



Public Works Department

1887 Howard Street, Anderson, California 96007 • Telephone (530) 378-6666 • Fax (530) 378-6636

October 31, 2017

To Whom It May Concern,

RE: Request For Proposals for consulting services for the preparation of a Water Rate Study for the City Of Anderson.

The City of Anderson is soliciting proposals from qualified professional consultants to conduct, evaluate, analyze and update to the City's water rates. The intent of the study is to independently assess the City's existing water rates and provide fair water costs to the City's customers and provide a rate structure that will adequately fund City water operations.

The attached RFP provides background information on the project, as well as the City's detailed request. Your firm is encouraged to submit a proposal. If additional information is needed regarding this RFP, the project, or the consultant selection process please contact Mr. Dave Durette, P.E., City Engineer at (530) 378-6640.

Sincerely,

Bruce Crom, P.E.
Engineering Services Manager
(530) 378-6641

c. City Manager
File
Encl.



REQUEST FOR PROPOSAL (RFP)

Consulting Services for Water Rate Study

**City of Anderson
Department of Public Works
1887 Howard Street
Anderson, CA 96007**

Released Tuesday October 31, 2017

Proposal Due Date: Thursday, November 30, 2017, at 2 pm PST

A. STUDY OBJECTIVES

The City of Anderson ("City") is requesting proposals from qualified consultants to conduct a comprehensive water rate study for the City (Study).

The intent of the Study is to independently assess and evaluate existing water rates and provide fair and reasonable apportionment of costs for its customers and provide water rate structures that will adequately fund City water utility's operations, capital improvement, and debt service needs for a period of no less than five (5) years. The selected consultant will be responsible for ensuring compliance with Proposition 218.

The Study will be based on a comprehensive review of water enterprise funds' historical statements of revenue and expense, current year budgets, customer counts and classes, historical usage data, Water Master Plans, Water System Capital Improvement Plan, projected growth, and any other information deemed necessary.

B. BACKGROUND

City of Anderson

The City of Anderson is located in Shasta County, California and began operating its first community water system in 1964. The total service area is approximately 6.6 square miles and total population served is approximately 10,100. The City provides water service to approximately 3,340 residential, commercial, institutional, and light industrial accounts.

The City's water utilities are accounted for as self-supporting enterprise funds. Revenues are derived primarily from water service charges and must be adequate to fund the City's operating and capital programs.

The City's water supply is obtained from 10 large capacity municipal groundwater wells. The City fully owns and operates its water distribution system which includes over 46 miles of piping, two storage reservoirs, as well as chlorination, and pumping facilities.

C. SUBMITTAL GUIDELINES

Firms interested in submitting Proposals for Rate Study Consulting Services shall submit the following on or before the Submittal Deadline in a sealed envelope marked "City of Anderson Water Rate Study Proposal".

- One (1) original unbound Proposal marked "Original",
- One (1) electronic version in PDF format, and
- Six (6) bound copies marked "Copy"

One (1) copy of a separate Fee Proposal shall be submitted in a separate sealed envelope marked "**Fee Proposal for Water Rate Study**"

Proposals may be submitted by U.S. Mail, or delivered in person to the City of Anderson Public Works Department by **2:00 pm on November 30, 2017** and addressed to:

**City of Anderson
Public Works Department
1887 Howard Street
Anderson, CA 96007
Attn: Darla Cort**

The City reserves the right to waive non-substantial irregularities in any proposal, to reject any or all responses received as a result of this solicitation, to request additional information for the purposes of clarification, to extend the submission due date for; to modify, amend, reissue or rewrite this document; and to procure any or all services by other means. The City may modify, clarify, or interpret the RFP by sending an addendum to each firm that originally received or requested an RFP. Any such addendum shall become part of the RFP and of any contract awarded. The Proposer may make modifications to a proposal already submitted to the City, but must submit a written request to withdraw its proposal in order to make the modifications. It is the responsibility of the Proposer to ensure that modified proposals are resubmitted in accordance with the RFP submittal deadline.

