



# REQUEST FOR PROPOSALS

## Comprehensive User Fee Study and Full Cost Allocation Plan

RFP Release Date

June 12, 2019

Proposal Submittal Deadline

July 11, 2019

Contact Person:

Will Kaholokula

Director of Finance and Administrative Services

City of Bell Gardens

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Bell Gardens, CA

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[wkaholokula@bellgardens.org](mailto:wkaholokula@bellgardens.org)

# REQUEST FOR PROPOSALS

## Comprehensive User Fee Study and Full Cost Allocation Plan

**NOTICE IS HEREBY GIVEN** that the City of Bell Gardens (“City”) is issuing this Request for Proposals (“RFP”) for preparation of a **Comprehensive User Fee Study and Full Cost Allocation Plan**.

To be considered, the City must receive four (4) bound copies of the proposal no later than **5:00 p.m., on July 11, 2019**, at the following address:

City of Bell Gardens  
Attn: Kristina Santana, City Clerk  
7100 Garfield Avenue  
Bell Gardens, CA 90201

Proposals must be signed by a representative authorized to bind the company, and submitted in a sealed envelope, clearly marked: “City of Bell Gardens – Cost Allocation Plan and Comprehensive User Fee Study”.

**Additionally**, one printable PDF copy sent via email to:

Rimo Hanson, Accounting Manager

Email: [rhanson@bellgardens.org](mailto:rhanson@bellgardens.org)

*Electronic copy of proposal must also be received no later than 5:00 p.m. on Thursday, July 11, 2019.*

**Any proposal received after the due date will not be accepted.**

Failure to comply with the requirements set forth in this RFP may result in disqualification. Proposals and/or modifications received subsequent to the hour and date specified above will not be considered. Submitted proposals may be withdrawn at any time prior to the submission time specified in this RFP, provided notification is received in writing before the submittal deadline. Proposals cannot be changed or withdrawn after the submittal deadline. No handwritten notations or corrections will be allowed. The responding Consultant is solely responsible for all costs related to the preparation of the proposal.

The City reserves the right to reject all proposals and to waive any minor informalities or irregularities contained in any proposal. Acceptance of any proposal submitted pursuant to this RFP shall not constitute any implied intent to enter into a contract.

The contract award, if any, will be made to the Consultant who, in the City’s sole discretion, is best able to perform the required services in a manner most beneficial to the City.

Please submit all inquiries to [wkaholokula@bellgardens.org](mailto:wkaholokula@bellgardens.org).

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## **Introduction**

The City of Bell Gardens (“City”) is requesting sealed proposals for a Comprehensive Fee Study and full Cost Allocation Plan. All proposals must be received by the City, no later than 5:00 p.m. on July 11, 2019. Late proposals will not be considered. Four (4) bound copies of the proposal must be submitted in a sealed envelope, clearly marked: “City of Bell Gardens – Cost Allocation Plan and Comprehensive User Fee Study”.

Proposals must be responsive to City’s request. The City shall determine the most responsive and qualified consultant providing the best service at the most reasonable cost. Cost alone shall not be the determinative factor.

The request for proposals does not obligate the City to award a contract or complete the project and the City reserves the right to cancel the solicitation if deemed in its best interest.

## **Background**

The City of Bell Gardens was incorporated as a general law city in 1961 and is as rich in history. It is bordered by the City of Commerce, Downey, South Gate, and Bell. The City has a population of approximately 44, 000 in an area of 2.4 square miles and is located in the southeastern part of Los Angeles County.

The City of Bell Gardens operates under the Council-Manager form of government, with a five member City Council comprised of four Council Members with overlapping terms of four years and a Mayor elected in November of each year. The City Council appoints the City Manager and City Attorney. The City is organized into departments that provide a full range of municipal services, including police, public works, recreation and community service, community and economic development, and administration. The City’s 2018-19 adopted General Fund budget is \$32.3 million, and the total City budget is \$52.8 million.

While certain user fees and charges have been periodically adjusted throughout the years, a formal comprehensive fee study has not previously been conducted. Therefore, the purpose of the requested study is to ensure the City utilizes overhead rates that accurately account for the true cost of providing various services within City operations and to assess appropriate fees and rates allowing the City to recover the actual costs incurred for fee related services.

## **Objective**

The objective of this RFP is to receive proposals for a Comprehensive User Fee Study and full Cost Allocation Plan.

