

City Council Meeting  
August 23, 2011

**SUPPLEMENTAL MATERIAL**

Honorable Mayor and Members  
of the Torrance City Council  
City Hall  
Torrance, California

**Members of the Council:**

**SUBJECT: Supplemental Material to City Council Agenda 8H – GARDA Contract**

The City Attorney requests your Honorable Body grant him the authority to finalize the agreement with any necessary corrections or changes.

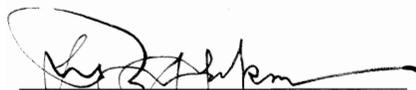
A draft of the proposed agreement is attached.

Respectfully submitted:



John L. Fellows III  
City Attorney

NOTED:



LeRoy J. Jackson  
City Manager

Attachment



## CONTRACT SERVICES AGREEMENT

This CONTRACT SERVICES AGREEMENT ("Agreement") is made and entered into as of Date (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and GARDA CL WEST, INC., a California corporation ("CONTRACTOR").

### RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified armored car carrier and cash vault service provider, and CONTRACTOR agrees to render such services to CITY at the locations, prices, frequencies and liability limits set forth in Exhibit A attached hereto and made a part hereof and upon such other terms and conditions as are set forth therein.
- B. CONTRACTOR represents that it is qualified to perform those services.

### AGREEMENT:

#### 1. **SERVICES TO BE PERFORMED BY CONTRACTOR**

CONTRACTOR will provide the services listed in the Scope of Services attached as Exhibit A. CONTRACTOR warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

#### 2. **TERM**

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through July 1st 2012 with two one-year options to extend the Agreement by mutual agreement of the parties.

#### 3. **COMPENSATION**

##### A. CONTRACTOR'S Fee.

For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the Compensation Schedule attached as Exhibit B, provided, however, that in no event will the total amount of money paid the CONTRACTOR, for services initially contemplated by this Agreement, exceed the sum of \$2172.84 for the flat monthly armored car services fees, any additional armored car services at agreed-upon pricing, any applicable cash vault service fees listed in Exhibit B and any applicable fuel surcharge listed in Exhibit B (collectively, "Agreement Sum"), unless otherwise first approved in writing by CITY.

##### B. Schedule of Payment.

Provided that the CONTRACTOR is not in default under the terms of this Agreement, upon presentation of an invoice, CONTRACTOR will be paid the fees described in Paragraph 3.A. above, according to the Compensation Schedule. Payment will be due within 30 days after the date of the invoice.

#### 4. TERMINATION OF AGREEMENT

##### A. Termination for Convenience.

1. Either party may terminate this Agreement for its convenience, upon 60 days' prior written notice.
2. In case of such termination for CITY's convenience, CONTRACTOR will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

##### B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.

In the event this Agreement is terminated for cause by the default of the CONTRACTOR, the CITY may, at the expense of the CONTRACTOR and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONTRACTOR under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONTRACTOR and its surety from liability for the default. Under these circumstances, however, the CONTRACTOR and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.

Termination for cause will not affect or terminate any of the rights of the CITY as against the CONTRACTOR or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

##### Termination for Breach of Law.

In the event the CONTRACTOR or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant; (iii) under state or

federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONTRACTOR's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement. The CITY will not take action until CONTRACTOR has been given notice and an opportunity to present evidence in mitigation.

**5. FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

**6. CITY REPRESENTATIVE**

Kim Turner is designated as the "City Representative," authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONTRACTOR.

**7. CONTRACTOR REPRESENTATIVE(S)**

The following principal(s) of CONTRACTOR are designated as being the principal(s) and representative(s) of CONTRACTOR authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Alan Smith, Director Relationship Management Group

Carla Margeson, Garda Account Manager

**8. INDEPENDENT CONTRACTOR**

The CONTRACTOR is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as otherwise set forth in this Agreement. The CONTRACTOR may 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.

**9. BUSINESS LICENSE**

The CONTRACTOR must obtain a City business license prior to the start of work under this Agreement, unless CONTRACTOR is qualified for an exemption.

**10. OTHER LICENSES AND PERMITS**

CONTRACTOR warrants that it has all professional, contracting, and other permits and licenses required to undertake the work contemplated by this Agreement.