The City will not be liable for any costs incurred by the consulting firms' incidental to the preparation of proposals or for developing and carrying out interview presentations, if needed.

A Proposer may withdraw its proposal by submitting an email or written request to withdraw prior to 3:00 PM on November 29, 2017, in which event the proposal will be returned to the proposer.

Submission of a proposal indicates acceptance by the firm of the conditions contained in this Request for Proposals (RFP) unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

Questions must be submitted in conformance with Section "I" of this RFP.

D. SCOPE OF SERVICES

The Study will require the selected consultant (Consultant) to perform all necessary analyses and documentation to perform the study of the City's utility rates and connection fees and recommend a five-year (5-year) rate schedule for water. In general, the scope of work shall involve a comprehensive review of the City's water enterprise funds' historical and projected revenues, usage, expenses, reserve policies, billing and collection procedures, rates and charges, current budgets, and Water Master Plans, Capital Improvement Plans, future growth potential, and any other information deemed pertinent.

Specifically, the Scope of Work will include, but shall not be limited to the following:

1) Study Objectives

The studies are to be performed in conformance with the following policy directions:

- a) Develop rate structures that will allow the City to meet their financial obligations, specifically; ensuring long term financial stability and health of their water enterprise funds.
- b) Develop a rate structure where revenues adequately fund system maintenance to accepted industry standards by incorporating variables such as age and condition of infrastructure, future replacement costs, technological turnover, cost inflation and asset depreciation.
- c) Coordinate with City staff to update the City's water system capital improvement plan (CIP) to encompass short term water system improvements over a 6 year interval and incorporate into the proposed water rate study a strategy for funding the identified CIP projects.
- d) Assess the current rate structure's performance as a baseline for comparing recommended changes.
- e) Develop rate structures that conform to existing and anticipated statutory regulations for the City and public utilities in general.
- f) Develop rate structures which conform to mandatory cash flow, debt service and reserve requirements and generally accepted guidelines for responsible financial management of utility enterprise funds.

- g) Develop utility rates which are equitable across all account types and land uses.
- h) Align fixed operating costs with fixed revenues (base charge) and variable costs with variable revenues (volume charge) according to accepted guidelines and standards.
- i) Fully fund necessary capacity expansions through an equitable combination of rates and impact fees.
- j) Create a model that easily supplies meaningful information to the public, Elected Officials, and Staff, where the inputs are comprehensive and transparent.
- k) Include the development and implementation of public outreach tools or applications such as a web-based "Rate calculator" where a customer could enter their account information and they would get an idea of what to expect on their bill.
- l) Assess the potential implementation of drought influenced rate structures intended to curtail use such as tiered volumetric rate structures, and the degree to which such structures affect revenue stability.
- m) Conduct a rate update process that complies with Proposition 218 and other legal requirements for public process according to local, state, and federal regulations.

2) Study Elements

In making its rate recommendations, the final reports shall explicitly include the following elements and analysis:

- a) **Current Rate Structures:** Assess the current City of Anderson water rates as a baseline for comparing recommended rate changes. Review the City's FY 2014-15 and FY 2015-16 budgets and compare with actual annual water rate revenue numbers.
- b) **Evaluate Base Rate:** The study shall evaluate the base water rate and base rate revenue streams in order to fund O&M, capital reserves and debt service reserves. Study will evaluate base rate changes and impacts to low-use water customers and the differences between residential and commercial customer's base rates.
- c) **Update City's Water System Capital Improvement Plan:** Working with City staff, the consultant shall evaluate the City's 2006 Water Master Plan and prepare an updated six year water system Capital Improvement Plan (CIP)

that will:

- i) Identify outstanding City of Anderson master plan water system improvements and prioritize these improvements over the next six years FY 2018 to FY 2024.
 - ii) Rank CIP projects from high, medium and low and prepare a 6 year timetable for the implementation of the projects.
 - iii) Estimate current costs for the projects and identify annual expenditures and Anderson fiscal capacity for projects implementation.
 - iv) Incorporate CIP funding methods for the 6 year capital improvement costs through a justifiable combination of water rates, impact fees, low interest loans, and grants.
- d) **Equity:** Assess the equity of recommended water rates for all types of property ownership and land use.
- e) **Conservation Impacts:** Assess the interaction between the water conservation elements of the recommended rates and their impacts on the ability to fund water operations. Compare impacts of water conservation year FY 2014-15 with non-conservation years to determine impact of state mandated conservation efforts. Review the City's Urban Water Management Plan to determine future impacts of state mandated conservation requirements.
- f) **Drought or Loss of Supply Rate Structure:** Assess the impact on a rate structure due to drought, loss of supply, or other water shortage factors. Evaluate and recommend drought pricing program that mimics the different water stages of the City's emergency water supply shortage plan and Anderson 2015 Urban Water Management Plan (UWMP) and continues to fund water operations and capital projects.
- g) **Environmental Regulation:** The studies shall include an assessment of the revenue stream generated by the recommended rates and their ability to continue to fully fund utility system costs under the impacts of future water quality and statutory regulations and standards.
- h) **Other Service Charges:** Assess existing customer service fee structure and identify other potential areas for service and system charges (shut-down activities, back-flow devices, plan reviews, fire service charges, water service shut-offs, change of ownership fees, etc.) and recommend changes, if appropriate. Assessment is to note any resulting increase in liability the City may incur as a result of assessing or not assessing the fees.
- i) **Depreciation:** Consideration shall be given to funding past and future depreciation.
- j) **System Maintenance:** Provide a comparison of current system expenditures and costs (operations, power usage, capital improvements, bonded debt)

against appropriate industry benchmarks.

- k) **Stability:** The report shall assess the stability of the current and alternative rate structures. The recommended structure shall result in no decrease in revenue stability compared to the current structure. Evaluate the City's growth projections and inflationary adjustments and recommend appropriate modifications to future water rates.
- l) **Comparison:** Provide a comparison of recommended rates and projected monthly bills across customer classes with similarly sized and situated utilities in northern California.

3) Services to be Provided by the Consultant

- a) Provide a detailed schedule for the various stages of the project including developing and presenting preliminary and final reports to staff and elected officials for the City.
- b) Conduct a detailed review of the existing water rates and status of the water funds, and develop a general familiarity with the City's billing system, procedures and policies.
- c) Conduct analyses as required to address the scope of work.
- d) Meet or confer with staff as needed and attend up to two meetings each with the City Council to present the draft recommendations and obtain their input. Attend up to two public hearings where the water rates are considered for adoption.
- e) Conduct and manage all tasks associated with the Proposition 218 process including preparation and distribution of required public notices.
- f) **Preliminary Reports**
 - i. Prepare a preliminary report for the City including tentative rates for review by the City.
 - ii. Submit ten (10) hard copies and one electronic copy of each report, plus one reproducible copy.
 - iii. Prepare and present preliminary reports and tentative rates to the City administration and the City Public Works staff.
- g) **Draft Final Report**
 - i. Incorporate changes to the City's preliminary report pursuant to comments received from the City's administration and staff.
 - ii. Submit ten (10) hard copies and one electronic copy of each report, plus one reproducible copy.
 - iii. Prepare and present the City's Draft Final Report to the City administration and public works staff.
 - iv. Incorporate changes to the Draft Final Reports pursuant to comments

- received from administration and staff.
 - v. Present the Draft Final Report to City Elected Officials.
- h) Final Report
- i. The Final Report shall summarize the completed action of the City Council, providing the final rates as adopted, the final rate structure, an explanation of how those rates were calculated, a summary of the Prop 218 process, and projected revenue under the adopted rates and rate structure.
 - ii. Submit ten (10) hard copies and one electronic copies of each report, plus one reproducible copy.
 - iii. Provide an electronic copy of report in MS Word format, with model spreadsheets in Excel format.
 - iv. Present the final reports and recommended rates to the City Council and members of the public at formal public hearings.
- i) Provide an easy-to-use web based rate calculator that residents of the City can use to determine their rates under proposed rate structures.

