



Council Agenda Report

To: Mayor Pierson and the Honorable Members of the City Council

Prepared by: Nicole Benyamin, Assistant Civil Engineer

Reviewed by: Adam Chase, Assistant Public Works Director/City Engineer

Approved by: Reva Feldman, City Manager

Date prepared: June 9, 2020 Meeting date: August 24, 2020

Subject: Professional Services Agreement for On-Call Traffic Engineering Services

RECOMMENDED ACTION: Authorize the City Manager to execute a Professional Services Agreement with Kimley-Horn and Associates, Inc. (Kimley-Horn) to provide On-Call Traffic Engineering Services.

FISCAL IMPACT: Funding for these services was included in the Adopted Budget for Fiscal Year 2020-2021 in Account No. 100-3008-5125 (Public Works Traffic Engineering). The agreement amount is per the compensation schedule attached to the agreement and is based on an hourly rate for services rendered.

WORK PLAN: The On-Call Traffic Engineering Services will be utilized on various Adopted Work Plan items on an as-needed basis.

DISCUSSION: The On-Call Traffic Engineering Services agreement provides various traffic engineering services to the City including performing plan checking for traffic related issues, reviewing traffic impact analysis, parking studies, speed studies surveys, traffic control and traffic signal plans, collecting and analyzing traffic data, maintenance of pavement managing system, traffic counts and other traffic related services.

In May 2020, the City issued a Request for Proposals (RFP) for On-Call Traffic Engineering Services. On May 28, 2020 the City received six proposals. All proposals were reviewed and evaluated by a selection panel. The selection panel identified Kimley-Horn as the most qualified for this project. Kimley-Horn has successfully

performed these services for the City during the previous years and is familiar with the City and its traffic engineering services requirements and expectations.

Staff recommends authorizing the City Manager to execute a professional services agreement with Kimley-Horn and Associates, Inc. (Kimley-Horn) for traffic engineering services.

ATTACHMENT: Professional Services Agreement with Kimley-Horn and Associates, Inc.

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of August 24, 2020 by and between the City of Malibu (hereinafter referred to as the "City"), and Kimley-Horn and Associates, Inc. (hereinafter referred to as "Consultant").

The City and the Consultant agree as follows:

RECITALS

- A. The City does not have the personnel able and/or available to perform the services required under this Agreement.
- B. The City desires to contract out for consulting services for certain projects relating to On-Call Traffic Engineering Services.
- C. The Consultant warrants to the City that it has the qualifications, experience and facilities to perform properly and timely the services under this Agreement.
- D. The City desires to contract with the Consultant to perform the services as described in Exhibit A of this Agreement.

NOW, THEREFORE, the City and the Consultant agree as follows:

1.0 SCOPE OF THE CONSULTANT'S SERVICES. The Consultant agrees to provide the services and perform the tasks set forth in the Scope of Work, attached to and made part of this Agreement, except that, to the extent that any provision in Exhibit A conflicts with this Agreement, the provisions of this Agreement govern. The Scope of Work may be amended from time to time by way of a written directive from the City.

2.0 TERM OF AGREEMENT. This Agreement will become effective on August 24, 2020, and will remain in effect for a period of three years from said date unless otherwise expressly extended and agreed to by both parties or terminated by either party as provided herein.

3.0 CITY AGENT. The City Manager, or her designee, for the purposes of this Agreement, is the agent for the City; whenever approval or authorization is required, Consultant understands that the City Manager, or her designee, has the authority to provide that approval or authorization.

4.0 COMPENSATION FOR SERVICES. The City shall pay the Consultant for its professional services rendered and costs incurred pursuant to this Agreement in accordance with Exhibit A Scope of Services and Exhibit B Compensation Schedule. No additional compensation shall be paid for any other expenses incurred, unless first approved by the City Manager, or her designee.

4.1 The Consultant shall submit to the City, by no later than the 10th day of each month, its bill for services itemizing the fees and costs incurred during the previous month. The City shall pay the Consultant all uncontested amounts set forth in the Consultant's bill within 30 days after it is received.