**11. FAMILIARITY WITH WORK**

By executing this Agreement, CONTRACTOR warrants that CONTRACTOR (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

**12. CARE OF WORK**

CONTRACTOR must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components.

**13. CONTRACTOR'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONTRACTOR's time pertaining to the project, and records of accounts between CITY and the CONTRACTOR, will be kept on a generally recognized accounting basis. CONTRACTOR will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONTRACTOR will maintain these records for five years after the services are rendered.

**14. INDEMNIFICATION**

CONTRACTOR agrees to defend, indemnify and hold harmless CITY from all claims, demands, actions and causes of action for damage or injury, including death, that are hereafter made or brought against CITY by any third party for the recovery of actual damages to the extent caused by reason of the negligence or willful misconduct of CONTRACTOR, its employees or agents. CONTRACTOR shall have no defense or indemnification obligation to CITY to the extent such damage or injury is caused by the negligence or willful misconduct of CITY, its employees or agents. In no case shall CONTRACTOR be liable for or owe any duty of indemnification with respect to any exemplary, punitive or consequential damage claims by CITY or any third party arising from the loss or destruction of the property being transported by CONTRACTOR under this Agreement. CONTRACTOR'S obligation with respect to any claim for damages by CITY or any third party with respect to any property being transported by CONTRACTOR under this Agreement shall not exceed the Maximum Shipment Liability (as defined in Section 32 below.

**15. NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of CITY will be personally liable to CONTRACTOR, in the event of any default or breach by the CITY or for any amount that may become due to CONTRACTOR.

**16. INSURANCE**

- A. CONTRACTOR and its subcontractors must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability:
    - a. Primary Bodily Injury with limits of at least \$500,000 per person, \$500,000 per occurrence; and
    - b. Primary Property Damage of at least \$250,000 per occurrence; or
    - c. Combined single limits of \$1,000,000 per occurrence.
  2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
  3. Workers' Compensation with limits as required by the State of California and Employer's Liability with limits of at least \$1,000,000.
  4. "All Risk" (Cargo) insurance, which shall cover the CITY's money against loss, pursuant to terms and conditions in CONTRACTOR's insurance policy, while CITY's money is in possession of CONTRACTOR, up to the Maximum Shipment Liability amount in Exhibit B.
    - (a) It is understood and agreed that CONTRACTOR shall not be liable in any capacity for loss or harm to the CITY's property or for damages directly and/or proximately flowing from loss or harm to the CITY's property while said property is in the possession of CONTRACTOR, nor shall CONTRACTOR'S insurance carrier be required to cover such damages when same are caused by any of the following:
      1. Hostile or warlike action in time of peace or war, including but not limited to, action which hinders, combats or defends against an actual, impending or expected attack by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces, or by military naval or air forces, or by an agent of any government power, authority or force;

2. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
  3. Any accident or catastrophe occurring at a government or private facility employing the use of atomic fission or radioactive energy whether in time of peace or war; or
  4. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transport or trade.
- B. The insurance provided by CONTRACTOR will be primary and noncontributory with respect to claims for which CONTRACTOR is liable under this Agreement.
- C. CITY ("City of Torrance"), the Redevelopment Agency of the City of Torrance, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONTRACTOR must provide certificates of insurance and/or endorsements indicating appropriate coverage, to the City Clerk of the City of Torrance before the commencement of work.

Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

## **17. SUFFICIENCY OF INSURERS**

Insurance required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class. VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to CITY, the CONTRACTOR agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONTRACTOR will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

## **18. CONFLICT OF INTEREST**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in

which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.

- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

## 19. NOTICE

- A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:
1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
  2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
  3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
  4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
  5. Facsimile transmission.. When sent by fax to the last fax number of the recipient known to the party giving notice: notice .is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m, (recipient's time) or on a non-business day.
  6. Addresses for purpose of giving notice are as follows:

CONTRACTOR:                   GARDA CL WEST, INC.  
   301 N. Lake Avenue, Suite 600  
   Pasadena, CA 91101  
   Attn: General Counsel  
   Fax: (626) 564-4277

CITY:                               City Clerk  
   City of Torrance  
   3031 Torrance Boulevard  
   Torrance, CA 90509-2970  
   Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

**20. PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONTRACTOR without the prior written consent of the other.

**21. INTEGRATION; AMENDMENT**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

**22. INTERPRETATION**

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

**23. SEVERABILITY**

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

**24. TIME OF ESSENCE**

Time is of the essence in the performance of this Agreement.