4) Services to be Provided by the City

The services to be provided by the City include, but are not necessarily limited to the following:

- a) Furnish all reasonably available records and information, including financial reports, budget, water purchase data, production data, consumption data, meter sizes, infrastructure by type and age, and customer classes.
- b) Provide information on Capital Improvement Plans, Master Plans and other pertinent long range planning documents
- c) Provide staff support and assistance as required and agreed to in advance of the studies.

E. PROPOSAL FORM AND CONTENT

Proposals shall contain an executive summary and shall clearly articulate how services identified in the scope of services will be provided, qualifications, experience, references and all of the information requested herein. Proposals shall not exceed 40 pages including any graphics and or attachments, and shall be submitted in an original electronic version on a labeled CD (Word, Excel etc.) and a paper original with SIX (6) copies.

The proposal shall address the following section in order; refer to the scope of work for project specific information:

1. Executive Summary
2. Firm Organization
3. Project Specific Utility Rate Analysis

4. Discussion of Proposition 218 processes and how they are applied to this project.
5. Public Participation
6. Project Specific Progress Reports
7. Project Timeline
8. Cost Proposal

Firm Organization

- Include name, address and telephone number of primary firm submitting proposal and identify each sub-consultant including name, address and telephone number.
- Describe the working relationship and duties of the proposed prime and sub-consultants.
- Provide a profile of the firm including types of services offered, the year firm was established.

Include a statement to the effect that the proposed Project Team will be available to work on the Project in the roles specified with the proposed timeline and will not be reassigned, removed or replaced without the consent of the City.

F. SELECTION PROCESS

A Review/Selection Committee made up of City staff will evaluate the Consultants based on the proposals and, if necessary, an oral interview will be held to determine which Consultant is best qualified to perform the work for this project. The Committee will then determine a ranking of the Consultants, after which time the Consultant fee envelopes will be opened and tabulated. The Consultant fees will be evaluated to determine if the amount of the fee is considered a reasonable cost for the work. If the top ranked Consultant has submitted a reasonable fee, the Committee will make a recommendation to the City Manager that negotiations with the top ranked Consultant begin. The City Manager may require additional information prior to directing staff to negotiate a final scope and fee with the top ranked Consultant. In the event that the top ranked Consultant submits a fee that is not considered a reasonable cost for the work and the Consultant does not agree to adjust the fee to an acceptable level, the City reserves the right to bypass the top ranked Consultant and to negotiate with the second ranked Consultant.

The following items, as they relate to the Scope of Services Tasks described above, will be used by the committee to assist in the ranking of the Consultants' proposal and the oral interview:

- Understanding of the Project
- Experience with Similar Types of Work
- Experience and Qualifications of the Project Manager
- Experience and Qualifications of the Project Team
- Ability to Complete Projects On Time and Within Budget

The Consultant shall prepare an estimated fee for the contract work as described in the Scope of Work. The cost estimate shall be broken down by task, man-hours per task, different personnel classifications per man-hour (i.e., Principal, Senior Engineer, Staff Engineer, Clerical, etc.), provide a total cost per task, and a total not-to-exceed amount for the entire project. Fees shall include all markups, overhead, and profit. The estimated fee shall be submitted in a sealed envelope along with copies of the proposal and shall not be opened until the interview/evaluation process has been completed. *Do not state cost for services anywhere in the proposal.*

G. PROJECT TIME SCHEDULE

The utility rate study for the City is expected to take five (5) months to complete.