5.0 CONFLICT OF INTEREST. The Consultant represents that it presently has no interest and shall not acquire any interest, direct or indirect, in any real property located in the City which may be affected by the services to be performed by the Consultant under this Agreement. The Consultant further represents that in performance of this Agreement, no person having any such interest shall be employed by it.

5.1 The Consultant represents that no City employee or official has a material financial interest in the Consultant's business. During the term of this Agreement and/or as a result of being awarded this contract, the Consultant shall not offer, encourage or accept any financial interest in the Consultant's business by any City employee or official.

5.2 If a portion of the Consultant's services called for under this Agreement shall ultimately be paid for by reimbursement from and through an agreement with a developer of any land within the City or with a City franchisee, the Consultant warrants that it has not performed any work for such developer/franchisee within the last 12 months, and shall not negotiate, offer or accept any contract or request to perform services for that identified developer/franchisee during the term of this Agreement.

6.0 GENERAL TERMS AND CONDITIONS.

6.1 Termination. Either the City Manager or the Consultant may terminate this Agreement, without cause, by giving the other party ten (10) days written notice of such termination and the effective date thereof.

6.1.1 In the event of such termination, all finished or unfinished documents, reports, photographs, films, charts, data, studies, surveys, drawings, models, maps, or other documentation prepared by or in the possession of the Consultant under this Agreement shall be returned to the City. If the City terminates this Agreement without cause, the Consultant shall prepare and shall be entitled to receive compensation pursuant to a close-out bill for services rendered and fees incurred pursuant to this Agreement through the notice of termination. If the Consultant terminates this Agreement without cause, the Consultant shall be paid only for those services completed in a manner satisfactory to the City.

6.1.2 If the Consultant or the City fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Consultant or the City violate any of the covenants, agreements, or stipulations of this Agreement, the Consultant or the City shall have the right to terminate this Agreement by giving written notice to the other party of such termination and specifying the effective date of such termination. The Consultant shall be entitled to receive compensation in accordance with the terms of this Agreement for any work satisfactorily completed hereunder. Notwithstanding the foregoing, the Consultants shall not be relieved of liability for damage sustained by virtue of any breach of this Agreement and any payments due under this Agreement may be withheld to off-set anticipated damages.

6.2 Non-Assignability. The Consultant shall not assign or transfer any interest in this Agreement without the express prior written consent of the City.

6.3 Non-Discrimination. The Consultant shall not discriminate as to race, creed, gender, color, national origin or sexual orientation in the performance of its services and duties pursuant to this Agreement, and will comply with all applicable laws, ordinances and codes of the Federal, State, County and City governments.

6.4 Insurance. The Consultant shall submit to the City certificates indicating compliance with the following minimum insurance requirements no less than one (1) day prior to beginning of performance under this Agreement:

(a) Workers Compensation Insurance as required by law. The Consultant shall require all subcontractors similarly to provide such compensation insurance for their respective employees.

(b) Comprehensive general and automobile liability insurance protecting the Consultant in amounts not less than \$1,000,000 for personal injury to any one person, \$1,000,000 for injuries arising out of one occurrence, and \$500,000 for property damages or a combined single limit of \$1,000,000. Each such policy of insurance shall:

1) Be issued by a financially responsible insurance company or companies admitted and authorized to do business in the State of California or which is approved in writing by City.

2) Name and list as additional insured the City, its officers and employees.

3) Specify its acts as primary insurance.

4) Contain a clause substantially in the following words: "It is hereby understood and agreed that this policy shall not be canceled nor materially changed except upon thirty (30) days prior written notice to the City of such cancellation or material change."

5) Cover the operations of the Consultant pursuant to the terms of this Agreement.

6.5 Indemnification. Consultant shall indemnify, defend with counsel approved by City, and hold harmless City, its officers, officials, employees and volunteers from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with Consultant's negligence, recklessness or willful misconduct in the performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the City. The Consultant shall promptly pay any final judgment rendered

against the City (and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of the Consultant's negligent, reckless or willful misconduct. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement.

6.6 Compliance with Applicable Law. The Consultant and the City shall comply with all applicable laws, ordinances and codes of the federal, state, county and city governments, including, without limitation, Malibu Municipal Code Chapter 5.36 Minimum Wage.