### **Full Cost Allocation Plan**

The purpose of this project is to ensure that the City of Bell Gardens has a basis of applying comprehensive overhead rates and is accurately accounting for the true cost of providing various

services by each department. A Cost Allocation Plan is able to allocate all indirect costs. Additionally, best practices, accounting standards and OMB 2 CFR part 225 make it necessary for the City to maintain a well-documented cost allocation plan that will help it to appropriately allocate general and administrative costs in its budget; properly identify overhead rates that can be used in the calculation of billable hourly rates for federal and state grants, user fees, and reimbursements from other governmental agencies. The results from the Cost Allocation Plan shall be used to develop the Comprehensive User Fee Study.

### **Comprehensive User Fee Study**

The City is seeking to evaluate all cost of services provided and examine whether a reasonable relationship exists between the costs of providing services and current service fees, while ensuring compliance with Proposition 26, Proposition 218, and other applicable statutory requirements. The City desires to undertake a comprehensive citywide review and evaluation of user fee and rate charges resulting in a cost-based user fee study. The Comprehensive Fee Study will calculate the full 100% cost of providing certain City services, and provide a recommended fee to be charged for each applicable service. The firm shall recommend cost recovery strategies and identify best practices in establishing user fees. These strategies should take into consideration the complexities and demands of each department and program. The selected firm will provide thorough analysis, development of fee models and recommendations including, identifying and recommending new fees and revenues sources. It is the City's goal to have a well-documented and defensible cost of service plan that will identify rates that will be used to recover billable costs for services and develop user fees that comply with Proposition 26, Proposition 218 and other applicable statutory requirements.

### **Project Schedule**

Below is a desired schedule for initiation of this project; however dates may be subject to change and adjusted as necessary.

RFP Issued	June 12, 2019
Proposal Submittal Deadline	July 11, 2019
Oral Interviews (conducted at City's discretion)	July 22, 2019 (week of)
Contract awarded by City Council	August 12, 2019

### **Scope of Services**

There is a separate scope of work for each of the studies. Project tasks shall include, but are not necessarily limited to, the following described below. If the firm feels that additional tasks are warranted, they must be clearly identified in the firm's proposal. Firms responding to this RFP shall be prepared to deliver services and perform the work necessary to provide the services within six to nine months after the initiation of the project. The project consists of furnishing all labor, materials, supervision, and travel necessary to complete the tasks outlined below.

### **Full Cost Allocation Plan**

Prepare the City's Cost Allocation Plan, which may include the following elements (if the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal):

1. Work and meet with the selected City staff to refine the project scope, purpose, uses and goals of the City's Cost Allocation Plan to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedule and answer any questions pertaining to the successful development of the study.
2. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. This includes where certain services and functions are performed together or shared through cooperation between different departments. Costs should be identified so that they can be allocated to and tracked by the appropriate department.
3. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statues, rules and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, the State Controller's Office Guidelines for Cost Claiming and OMB 2 CFR Part 225 standards.
4. Develop a Cost Allocation Model using FY 2019/20 budget and/or actual data for calculation the full costs of providing each City service. The requirements of the model should allow for:
  - a. Additions, revisions, or removal of direct and overhead costs so that the cost allocation plan can be easily adapted to a range of activities, both simple and complex.
  - b. The ability of the City to continuously update the model and full cost allocation plan from year to year as the organization changes.
  - c. The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e. ad-hoc analysis).
5. Report on other matters that come to your attention in the course of your evaluation that in your professional opinion the City should consider.
6. Present the plan to the City's management group and make necessary adjustments as requested.
7. Prepare and deliver presentation to the Council to facilitate their understanding of the plan and its implications to the City.
8. Work with the Finance Department in developing service provisions, cost categories, and allocation criteria for current and future programs.

9. Provide the City with an electronic copy of the final comprehensive review, including related schedules and cost documentation in a format such as Microsoft Word and Excel that can be edited and updated by City staff to accommodate changes in the organization or changes in cost.
10. Prepare a final report and provide ten bound copies and a PDF file that can be made available to City staff. Models, tables, and graphs should be provided in Excel. Any Cost Allocation Model revisions developed shall also be made available to the City in Excel and PDF formats, providing the ability to add, delete and/or update information as needed.
11. Provide a computer based model in Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs.
12. Consult with City staff should the need arise to defend the cost allocation plan as a result of audits or other challenges.

### **Comprehensive User Fee Study**

Prepare a Comprehensive User Fee Study for the City, which may include the following elements (if the consultant feels that additional tasks are warranted, they must be clearly identified in the consultant's proposal):

1. Work and meet with City staff to refine the project scope, purpose, uses and goals of the City's Comprehensive User Fee Study to ensure that the study will be both accurate and appropriate to the City's needs. Review project schedules and answer any questions pertaining to the successful development of the study.
2. Meet with staff and conduct interviews as needed to gain an understanding of the City's processes and operations. Conduct a comprehensive review of the City's existing fees, rates, and charges.
3. Identify the total cost of providing each City service at the appropriate activity level and in a manner that is consistent with all applicable laws, statutes, rules and regulations governing the collection of fees, rates, and charges by public entities including, but not limited to, Proposition 26 and Proposition 218.
4. Compare service costs with existing recovery levels. This should include any service areas where the City is currently charging for services as well as areas where perhaps the City should charge, in light of the City's practices, or the practices of similar or neighboring cities.
5. Recommend potential new fees and charges for services that the City currently provides but does not have any fees and/or charges established. Recommendations should be based on practices by surrounding cities that may charge for similar services, industry best practices, or the consultant's professional opinion.