A detailed schedule of tasks and milestones is required as part of the proposal.

H. QUESTIONS

Questions regarding this RFP should be directed to:

Bruce Crom, P.E.
City of Anderson
1887 Howard Street
Anderson, CA 96007
(530) 378-6641

STANDARD CONSULTANT AGREEMENT

The Consultant selected to provide the scope of services shall use the City's standard professional services agreement. A template copy of this agreement is attached to this RFP (Exhibit A). By submitting a proposal for the work, the Consultant agrees to utilize the City standard contractual agreement form for the contract. Contractually required insurance coverage and endorsement information is shown in the body of the document.

Attachments:

1. Exhibit "A" City Standard Professional Services Agreement

EXHIBIT "A"
CITY OF ANDERSON
PROFESSIONAL SERVICES AGREEMENT
FOR
CONSULTING SERVICES FOR CITY OF ANDERSON WATER RATE STUDY
PROJECT

This Agreement is entered into this ____ day of _____, 2017, by and between the City of Anderson, a California municipal corporation ("City"), and [INSERT NAME OF COMPANY], a [INSERT TYPE OF BUSINESS; CORPORATION; LIMITED LIABILITY COMPANY; ETC.] ("Consultant").

I. RECITALS

A. Consultant desires to perform and assume responsibility for the provision of professional consultant services required by the City on the terms and conditions set forth in this Agreement.

B. Consultant has presented a proposal for such services to the City, dated _____, 2017, (attached hereto and incorporated herein as Exhibit "A") and is duly licensed, qualified and experienced to perform those services

C. Consultant agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this Agreement is based on such independent investigation and research.

D. City desires to engage Consultant to render such services as set forth in this Agreement.

II. AGREEMENT

1. Scope of Services.

1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services and incidental and customary work necessary to fully and adequately supply the necessary professional consultant services ("Services"). The Services are more particularly described in Exhibit "A."

2. Schedule of Services.

2.1 Schedule of Services. The Services of Consultant are to commence upon execution of this Agreement by the City and shall be undertaken and completed in a prompt and timely manner, pursuant to the schedule outlined in the Scope of Work, more particularly described in Exhibit "A."

EXHIBIT "A"

2.2 Extension of Time. Consultant may, for good cause, request extensions of time to perform the Services required hereunder. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Agreement.

3. Fees and Payments.

3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "A." The total compensation shall not exceed [INSERT WRITTEN DOLLAR AMOUNT] DOLLARS (\$[INSERT NUMBER]) without City's prior written approval.

3.2 Payment of Compensation. Consultant shall submit to City a monthly itemized statement which indicates work completed and hours of Services rendered by Consultant. The statement shall describe the amount of Services and supplies provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the statement. City shall, within forty-five (45) days of receiving such statement, review the statement and pay all approved charges thereon.

4. Changes.

4.1 The Parties may, from time to time, request changes in the scope of the Services of Consultant to be performed hereunder. Such changes, including any increase or decrease in the amount of Consultant's compensation and/or changes in the schedule must be authorized in advance by the City in writing. Mutually agreed changes shall be incorporated in written amendments to the Agreement.

5. Responsibilities of Consultant.

5.1 Independent Contractor; Control and Payment of Subordinates. Consultant enters into this Agreement as an independent contractor and not as an employee of the City. Consultant shall have no power or authority by this Agreement to bind the City in any respect. Nothing in this Agreement shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Consultant are employees, agents, contractors or subcontractors of the Consultant and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Consultant by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this Agreement.

5.2 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

5.3 Project Manager. The Consultant shall designate a project manager who at all times shall represent the Consultant before the City on all matters relating to this Agreement. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Consultant or replaced with the written approval of the City which shall not be unreasonably withheld.

EXHIBIT "A"

5.4 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City staff, consultants and other staff at all reasonable times. City agrees to work closely with Consultant's staff in the performance of Services and shall be available to Consultant's staff at all reasonable times.