6.7 Independent Contractor. This Agreement is by and between the City and the Consultant and is not intended, and shall not be construed, to create the relationship of agency, servant, employee, partnership, joint venture or association, as between the City and the Consultant.

6.7.1. The Consultant shall be an independent contractor, and shall have no power to incur any debt or obligation for or on behalf of the City. Neither the City nor any of its officers or employees shall have any control over the conduct of the Consultant, or any of the Consultant's employees, except as herein set forth, and the Consultant expressly warrants not to, at any time or in any manner, represent that it, or any of its agents, servants or employees are in any manner employees of the City, it being distinctly understood that the Consultant is and shall at all times remain to the City a wholly independent contractor and the Consultant's obligations to the City are solely such as are prescribed by this Agreement.

6.8 Copyright. No reports, maps or other documents produced in whole or in part under this Agreement shall be the subject of an application for copyright by or on behalf of the Consultant.

6.9 Legal Construction.

(a) This Agreement is made and entered into in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

(b) This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.

(c) The article and section, captions and headings herein have been inserted for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.

(d) Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the

singular shall refer to and include the plural.

6.10 Counterparts. This Agreement may be executed in counterparts and as so executed shall constitute an agreement which shall be binding upon all parties hereto.

6.11 Final Payment Acceptance Constitutes Release. The acceptance by the Consultant of the final payment made under this Agreement shall operate as and be a release of the City from all claims and liabilities for compensation to the Consultant for anything done, furnished or relating to the Consultant's work or services. Acceptance of payment shall be any negotiation of the City's check or the failure to make a written extra compensation claim within ten (10) calendar days of the receipt of that check. However, approval or payment by the City shall not constitute, nor be deemed, a release of the responsibility and liability of the Consultant, its employees, sub-consultants and agents for the accuracy and competency of the information provided and/or work performed; nor shall such approval or payment be deemed to be an assumption of such responsibility or liability by the City for any defect or error in the work prepared by the Consultant, its employees, sub-consultants and agents.

6.12 Corrections. In addition to the above indemnification obligations, the Consultant shall correct, at its expense, all errors in the work which may be disclosed during the City's review of the Consultant's report or plans. Should the Consultant fail to make such correction in a reasonably timely manner, such correction shall be made by the City, and the cost thereof shall be charged to the Consultant.

6.13 Files. All files of the Consultant pertaining to the City shall be and remain the property of the City. The Consultant will control the physical location of such files during the term of this Agreement and shall be entitled to retain copies of such files upon termination of this Agreement.

6.14 Waiver; Remedies Cumulative. Failure by a party to insist upon the performance of any of the provisions of this Agreement by the other party, irrespective of the length of time for which such failure continues, shall not constitute a waiver of such party's right to demand compliance by such other party in the future. No waiver by a party of a default or breach of the other party shall be effective or binding upon such party unless made in writing by such party, and no such waiver shall be implied from any omissions by a party to take any action with respect to such default or breach. No express written waiver of a specified default or breach shall affect any other default or breach, or cover any other period of time, other than any default or breach and/or period of time specified. All of the remedies permitted or available to a party under this Agreement, or at law or in equity, shall be cumulative and alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right of remedy.

6.15 Mitigation of Damages. In all such situations arising out of this Agreement, the parties shall attempt to avoid and minimize the damages resulting from the conduct of the other party.

6.16 Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will

nevertheless continue in full force without being impaired or invalidated in any way.

6.17 Attorneys' Fees. The parties hereto acknowledge and agree that each will bear his/her or its own costs, expenses and attorneys' fees arising out of and/or connected with the negotiation, drafting and execution of the Agreement, and all matters arising out of or connected therewith except that, in the event any action is brought by any party hereto to enforce this Agreement, the prevailing party in such action shall be entitled to reasonable attorneys' fees and costs in addition to all other relief to which that party or those parties may be entitled.

6.18 Entire Agreement. This Agreement constitutes the whole agreement between the City and the Consultant, and neither party has made any representations to the other except as expressly contained herein. Neither party, in executing or performing this Agreement, is relying upon any statement or information not contained in this Agreement. Any changes or modifications to this Agreement must be made in writing appropriately executed by both the City and the Consultant.

