbox"/> GENERAL LIABILITY <input type="checkbox"/> PRODUCTS/COMPLETED OPERATIONS <input type="checkbox"/> BLANKET CONTRACTUAL <input type="checkbox"/> CHAMBER'S PROTECTIVE <input type="checkbox"/> PERSONAL INJURY <input type="checkbox"/> EXCESS LIABILITY <input type="checkbox"/> WORKER'S COMPENSATION					

It is hereby understood and agreed that the City of Beverly Hills, its City Council and each member thereof and every officer and employee of the City shall be named as joint and several assureds with respect to claims arising out of the following project or agreement:

It is further agreed that the following indemnity agreement between the City of Beverly Hills and the named insured is covered under the policy: CHAMBER agrees to indemnify, hold harmless and defend City, its City Council and each member thereof and every officer and employee of City from any and all liability or financial loss resulting from any suits, claims, losses or actions brought against and from all costs and expenses of litigation brought against City, its City Council and each member thereof and any officer or employee of City which results directly or indirectly from the wrongful or negligent actions of CHAMBER's officers, employees, agents or others employed by CHAMBER while engaged by CHAMBER in the (performance of this agreement) construction of this project.

It is further agreed that the inclusion of more than one assured shall not operate to increase the limit of the company's liability and that insurer waives any right of contribution with insurance which may be available to the City of Beverly Hills.

In the event of cancellation or material change in the above coverage, the company will give 30 days' written notice of cancellation or material change to the certificate holder.

Except to certify that the policy(ies) described above have the above endorsement attached, this certificate or verification of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate or verification of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

DATE : \_\_\_\_\_ BY : \_\_\_\_\_  
 \_\_\_\_\_  
 Authorized Insurance Representative  
 TITLE : \_\_\_\_\_  
 AGENCY : \_\_\_\_\_ Address : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Source: Agreement between the City of Beverly Hills and the Beverly Hills Chamber of Commerce and Civic Association for Business Attraction and Retention Services for FY 2018-19.

Auditor Note: We have included the original Agreement between the City of Beverly Hills and the Beverly Hills Chamber of Commerce and Civic Association for Business Attraction and Retention Services for FY 2018-19 in Appendix II. Please note that outreach and support of Holiday BOLD programming was added to the work plan in Amendment No. 1 to the Agreement which was presented at the September 17, 2018 City Council Study Session.