

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into this 1st day of July 2025 ("Effective Date"), by and between THE **CITY OF HAWTHORNE**, a California municipal corporation ("City"), and **LDM ASSOCIATES, INC.**, a California Corporation ("CONSULTANT"). This agreement is made with reference to the following:

I. Recitals

(i) CITY requested a proposal for professional services with respect to providing CDBG & HOME Investment Partnership Program Consulting Services.

(ii) CONSULTANT submitted a proposal for the performance of such services, a full, true and correct copy of which proposal is attached hereto as Exhibit "A" and by this reference made a part hereof.

(iii) CITY desires for CONSULTANT to provide professional services necessary to administer and implement the CDBG & HOME Investment Partnership Programs.

(iv) CONSULTANT represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. CONSULTANT shall at all times faithfully, competently, and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

NOW, THEREFORE, it is agreed by and between CITY and CONSULTANT as follows: II. Agreement

1. Definitions: The following definitions shall apply to the following terms, except where the context of this AGREEMENT otherwise requires:

(a) Project: Provide CDBG and HOME Investment Partnership Program Consulting Services.

(b) Services: CONSULTANT shall provide professional services for the project as described in Exhibit "A" attached herein.

(c) Duration: The fifth term of this AGREEMENT shall be effective from July 1, 2025 to June 30, 2026.

(d) Completion of Project: CONSULTANT shall complete all tasks as noted in Exhibit "A" for a period as noted in the agreement with a period not to exceed 12 months.

All work shall be conducted in a manner consistent with the U.S. Department of Housing and Urban Development (HUD) requirements.

(e) Consultant: LDM Associates, 10722 Arrow Route, Suite 822, Rancho Cucamonga, California, 91730.

(f) City: 4455 West 126th Street, Hawthorne, California, 90250.

2. Scope of Services: CONSULTANT agrees as follows:

(a) CONSULTANT shall forthwith undertake and complete the project in accordance with Exhibit "A" hereto and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines, all to the reasonable satisfaction of CITY.

(b) CONSULTANT shall, at CONSULTANT'S sole cost and expense, secure and hire such other persons as may, in the opinion of CONSULTANT, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONSULTANT; CONSULTANT hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONSULTANT further agrees that no subcontractor shall be retained by CONSULTANT except upon the prior written approval of CITY.

(c) The amount of compensation paid by CITY to CONSULTANT for the work identified in Exhibit "A" shall not exceed Four Hundred Fifty-Four Thousand, Two Hundred Dollars (\$454,227). No additional compensation shall be paid for any other expenses incurred for tasks identified in Exhibit "A", unless first approved in writing by the Director of Housing.

3. Compensation, Method of Payment, and Additional Services.

(a) CITY shall pay CONSULTANT on an hourly basis for the administration of the CDBG and HOME Investment Partnership Programs. Payment to CONSULTANT, by CITY, shall be made in accordance with the schedule set forth in Exhibit "A" attached hereto.

(b) Payments to CONSULTANT shall be made by CITY in accordance with the invoices submitted by CONSULTANT, on a monthly basis, and such invoices shall be paid within thirty (30) days after said invoices are received by CITY. Each invoice shall detail work performed and charges. All charges shall be in accordance with CONSULTANT's proposal either with respect to hourly rates (Exhibit "A").

(c) CITY Requested Additional services: Payments for additional services requested, in writing, by CITY, and not included in CONSULTANT's proposal as set forth in Exhibit "A" hereof, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in said Exhibit "A" or in amounts and manner agreed to by CITY. Charges for additional services shall be invoiced on a monthly basis and shall be paid by CITY within thirty (30) days after said invoices are received by CITY.

(d) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT.

4. CITY Assistance and Availability of CITY Records:

(a) Information and assistance as set forth in Exhibit "A" hereto.

(b) Photographically reproducible copies of maps and other information, if available, which CONSULTANT considers necessary in order to complete the project.

(c) Such information as is generally available from CITY files applicable to the project.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONSULTANT's responsibility to make all initial contact with respect to the gathering of such information.

5. CONSULTANT's Books and Records:

(a) CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT's performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for five (5) years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying at any time during regular business hours, upon written request by the CITY OR CITY's designated representative. Copies of such documents or records shall be provided directly to the requesting party for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon. Such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY or CONSULTANT has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, the CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to all parties to this AGREEMENT, as well as to their successors-in-interest and authorized representatives.