6.19 Notices. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail, postage prepaid, and addressed as follows:

CITY:	Reva Feldman City Manager City of Malibu 23825 Stuart Ranch Road Malibu, CA 90265-4861 TEL (310) 456-2489 x 224 FAX (310) 456-2760	CONSULTANT:	Sri Chakravarthy Project Manager Kimley-Horn and Associates, Inc. 660 S Figueroa St. Ste. 2050 Los Angeles, CA 90017 TEL (213) 261-4037
--------------	--	--------------------	---

6.20 Warranty of Authorized Signatories and Acceptance of Facimile or Electronic Signatures. Each of the signatories hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she purports to sign. The Parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into in connection with this Contract will be considered signed when the signature of a party is delivered by facsimile transmission or scanned and delivered via electronic mail. Such facsimile or electronic mail copies will be treated in all respects as having the same effect as an original signature.

7.0 GENERAL TERMS AND CONDITIONS. (City and Consultant initials required at EITHER 7.1 or 7.2)

7.1 Disclosure Required. By their respective initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is a "consultant" for the purposes of the California Political Reform Act because Consultant's duties would require him or her to make one or more of the governmental decisions set forth in Fair Political Practices Commission Regulation 18700.3(a) or otherwise serves in a staff capacity for which disclosure would

otherwise be required were Consultant employed by the City. Consultant hereby acknowledges his or her assuming-office, annual, and leaving-office financial reporting obligations under the California Political Reform Act and the City's Conflict of Interest Code and agrees to comply with those obligations at his or her expense. Prior to consultant commencing services hereunder, the City's Manager shall prepare and deliver to consultant a memorandum detailing the extent of Consultant's disclosure obligations in accordance with the City's Conflict of Interest Code.

City Initials _____
Consultant Initials _____

7.2 Disclosure not Required. By their initials next to this paragraph, City and Consultant hereby acknowledge that Consultant is not a "consultant" for the purpose of the California Political Reform Act because Consultant's duties and responsibilities are not within the scope of the definition of consultant in Fair Political Practice Commission Regulation 18700.3(a) and is otherwise not serving in staff capacity in accordance with the City's Conflict of Interest Code.

City Initials _____
Consultant Initials sc

This Agreement is executed on _____, 2020, at Malibu, California, and effective as of August 24, 2020.

CITY OF MALIBU:

REVA FELDMAN, City Manager

ATTEST:

HEATHER GLASER, City Clerk
(seal)

CONSULTANT:

Greg Kyle
By: Gregory S. Kyle, Sr. Vice President

APPROVED AS TO FORM:

THIS DOCUMENT HAS BEEN REVIEWED
BY THE CITY ATTORNEY'S OFFICE

CHRISTI HOGIN, City Attorney

[Signature]
By: Sri Chakravarthy, P.E. 73629

KHACA
12

Exhibit A

SCOPE OF SERVICES

I. Engineering Services

A. Engineering Services

When requested:

1. Analyze CITY'S needs and prepare, recommend, and administer long-range and short-range programs consistent with the economic capabilities of the City.
2. Review and comment on planning programs and land development projects.
3. Recommend regulations and ordinances pertaining to engineering matters.
4. Advise CITY as to engineering and construction financing available from other governmental agencies and, when so requested, prepare and initiate application for such funding.
5. Perform technical plan review of public improvement plans submitted to the CITY, including, but not limited to, street improvements, sewer plans, storm drain plans, traffic-related plans (signal, signing and striping, traffic control, etc.) and grading plans.