**25. GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

**26. COMPLIANCE WITH STATUTES AND REGULATIONS**

CONTRACTOR will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

**27. WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

**28. ATTORNEY'S FEES**

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

**29. EXHIBITS**

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

**30. CONTRACTOR'S AUTHORITY TO EXECUTE**

The persons executing this Agreement on behalf of the CONTRACTOR warrant that (i) the CONTRACTOR is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONTRACTOR; (iii) by so executing this Agreement, the CONTRACTOR is formally bound to the provisions of this Agreement; and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONTRACTOR is bound.

**31. MAXIMUM LIABILITY**

A. It is understood and agreed that under no circumstances or theory of liability shall CONTRACTOR and/or CONTRACTOR'S insurance company be liable for any incidental or consequential damages to CITY or any third party directly or on behalf of CITY resulting from or occasioned by the loss of or damage to any Shipment delivered to CONTRACTOR pursuant to this Agreement.

B. With respect to any property that CONTRACTOR transports under this Agreement, it is understood and agreed that CONTRACTOR and its insurance company will be liable for loss of or damage to such property being transported by CONTRACTOR under this Agreement, inclusive of reconstructive damage up to the maximum sum for each Shipment (as defined below) as set forth in Exhibit A, which sum is the agreed maximum value of any single Shipment ("Maximum Shipment Liability"). The Service and liability obligations assumed by CONTRACTOR and the rates charged by CONTRACTOR are based, in part, upon the values of Shipments as declared herein by CITY, for the safe

delivery or return of any Shipment of CITY'S in the possession of CONTRACTOR, or in the possession of the agents or employees of CONTRACTOR pursuant to the terms of this Agreement, it is therefore expressly agreed by the CITY that the provisions of this Agreement dealing with Maximum Shipment Liability to be accepted by CONTRACTOR from the CITY for delivery to consignee, or from consignee, may not be waived or amended by any agent of CONTRACTOR, but that such waiver or amendment may be made only with the written consent of an officer of CONTRACTOR. CONTRACTOR will not be liable for loss or damage to Property consigned to it in excess of the Maximum Shipment Liability unless CITY has paid all excess liability charges to the CONTRACTOR for all Shipments of Property with a value in excess of the Maximum Shipment Liability amount. For purposes of this Agreement, the term "Shipment" shall mean the total property in sealed containers received by CONTRACTOR at a single location from a single consignor for delivery to one other location to a single consignee.

### **32. CLAIMS**

It is understood and agreed that under no circumstances shall CONTRACTOR and/or CONTRACTOR'S insurance company be liable or responsible for any claim for loss of or damages to CITY'S property that was under the custody of CONTRACTOR, which is not submitted in writing to the CONTRACTOR within the greater of ninety (90) days after the date that said loss or damage purportedly occurred or the minimum notice requirement under the law of the jurisdiction where the Service took place. Within thirty (30) days after the giving of written notice of a claim of loss or damage, CITY agrees to furnish CONTRACTOR a detailed written statement of the circumstances surrounding such loss or damages as well as detailed written proof of such loss or damages in form reasonably satisfactory to CONTRACTOR, which proof of loss shall be substantiated by the books, records and accounts of CITY and shall be subscribed and sworn to by CITY or its duly authorized officer. Failure of CITY to comply with the foregoing shall relieve and release CONTRACTOR of any liability to CITY with respect to such claimed loss or damage. Further, CITY shall maintain an accurate record of all checks placed in any Shipment given to CONTRACTOR and in the event of a loss, CITY agrees to promptly, diligently and completely cooperate with CONTRACTOR in the reconstruction and replacement of lost, destroyed or stolen checks which had been contained in any such Shipment. CONTRACTOR'S sole liability shall be the payment to CITY of: (i) reasonable costs necessary to reconstruct the checks plus any necessary costs because of stop payment procedures; (ii) the face value of checks that cannot be Reconstructed, provided adequate proof of the value thereof is presented to CONTRACTOR, except those checks which would not be collectable at the time of loss, but not to exceed the limit of \$5,000.00 per Shipment for the unidentified checks. The maximum liability of CONTRACTOR for the checks shall in no event exceed the Maximum Shipment Liability limit set forth in Schedule A which includes the aforesaid \$5,000.00 for the unidentified checks. Complete cooperation shall include but not be limited to, recovery of hard copy or electronic records of checks including, without limitation, point of sale information created by its employees, agents or cities; as well as, requests by CITY to makers of the missing checks to issue duplicates and in the event the makers refuse to do so, then to assert all of its legal and equitable rights against said makers. CITY agrees that CONTRACTOR and CONTRACTOR'S insurance company shall not be liable for damages directly or proximately flowing from CITY'S breach of this provision. Upon payment of a loss pursuant to this Agreement, CONTRACTOR or its insurance company shall be subrogated to all CITY'S rights and remedies of recovery