6. Termination of Agreement: This AGREEMENT may be terminated without cause by CITY upon the giving of a written "Notice of Termination" to CONSULTANT upon thirty (30) days prior written notice or the CONSULTANT may terminate this contract upon thirty (30) days prior written notice. In the event this Agreement is so terminated, CONSULTANT shall be compensated at CONSULTANT's applicable hourly rates as set forth in Exhibit "A", on a pro-rata basis with respect to the percentage of the project completed as of the date of termination. In no event, however, shall CONSULTANT receive more than the maximum specified in paragraph 3(a), above. CONSULTANT shall provide to CITY any and all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONSULTANT as of the date of termination. CONSULTANT may not terminate this Agreement except for cause.
7. Notices and Designated Representatives: Any and all notices, demands, invoices and written communications between the parties hereto shall be addressed as set forth in this paragraph. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

TO CITY OF HAWTHORNE

Attn: Vontray Norris
4455 West 126th Street,
Hawthorne, CA 90250

TO LDM Associates, Inc.

Attn: Rudy Munoz
10722 Arrow Route, Suite 822
Rancho Cucamonga, CA 91730

Any such notices, demands, invoices and written communications, by mail, shall be deemed to have been received by the addressee forty-eight (48) hours after deposit thereof in the United States mail, postage prepaid and properly addressed as set forth above.

8. Continuity of Personnel: CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's staff assigned to perform the services required under this AGREEMENT, CONSULTANT shall notify CITY of any changes in CONSULTANT's staff assigned to perform the services required under this AGREEMENT, prior to any such performance. CITY shall not be responsible for time and costs associated with CONSULTANT's turnover or reassignment of staff.
9. Status of Consultant: The parties hereto agree that CONSULTANT and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of CITY.
- (a) CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.
- (b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, employees or agents are in any manner officials, officers, employees or agents of CITY.
- (c) The CONSULTANT or any of CONSULTANT's officers, employees or agents, shall not obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY employees. CONSULTANT expressly waives any claim CONSULTANT may have to any such rights.
10. Compliance with Applicable Laws; Permits and Licenses:
- (a) CONSULTANT shall keep itself informed of and comply with all applicable federal, state, and local statutes, codes, ordinances, regulations and rules in effect during the term of this AGREEMENT including but not limited to:
- i. Prohibition against discrimination on the basis of age [Age Discriminations Act of 1975] or with respect to an otherwise qualified handicapped individual [Rehabilitation Act of 1973, Section 504].
- ii. Provisions that provide opportunities for training low- and moderate income persons residing within the community where the project is located and contracts awarded to local businesses therein, to the greatest extent feasible [Section 3 of the Housing and Urban Development Act of 1968].
- (b) CONSULTANT shall obtain any and all licenses and authorizations necessary to perform the services set forth in this AGREEMENT.
- (c) CONSULTANT shall comply with all applicable standards and regulations related to debarment and suspension in accordance with the OMG guidelines at 2 CFR 180.
11. Non-discrimination: CONSULTANT shall not discriminate, in any way, against any

person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this AGREEMENT.

12. Unauthorized Aliens: CONSULTANT hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act. 8 U.S.C.A. 1101. et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should CONSULTANT so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should any liability or sanctions be imposed against CITY for such use of unauthorized aliens, CONSULTANT hereby agrees to and shall reimburse CITY for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorney's fees, incurred by CITY in connection therewith.
13. Conflict of Interest:
 - (a) CONSULTANT represents that neither it nor any of its officers or principles of its firm has been retained, employed or compensated by any other interested party, or done any act, in such a manner so as to constitute a conflict of interest with respect to the consultant's duties under the agreement with the CITY. CONSULTANT covenants that neither it, nor any officer or principal of its firm has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor, except as provided for by this Section. At all times, CONSULTANT agrees to avoid conflicts of interest, or the appearance of any conflicts of interest, with the interests of CITY in the performance of this AGREEMENT.
 - (b) The CITY may waive at its discretion any conflict or potential conflict of interest in writing, provided the consultant has made a full written disclosure of all facts regarding or pertaining to the conflict. Provided further that the conflict affects a third party, the consultant must provide to the CITY a written waiver of the conflict from the affected party.
14. Confidential Information; Release of Information: All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the CITY, except as may be required by law.
15. Authority to Execute: The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.
16. Binding Effect: This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.
17. Modification of Agreement: No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the CITY.