B. City Traffic Engineering Services

When requested:

1. In the capacity of City Traffic Engineer, advise and assist CITY's departments, commissions, committees, and City Council and provide interface with regional and State transportation agencies.
2. Assess the potential traffic impact of proposed development/redevelopment projects.
3. When requested, prepare engineering reports to the City Council in response to requests for traffic calming and traffic control device installations and modifications such as stop signs, speed humps, crosswalks, traffic channelization and speed zones.
4. Prepare grant applications for funding from federal, state, and regional agencies for traffic safety studies and improvements.
5. Prepare Highway Performance Monitoring System (HPMS) data to submit to regional agencies.
6. Identify, review, and develop recommendations for corrective measures at locations experiencing unusually high accident rates.
7. Provide technical advice to CITY's staff about the maintenance and operation of CITY's traffic signal facilities, and any other traffic related items.
8. Prepare feasibility/concept plan studies and recommendations.
9. Collect and analyze traffic data.
10. Perform speed studies surveys and analysis.
11. Provide drafting and computer aided drafting support.
12. Perform traffic signal and stop sign warrant analysis.

13. Perform sight distance analysis.

C. Development Review and Control

When requested:

1. Check all improvement plans for facilities under the jurisdiction of CITY and prepared by private developers including traffic impact analysis reports, parking studies, and other traffic reports.
2. Provide plan checking services for traffic control plans.
3. Participate in meeting with City staff associated with various development and improvement projects
4. Establish performance/labor and material bond amounts, grading bond amounts, and development fee amounts when required.
5. Provide field inspection during construction, the issuance of a Certificate of Occupancy, of such improvements by private developers, and at the proper time, recommend acceptance of the work.
6. Provide educational seminars/presentations to members of the public.
7. Provide such necessary and related functions as are normal practice of CITY in the CITY Engineering review of private developments.

D. Capital Projects

When requested:

1. Prepare the design, construction plans, specifications, estimates and contract documents.
2. Perform concept and feasibility studies.
3. Provide design surveying, construction surveying, and construction observation together with construction administration.
4. Coordinate with utility companies in the relocation of affected utilities.
5. Process the plans and specifications through other agencies for review and approval in connection with special funding programs and permits when required.
6. Provide field observation during construction of capital improvements by contractors, and at the proper time, recommend acceptance of the work.

E. Pavement Management System (PMS) Update

1. Prepare PMS update which is completed every 3 years (last update done in 2016). Update should follow similar format as current PMS document. Any revisions to format or content of PMS manual shall first be approved by the City Engineer.
2. Prepare/recommend an action plan in order to achieve a Pavement Condition Index (PCI) of 70 or above for all City streets. Details of what to include in the action plan shall be discussed with City staff.

II. Additional Engineering Services

CITY may from time to time have the need for other services not specifically listed in Paragraph I, Engineering Services for which CONSULTANT has necessary experience and capabilities to provide such services including, but not limited to, real property services, environmental planning, municipal planning, and related work. CITY, through its City Manager, Assistant City Manager, Director of Public Works and/or City Engineer, may authorize CONSULTANT to perform such selected services on an as needed basis.

EXHIBIT B

Compensation Schedule

KIMLEY-HORN AND ASSOCIATES, INC.

HOURLY BILLING RATES

SUPPORT STAFF	\$95.00
CADD OPERATOR / TECHNICIAN.....	\$110.00
DESIGNER.....	\$130.00
ANALYST I.....	\$125.00
ANALYST II	\$135.00
PROJECT SUPPORT STAFF	\$145.00
PROFESSIONAL I.....	\$165.00
PROFESSIONAL II.....	\$195.00
SENIOR PROFESSIONAL I.....	\$210.00
SENIOR PROFESSIONAL II	\$250.00
PRINCIPAL	\$275.00

EXPENSES

OFFICE EXPENSES (Allocation)..... 5%
(Covers direct expenses, such as in-house duplicating and blueprinting, local mileage, telephone calls, electronic messaging, postage, and word processing)

Other Direct Costs: Outside Printing/Reproduction, Delivery Services/USPS, Misc. Field Equipment/Supplies, and Travel Expenses will be billed at cost plus 10%. Mileage will be billed at the Federal Rate.

Subconsultants: Billed at cost plus 10%.

This page has been left blank intentionally.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than

that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III - Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
ANY PERSON OR ORGANIZATION WHOM YOU BECOME OBLIGATED TO INCLUDE AS AN ADDITIONAL INSURED AS A RESULT OF ANY CONTRACT OR AGREEMENT YOU HAVE ENTERED INTO.	PER THE CONTRACT OR AGREEMENT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that

which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III - Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

This page has been left blank intentionally.