therefore. The CITY shall assign to the CONTRACTOR, CITY'S right to receive payment under any check(s) for which CONTRACTOR has reimbursed CITY and CITY shall execute any document necessary or reasonably desirable to perfect and accomplish such assignment.

CITY OF TORRANCE,  
a Municipal corporation

GARDA CL WEST, INC.,  
a California corporation

\_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
David Rugani  
Contracts Manager

ATTEST:

\_\_\_\_\_  
Sue Herbers, City Clerk

APPROVED AS TO FORM:  
JOHN L. FELLOWS III  
City Attorney

By: \_\_\_\_\_

Attachments: Exhibit A      Scope of Services  
                  Exhibit B      Compensation Schedule

Revised:      10/29/2008

## EXHIBIT A

### SCOPE OF SERVICES

This exhibit will be revised to address the specific services better after the contract is awarded.

#### **Armored Car Services:**

CONTRACTOR agrees to render armored car services ("Armored Car Services") to CITY in accordance with the terms and conditions set forth in the Agreement and as set forth herein. Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Agreement.

A. CONTRACTOR agrees to render Armored Car Services to CITY at the locations, times, prices, frequencies and liability limits set forth in Exhibit B of the Agreement and upon such other terms and conditions as are set forth in Exhibit B.

B. Shipment Requirements: CITY agrees to cause all Shipments to be made by means of CITY placing CITY'S property in sealed packages or containers, of a mutually agreed upon type and design, which clearly and distinctly indicates the name and address of the consignor as well as the name and address of the consignee. CITY further agrees to clearly and distinctly set forth the value of each Shipment on the outside of the Sealed packages or container. CITY agrees that CONTRACTOR, its agents or employees, shall have the right to refuse to pickup Shipments of Property which are not Sealed and properly marked by CITY as set forth above and that CONTRACTOR assumes no liability for any damages or loss which may result as a consequence of such refusal to make a pickup. CITY further agrees that CONTRACTOR shall not be liable for any mysterious disappearance of, shortage or damage to the contents of any Shipment unless the Shipment was properly Sealed at the time of delivery to CONTRACTOR and shows evidence of tampering at the time CONTRACTOR delivers said package to the consignee and the consignee immediately notes, in writing, the evidence of tampering on CONTRACTOR'S receipt document. Absent notation on CONTRACTOR'S receipt document by the consignee at the time of receipt, the burden of proof shall be on the CITY to show the CONTRACTOR is responsible for such loss or claim related to a sealed container said to contain property. The parties agree that, while CITY may keep its own receipt and log book for its own internal purposes, CONTRACTOR's receipt document shall be deemed the sole controlling document with respect to all Armored Car Services rendered, including, without limitation, deposits delivered and received, timing, losses, shortages, overages, investigations, claims or litigation.

C. Authorized Messengers: CONTRACTOR agrees to furnish CITY the certified signature and photograph of each authorized messenger, and to give written notice in the event of revocation of such authority. CONTRACTOR assumes no liability for property delivered to any employee or other person except those whose unrevoked signature is on file with CITY.