6. Recommend appropriate fees and charges based on the firm's analysis together with the appropriate subsidy percentage for those fees where full cost recovery may be unrealistic.
7. Prepare a report that identifies each fee service, its full cost, recommended and current cost recovery levels. The report should also identify the direct cost, the indirect cost, and the overhead cost for each service.
8. Prepare a report that identifies the present fees, recommended fees, percentage change, cost recovery percentage, revenue impact and fee comparison with other Los Angeles County cities or other California cities that are comparable to the City of Bell Gardens. A survey comparison of rates and fees with similar cities is required.
9. Report on other matters that come to the Consultant's attention in the course of the evaluation that, in the Consultant's professional opinion, the City should consider.
10. Provide a computer based model in Microsoft Excel for adjusting these fees and charges for the City's current and future needs and provide the City with an electronic copy of the final comprehensive study, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate changes in the organization or changes in costs. The requirements of the model should allow for:
  - a. Additions, revision, or removal of direct and overhead costs so that the cost allocation plan can be easily adapted to a range of activities, both simple and complex.
  - b. The ability of the City to continuously update the model and cost allocation plan from year to year as the organization changes.
  - c. The addition of hypothetical service area information for future service enhancements, and the ability to calculate the estimated costs of providing the service under consideration (i.e. ad-hoc analysis).
11. Prepare and deliver presentation to the City Council to facilitate their understanding of the plan and its implication for the City and make necessary adjustments as requested.
12. Provide on-site training to enable staff to update fees on an annual basis.
13. Prepare a final report and provide ten bound copies, and a PDF file of the User Fee Study that can be made available to City staff. Models, tables, and graphs should be provided in Excel. Any Cost Allocation Model revisions developed shall also be made available to the City in Excel and PDF formats, providing the ability to add, delete and/or update information as needed.
14. Consult with City staff should it become necessary to defend the City's User Fees as a result of any legal or other challenge

## General

The Consultant may recommend other tasks that it deems appropriate to achieve the objectives set forth in this RFP.

The successful respondent shall be required to retain all working papers and related supporting documents, including records of professional time spent, for a period of five years after delivery of the required reports, unless notified in writing by the City of the need to extend the retention period. The Consultant further agrees to allow City staff to review such documents upon written request at any time during the retention period.

## Proposal Format and Content

The Proposal should include, at minimum, information requested below in the order listed.

### A. Title Page

Title page should include “City of Bell Gardens RFP – Cost Allocation Plan and Comprehensive User Fee Study”

### B. Table of Contents

### C. Transmittal Letter

1. Company name and address
2. Provide a brief summary describing the proposer’s ability to perform the work requested, a history of the proposer’s background and experience providing services. This summary should be brief and concise to apprise the reader of the basic services offered, experience and qualifications of the proposer, staff, subcontractors, and/or suppliers.
3. Letter of transmittal signed by an individual authorized to bind the respondent, stating that the respondent has read and will comply with all terms and conditions of the RFP.
4. General information about the primary contact who will address questions about the proposal. Include name, title, telephone number and email address of the individual.

### D. Qualifications and Experience of the Firm

1. Describe your firm’s history and organizational structure. Include the size of the firm, location of offices, number of years in business, organizational chart, name(s) of owner(s) and principal parties, and number and titles of staff.
2. What is the primary business of the parent company and/or affiliates?

3. Which office(s) of your organization will have primary responsibility for managing the user fee study?
4. What is your firm's experience in conducting user fee studies? Identify the studies performed by your firm in the last five years.
5. Which office(s) of your organization will have primary responsibility for managing the project?
6. What is your firm's experience preparing full cost Cost Allocation Plans and user fee studies? Identify the Plans prepared by your firm in the last five years. Include the type of plan prepared (Full cost, OMB A-87, etc.)
7. Comment on other areas that may make your firm different from your competitors.
8. Conflict of Interest Statement: The firm shall disclose any financial, business, or other relationship with the City that may have an impact upon the outcome of this contract. Particular attention should be paid to compliance with Government Code section 1090.
9. Comments on or Requested Changes to Contract: The City standard professional services contract is included as Attachment 2 to this Request for Proposals. The proposing firm shall identify any objections to and/or request changes to the standard contract language in this section.