5.5 Warranty. Consultant agrees and represents that it is qualified to properly provide the Services set forth in Exhibit "A" in a manner which is consistent with the generally accepted standards of Consultant's profession. Consultant further represents and agrees that it will perform said Services in a legally adequate manner in conformance with applicable federal, state and local laws and guidelines.

6. Insurance.

6.1 Time for Compliance. Consultant shall not commence Services under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

6.2 Types of Required Coverage. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder and without limiting the indemnity provisions of the Agreement, the Consultant in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement, the following policies of insurance.

6.2.1 Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, with minimum limits of at least \$1,000,000 per occurrence. Defense costs shall be paid in addition to the limits.

The policy shall contain no endorsements or provisions limiting coverage for (1) products and completed operations; (2) contractual liability; (3) third party action over claims; or (4) cross liability exclusion for claims or suits by one insured against another.

6.2.2 Automobile Liability: Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) with minimum limits of \$1,000,000 each accident.

6.2.3 Workers' Compensation: Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

6.2.4 Professional Liability: Professional Liability insurance for errors and omissions with minimum limits of \$1,000,000. Covered Professional Services shall specifically include all work to be performed under the Agreement.

EXHIBIT "A"

If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

6.3 Endorsements.

6.3.1 The policy or policies of insurance required by Sections 6.2.1 Commercial General Liability and 6.2.2 Automobile Liability shall be endorsed to provide the following:

6.3.1.1 Additional Insured: The indemnified parties shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement. Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the Agreement.

6.3.1.2 Primary Insurance and Non-Contributing Insurance: This insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance.

6.3.1.3 Severability: In the event of one insured, whether named or additional, incurs liability to any other of the insureds, whether named or additional, the policy shall cover the insured against whom claim is or may be made in the same manner as if separate policies had been issued to each insured, except that the limits of insurance shall not be increased thereby.

6.3.1.4 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

6.3.1.5 Duties: Any failure by the named insured to comply with reporting provisions of the policy or breaches or violations of warranties shall not affect coverage provided to the indemnified parties.

6.3.1.6 Applicability: That the coverage provided therein shall apply to the obligations assumed by the Consultant under the indemnity provisions of the Agreement, unless the policy or policies contain a blanket form of contractual liability coverage.

6.3.2 The policy or policies of insurance required by Section 6.2.3 Workers' Compensation shall be endorsed, as follows:

6.3.2.1 Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

6.3.2.2 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of

EXHIBIT "A"

cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

6.3.3 The policy or policies of insurance required by Section 6.2.4 Professional Liability shall be endorsed, as follows:

6.3.3.1 Cancellation: The policy shall not be canceled or the coverage suspended, voided, reduced or allowed to expire until a thirty (30) day prior written notice of cancellation has been served upon the City except ten (10) days prior written notice shall be allowed for non-payment of premium.

6.4 Deductible. Any deductible or self-insured retention must be approved in writing by the City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

6.5 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the City. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

6.6 Failure to Maintain Coverage. Consultant agrees to suspend and cease all operations hereunder during such period of time if the required insurance coverage is not in effect and evidence of insurance has not been furnished to the City. The City shall have the right to withhold any payment due Consultant until Consultant has fully complied with the insurance provisions of this Agreement.

In the event that the Consultant's operations are suspended for failure to maintain required insurance coverage, the Consultant shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

6.7 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

6.8 Insurance for Subconsultants. All subconsultants shall be included as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing subconsultants to purchase the appropriate insurance in compliance with the terms of this Agreement, including adding the City as an Additional Insured to the subconsultant's policies.

EXHIBIT "A"

7. Ownership of Materials and Confidentiality.

7.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse or sublicense any and all copyrights, designs and other intellectual property embodied in plans, specifications, studies, drawings, estimates and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data").

Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City.