D. Premise Time: CITY understands that time is of the essence to CONTRACTOR'S business, therefore, CITY agrees that CONTRACTOR'S messenger shall be present no more than a maximum of five (5) minutes to make a pickup and/or delivery of Property. If said premise time exceeds the time stated herein, it is agreed that the messenger may leave and that such departure shall not be a breach of this Agreement. CITY may call and request that a Service call be made by CONTRACTOR subsequent to such departure. By requesting same,

CITY agrees to pay for said additional Armored Car Service call at a rate to be established by mutual agreement, such charges to be in addition to regular Armored Car Service charges.

E. Non deliverables: When delivery of a Shipment cannot be made for any reason, CONTRACTOR shall notify CITY and return the Shipment to CITY or to CONTRACTOR'S vault for storage. Notification of such return shall be promptly given to CITY.

**Cash Vault Services:**

CONTRACTOR agrees to render cash vault services ("Cash Vault Services") to CITY in accordance with the terms and conditions set forth in the Agreement and as set forth herein. Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Agreement.

A. CITY agrees to maintain an inventory of Cash (as defined below) at CONTRACTOR'S facilities in adequate amounts by denomination to fulfill the Cash requirements of CITY; and CONTRACTOR agrees to act as CITY'S cash processing and safekeeping area (hereinafter called "Money Room") for Cash into and out of the CITY, the Federal Reserve Bank, and/or any other designated local depository bank which CITY may, from time to time, elect to use as a correspondent. It is understood and agreed that the Cash is provided by CITY to CONTRACTOR solely to allow CONTRACTOR to provide the services specified herein and for no other purpose. Accordingly, CONTRACTOR shall have no ownership, interest in or claim on or to the Cash other than for the sole purpose of providing the services hereunder. CITY shall have the right at anytime to request return of the Cash, at which point, CONTRACTOR shall be relieved of its obligations to provide services hereunder, so long as the Cash is removed from CONTRACTOR'S custody, possession or control.

B. Among the services CONTRACTOR agrees to perform for CITY are coin and currency order preparations, coin and currency shipment verifications, and coin wrapping. CONTRACTOR agrees to process and verify all the CITY'S Shipments and to prepare all the CITY'S Cash orders.

C. CONTRACTOR agrees to accept orders for shipments of Cash directly from CITY via CONTRACTOR'S telephone order entry system, and will prepare and package each order from CITY'S inventory maintained at CONTRACTOR. An authorized CITY representative will be responsible for assuring that CONTRACTOR has adequate inventory of Cash on hand to fill the orders received. In order to enable Bank to maintain an adequate supply of coin and currency in inventory, CONTRACTOR agrees to supply bank daily with reports and statements which detail and summarize activity at such times and frequencies as mutually agreed upon.

D. CONTRACTOR will prepare CITY'S currency orders using what is commonly called "Fed shrink wrapped bundles" whenever possible. The bundles are clearly identified as a product of the Federal Reserve Bank. CONTRACTOR will not be responsible for differences found in any straps within a "Fed bundle". When single straps of currency are used by CONTRACTOR to complete a CITY order, CONTRACTOR will uniquely identify these straps and will be responsible for any difference discovered therein, provided the strap is returned to CONTRACTOR for inspection.

E. Each Monday through Friday, except CONTRACTOR holidays, at such time or times as are mutually agreeable to by CITY and CONTRACTOR, CONTRACTOR will take delivery of and receipt for the incoming CITY Shipments.