The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

18. Waiver: Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.
19. Law to Govern; Venue: This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles.
20. Attorneys Fees, Costs and Expenses: In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.
21. Entire Agreement: This AGREEMENT, including the attached EXHIBITS "A", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.
22. Severability: If a term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).
23. Insurance: During the term of this AGREEMENT, CONSULTANT shall, at its own expense, secure and maintain the following types of insurance issued by companies which are admitted and authorized to do business in California as insurance carriers, in amounts, form and content satisfactory to CITY. CONSULTANT shall cause CITY, its officials and employees to be named on all liability policies described below as additional insured. CONSULTANT shall furnish certificates of Insurance evidencing the required coverage. If CONSULTANT fails to maintain insurance at any time as required under this AGREEMENT, CITY may obtain such insurance in the CONSULTANT's name or as agent of CONSULTANT and shall be compensated by CONSULTANT for the cost of the insurance premiums at the maximum rate permitted by law computed from the date written notice is received that the premiums have been paid.
 - a) CONSULTANT shall maintain Comprehensive General Liability insurance, with

- minimum limits of liability of \$1,000,000 for each occurrence and \$2,000,000 in the aggregate, combined single limit coverage, against any personal injury, death, loss or damage resulting from the wrongful or negligent acts or omissions by the named insured.
- b) CONSULTANT shall also maintain in-force Professional Liability Insurance (and/or Errors & Omissions Insurance) with minimum limits of liability of \$1,000,000 combined single limit coverage against an injury, death, loss or damages because of wrongful or negligent acts or omissions by the named insured.
 - c) CONSULTANT represents to CITY that CONSULTANT owns, operates or utilizes one or more personal vehicles and that the nature of the consulting services to be accomplished under this AGREEMENT does not require use of any such vehicle for other than CONSULTANT'S personal transportation only (with no passengers, hazardous materials or valuables greater than \$5,000).

24. Indemnification. CONSULTANT shall indemnify, defend, save and hold harmless, to the maximum extent permitted by law, CITY and its elected officials, officers, agents, employees and representatives, from and against any liability, claims, suits, actions, proceedings, judgments, losses, liens, damages, injuries (whether in contract or in tort), costs or expenses, which in whole or in part arise out of, pertain to, or relate to negligence, recklessness, or willful misconduct of CONSULTANT or other parties acting for them in the execution of the services enumerated in the Agreement. Said hold harmless assumption by CONSULTANT shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters and other reasonable costs of investigation and defense.

CONSULTANT:

By: _____

Title: Rudy Munoz, Senior Executive Vice President

Date:

CITY:

By: _____

Title: Vontray Norris, City Manager

Date:

Exhibit "A"

SCOPE OF SERVICES (PY)

CDBG Program Planning and Administration Budget Proposal (Annual Cost)

LDM shall perform the CDBG Program Planning and Administration Services for a not-to-exceed contract price of \$113,000. The CDBG proposed budget listed is inclusive of the preparation of the HUD required annual reports which include the Action Plan and Consolidated Annual Performance Report (CAPER). Each of these documents will be billed on a Lump-sum basis of \$7,000 each.

Davis-Bacon Labor Compliance Budget Proposal (Specified Task Costs - Activity Delivery Costs)

LDM shall perform the Davis-Bacon labor compliance monitoring for one capital improvement project per program year not to exceed the contract price of \$19,000. Budgeted funds not billed in the program may require that they be carried over where projects extend beyond one program year to cover the costs to finalize the labor compliance monitoring for the project. For FY 2025-2026 the budgeted carried over budgeted funds is \$5,488.

Housing/Commercial Rehab Budget Proposal (Specified Task Costs-Activity Delivery Costs)

LDM shall perform the Housing and Commercial Rehab Program administration for a not-to-exceed contract price of \$200,000.

HOME PROGRAMS

LDM shall perform the overall HOME grant funded scope of services comprised of the following tasks and costs:

HOME Program Planning and Administration Budget Proposal (Annual Cost)

LDM shall perform the HOME Program Planning and Administration Services for a not-to-exceed contract price of \$39,000.

CHDO Project Budget Proposal

Should the City fund a Community Housing development Organization (CHDO) project during the program year, LDM shall perform the CHDO project administration services for not-to-exceed contract price of \$35,000.

AMERICAN RESCUE PLAN, and Community Project Funding

LDM shall provide the City with technical assistance for the administration and implementation of the American Rescue Plan (ARP) funds and Community Project Funding Grant Guide (CPF) funds, comprised of the following:

American Rescue Plan Program Funds Budget Proposal

LDM shall perform the program technical assistance services for not-to-exceed contract price of \$25,000. The costs include, but is not limited to, the preparation of program guidelines and related implementation forms; providing capacity building/training of staff on the requirements and implementation of the funding source to comply with funding regulations; and prepare any HUD required reports and Action Plan Amendments.