City shall not be limited in any way in its use or modification of the Documents and Data at any time, provided that any such use or modification not within the purposes intended by this Agreement shall be at City's sole risk.

7.2 Confidentiality. All Documents & Data are confidential and Consultant agrees that they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

8. Accounting Records.

8.1 Maintenance and Inspection. Consultant shall maintain and make available for inspection by the City and its auditor's accurate records of all its costs, disbursements and receipts with respect to any work under this Agreement. Such inspections may be made during regular office hours at any time until one (1) year after the final payments under this Agreement are made to the Consultant.

9. Subcontracting.

9.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

10. Termination of Agreement.

10.1 Grounds for Termination. City may, by written notice to Consultant, terminate all or any part of this Agreement at any time and without cause by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those

EXHIBIT "A"

Services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

10.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

10.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

11. General Provisions.

11.1 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

City:

City of Anderson
1887 Howard Street
Anderson, CA 96007
Attn: Jeff Kiser, City Manager

Consultant:

Attn.: _____

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

11.2 Indemnification. Consultant shall defend, indemnify and hold the City, its elected officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury, in law or equity, to property or persons, including wrongful death, in any manner arising out of or incident to any alleged acts, omissions, negligence or willful misconduct of Consultant, its officials, officers, employees, agents, subcontractors and subconsultants arising out of or in connection with the performance of the

EXHIBIT "A"

Services or this Agreement, including without limitation the payment of all consequential damages and attorneys' fees and other related costs and expenses except such loss or damage which was caused by the active negligence, sole negligence, or willful misconduct of the City.

Consultant shall defend, at Consultant's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against City, its directors, officials, officers, employees, agents or volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against City or its directors, officials, officers, employees, agents or volunteers, in any such suit, action or other legal proceeding. Consultant shall reimburse City and its directors, officials, officers, employees, agents and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the City, its directors, officials, officers, employees, agents or volunteers.

11.3 Prohibited Interests. Consultant covenants that neither it, nor any of its employees, agents, contractors or subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Agreement, nor any other interest which would conflict in any manner or degree with the performance of the Services hereunder.

11.4 Prevailing Wages. Consultant is aware of the requirements of California Labor Code section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, section 16000, et seq., ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are subject to the Prevailing Wage Laws, Consultant agrees to fully comply with such Prevailing Wage Laws.

11.5 Equal Opportunity Employment. Consultant shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person's race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation.

11.6 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

11.7 Attorneys' Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to reasonable attorneys' fees and all other costs of such action.

EXHIBIT "A"

11.8 Assignment or Transfer. Consultant shall not assign or transfer any interest in this Agreement whether by assignment or novation, without the prior written consent of the City, which will not be unreasonably withheld. Provided, however, that claims for money due or to become due Consultant from the City under this Agreement may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer, whether voluntary or involuntary, shall be furnished promptly to the City.

11.9 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the Parties.

11.10 Amendment; Modification. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

11.11 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel or otherwise.

11.12 Entire Agreement. This Agreement constitutes the entire agreement between the Parties relative to the Services specified herein. There are no understandings, agreements, conditions, representations, warranties or promises with respect to this Agreement, except those contained in or referred to in the writing.

11.13 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Shasta County.

11.14 Time of Essence. Time is of the essence for each and every provision of this Agreement.

11.15 Interpretation. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party.

11.16 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

11.17 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right and authority to make this Agreement and bind each respective Party.

11.18 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

11.19 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

EXHIBIT "A"

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

CITY OF ANDERSON

[INSERT NAME OF CONSULTANT]

By: _____
Jeff Kiser
City Manager

By: _____
[Name]
[Title]

Attest:

Attest:

By: _____
Juanita Barnett
City Clerk

By: _____
[Name]
[Title]

Approved as to Form:

By: _____
City Attorney

EXHIBIT "A"
EXHIBIT "A"
CONSULTANT PROPOSAL

[ATTACH CONSULTANT PROPOSAL]