- F. CONTRACTOR agrees to transmit each day's bank deposit information to CITY on the day following the pick-up by 12:00 noon.
- G. CITY will be responsible for differences found by CONTRACTOR during CONTRACTOR's verification of the Shipments. CONTRACTOR will supply CITY with any strap in which a difference was found.
- H. CONTRACTOR will assist CITY to reconcile and adjust any differences between CITY's records of the Shipments and the amount thereof actually found by CONTRACTOR upon verification of such Cash upon its arrival at the CONTRACTOR facility.
- I. CITY and CONTRACTOR agree to retain any bag, seal, tag, or strap of any Shipment of a questionable nature or in which a difference is found, and to fully cooperate with one another when an investigation is deemed necessary to determine responsibility and reach a mutually agreed upon resolution.
- J. Both parties acknowledge that teller transaction records ("teller and cash") and video tapes are only maintained for ninety (90) days. Accordingly, CITY agrees to notify CONTRACTOR in writing of any claim or loss within twenty-four (24) hours after loss is discovered or should have been discovered in the exercise of due care and in any event, within ninety (90) days after delivery to CONTRACTOR of Cash in connection with which the claim is asserted. All claims shall be researched. However, CITY expressly understands and acknowledges that, as critically important research tools may not be available to CONTRACTOR after 90 days, absent clear and convincing evidence that CONTRACTOR was responsible for or directly caused the alleged loss at issue, claims submitted by CITY outside the 90 day period as set forth above shall be deemed waived.
- K. CONTRACTOR will count all bus ride tokens picked-up from the Los Angeles Metropolitan Transportation Authority and Torrance Transit System and deliver such tokens to the Torrance Transity Facility on a weekly basis.
- L. Standard bags of loose coin received into inventory at CONTRACTOR will be verified by weight by CONTRACTOR before opening. Bags with weight discrepancies will be handled in either of the following two ways:
1. They can be returned to CITY for in-house verification.
  2. They can be opened and counted by CONTRACTOR and CONTRACTOR will advise CITY of results. In this instance CONTRACTOR's count will be final and binding.
- M. Once CONTRACTOR agrees to weight verification of standard bag of loose coin any differences will be the responsibility of CONTRACTOR. Standard bags of coin are designated as a single denomination and are declared to contain the following standard values:

Either Or

SBA/Golden Dollars	\$2,000.00	\$1,000.00
Half Dollars	\$1,000.00	\$ 500.00
Quarters	\$1,000.00	\$ 500.00
Dimes	\$1,000.00	\$ 500.00

Nickels	\$ 200.00	\$ 100.00
Pennies	\$ 50.00	\$ 25.00

N. All bags of loose coin other than standard bags require piece count verification, or sorting plus piece count verification. Bags of loose coin other than standard bags are as follows:

Odd bags are bags designated as a single denomination, but are declared to have a value different from the standard values defined above. Mixed bags are bags, containing more than one denomination of coin, but have declared values stated for the contents of each bag. Subject to count bags are bags with no declared value associated with them.

O. Notwithstanding any other provisions of this Agreement, as amended from time to time, to the fullest extent permitted by applicable law, CITY shall indemnify and hold harmless CONTRACTOR, its successors and assigns, and its directors, officers, employees and agents, and their successors, respectively, from and against all claims, damages, sums of money, losses and expenses of any kind whatsoever (including but not limited to fines, penalties, interest and attorney's fees) arising from or caused by any claim, suit, demand, proceeding or liability growing out of or related to any violation or alleged violation of (a) 31 U. S. C., Section 5313 as it may be amended, supplemented and in effect from time to time or of (b) 31 C. F. R. Section 103.22 as it may be amended, supplemented and in effect from time to time, or of (c) any similar statutory or regulatory or administrative provisions, involving currency transaction reports or disclosures relating to transactions in currency of more than Ten Thousand dollars (\$10,000.00) or of more than any other minimum amount specified by such statutory, regulatory or administrative provisions. This indemnity provision shall survive the termination of this Agreement with respect to any matter or circumstance occurring prior to termination hereof which may thereafter give rise to indemnification by or from CITY to CONTRACTOR.

**EXHIBIT B  
COMPENSATION SCHEDULE  
(To be attached)**

This will include the monthly flat rate armored car service fees, the variable armored car service attributes (i.e. additional items, excess premise time, etc.), the variable rate cash vault service fees and the fuel surcharge matrix.

**Custom Fuel Surcharge Index and Methodology**

Our fuel surcharge calculation method is based on the 3 week rolling average of the U. S. Energy Information Administration (eia.doe.gov). The Department of Energy website is updated every Tuesday and the National average is the benchmark used.

Each month, the 3-week rolling average will be recalculated and the surcharge will be adjusted up or down based on the following matrix:

For any 3-week U.S. National Average Diesel Fuel price over \$5.00 add an additional 1% for every \$0.25 per gallon increase.

Per Gallon Price	Surcharge
Below- \$3.50	0%
\$3.501-\$3.75	1%
\$3.751-\$4.00	2%
\$4.001-\$4.25	3%
\$4.251-\$4.50	4%
\$4.501-\$4.75	5%
\$4.751-\$5.00	6%