Community Project Funding ("CPF")

LDM shall perform the CPF Program Planning and Administration Services for a not-to-exceed contract price of \$20,938 (carried over budgeted funds), including: Assist the City with assembling and submitting to HUD all information necessary to enter into a grant agreement, including a completed project narrative, line-item project budget, and required forms before the December 31, 2022 deadline established in the FY2022 Community Project Funding Grant Guide ("CPF Grant Guide"), Prepare required National Environmental Policy Act (NEPA) reviews, Incorporate language into project documents as required to comply with the requirements of the Build America, Buy America (BABA) Act, Assist

the City to comply with the requirements of 2 CFR Part 200 applicable to the CPF award, including suspension and debarment, financial management, program income, record retention and access, cost principles, and audit requirements, Monitor contractor compliance with the Davis-Bacon and Related Acts, Minority and Women-owned Business, and Section 3 requirements, Prepare and facilitate submission of all required CPF reports.

COST ESTIMATE
(PY)

Program Title/Description	Not to Exceed
Annual Program	
CDBG Program Planning and Administration: Perform the CDBG Program Planning and Administration Services, inclusive of the preparation of the Action Plan and Consolidated Annual Performance Report (CAPER), billed on a Lump-sum basis of \$7,000 each.	\$113,000.00
HOME Administration: Implementation of the day-to-day HOME program functions.	\$39,000.00
American Rescue Plan – HOME-ARP Technical Assistance: Perform technical assistance services including: preparation of program guidelines and related implementation forms; providing capacity building/training of staff on the requirements and implementation of the funding source to comply with funding regulations; and prepare HUD required reports and Action Plan Amendments.	\$25,000.00
Sub Total:	\$177,000.00
Optional Tasks: Should City Implement Activity/Program	
Community Project Funding – Technical Assistance: Perform the CPF Program Planning and Administration Services for a not-to-exceed contract price of \$50,000. Funds not billed in program year to be carried over where projects extend beyond one program year.	\$20,938.00
Davis Bacon Labor Compliance Monitoring: Perform the Davis-Bacon labor compliance monitoring for one capital improvement project per program year. Funds not billed in program year to be carried over where projects extend beyond one program year.	\$5,488.00
Owner-Occupied Housing Rehabilitation: Perform the Housing Rehab Program administration for approximately 10 projects (approximately 4 major and 6 minor). Funds not billed in previous program year to be carried over where projects extend beyond one program year.	\$200,000.00
Commercial Rehabilitation: Perform the Commercial Façade Improvement Program administration for 1 CFP project.	\$35,000.00
Rental Rehabilitation Program: Perform the Rental Rehabilitation Program administration services for approximately 18 housing units. Funds not billed in previous program year to be carried over where projects extend beyond one program year.	\$15,801.00
Sub Total:	\$277,227.00
Total	\$454,227.00

RATE SCHEDULE
Schedule Of Hourly Billing Rates

Rates effective as of July 1, 2021

Title	PY 2021-2022	PY 2022-2023	PY 2023-2024	PY 2024-2025	PY 2025-2026
President/Senior Vice President	\$121.00	\$124.50	\$128.00	\$131.00	\$134.00
Vice President	\$116.00	\$119.00	\$122.00	\$125.00	\$128.00
Director	\$111.00	\$114.00	\$117.00	\$120.00	\$123.00
Manager	\$105.50	\$108.50	\$111.50	\$114.50	\$117.50
Senior Associate	\$100.00	\$102.50	\$105.50	\$108.00	\$111.00
Associate	\$90.00	\$92.50	\$95.00	\$97.50	\$100.00
Senior Analyst	\$74.00	\$76.00	\$78.00	\$80.00	\$82.00
Program Analyst	\$69.00	\$71.00	\$73.00	\$75.00	\$77.00
Secretary	\$48.00	\$49.50	\$51.00	\$52.50	\$54.00

REIMBURSABLE ITEMS

Project Supplies	At Cost plus 10% surcharge (when applicable)
Prints/Reproductions	At Cost plus 10% surcharge (when applicable)
Postage and Delivery	At Cost plus 10% surcharge (when applicable)
Property Profile Requests	\$25.00 each
Policy of Insurance Record Title (PIRT)	At Cost plus 10% surcharge
Recordation of Required Loan Documents and Notice of Completion	At Cost plus 10% surcharge
Neighborly Subscription Fee	At Cost