#### E. Qualifications and Experience of Proposed Project Team

1. Describe the qualifications of staff proposed for the assignment, position(s) in the firm, and types and amount of equivalent experience. Be sure to include any municipal agencies they have worked with in the past five years and their level of involvement.

#### F. Scope of Services and Work Plan

1. Describe the methodology, planning and design strategies for completing the Cost Allocation Plan and User Fee Study requested under Scope of Services.

#### G. Project Timeline and Pricing

1. Provide an estimated project timeline that outlines individual tasks, milestones, and deliverables.
2. Provide a description of the project budget itemized according to the Firm's proposed timeline and broken into each service or phase of work, such as the planning, development, and/or implementation phase.
3. The Firm shall present a specific "not to exceed" fixed fee including associated fees (e.g. printing, travel, attendance at meetings, etc.) that is based on the proposed timeline. Each phase of the work should have an itemized budget.

4. Outline billing and payment expectations, including timing and method of payment.
5. Fees for subsequent years to update the Plan or Fees should the City choose to continue service.

#### H. References

1. A list of the municipal agencies for which the respondent has prepared a Cost Allocation Plan within the past five years. Provide the following information for three (3) projects that are similar in size and scope to the project requested by this proposal:
  - Name, address, and telephone number of the agency
  - Time period for the project
  - Brief description of the scope of the review
  - Recommended procedures
  - Reference contact name and telephone number
2. A list of the municipal agencies for which the respondent has conducted a User Fee Study within the past five years. Provide the following information for three (3) projects that are similar in size and scope to the project requested by this proposal:
  - Name, address, and telephone number of the agency
  - Time period for the project
  - Brief description of the scope of the review
  - Recommended procedures
  - Reference contact name and telephone number

## Criteria for Selection

A two-step analysis will be employed.

Proposals will initially be evaluated by Staff to verify the qualifications of the consultant and the appropriateness of the proposal for meeting the City's needs. The proposals which are found qualified based on this initial evaluation will be reviewed for the costs proposed. The City reserves the right to interview any or all responding firms and/or to award a contract without conducting interviews.

A recommendation for consultant selection will be made to the City Council based on Staff's "best value" evaluation of the proposals/qualifications, which will take into account the consultant's team's qualifications, comparable experience and cost, as well as consultant's availability to undertake the project, complete the tasks timely and deliver a high-quality work product, and their ability to comply with the City's standard professional services agreement.

All interested parties are encouraged to submit proposals to the RFP, as the award is not based solely on the lowest cost proposal submitted. Total cost will be taken into consideration, but the Consultant's capabilities, competence and capacity will be considered as well. The City reserves the

right to choose the overall best firm according to the City's criteria. The City, and its designated representatives, shall be the sole judge of its own best interest, the proposal, and the resulting negotiated agreement. The City's decisions will be final.

The above factors, along with other factors that the City may deem appropriate, will be used to identify the proposal that represents the best value, which will be the basis for the contract award. The decision of whether to award a contract and selection of a consultant will be in the sole discretion of the City Council.

TEMPLATE PROFESSIONAL SERVICES AGREEMENT

ATTACHMENT 2

**Professional Services Agreement**

**FOR <<Description of Services>> SERVICES  
[<<Consultant Name>>]**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, by and between the City of Bell Gardens, a municipal Corporation (herein referred to as “City”) and <<Consultant Name>> (herein referred to as “Consultant”).

RECITALS

A. WHEREAS, City proposes to have Consultant perform the services described herein below;

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code, Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated;

C. WHEREAS, City has solicited and received a proposal from Consultant, has reviewed the previous experience and evaluated the expertise of Consultant, and desires to retain Consultant to render professional services under the terms and conditions set forth in this Agreement;

D. WHEREAS, City and Consultant desire to contract for specific services described below and desire to set forth their rights, duties and liabilities in the services to be performed; and

E. WHEREAS, no official or employee of City has a financial interest, within the provisions of California Government Code, Sections 1090-1092, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

1. **Term.** <<The term of this Agreement shall commence upon execution of this Agreement and City's issuance to Consultant a notice to proceed for all or a portion of the work and shall terminate upon City's acceptance and payment for all or such portion of the work as was authorized by such notice, unless terminated earlier as set forth herein.>>

[ALTERNATIVE]

<<The term of this Agreement shall commence on the above written date, and shall terminate on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, unless terminated earlier as set forth herein.>>

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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2. **Scope of Services.** <<Consultant shall provide the professional services described in the City’s Request for Proposal (“RFP”) attached hereto as **Exhibit** and incorporated herein by reference and Consultant’s Response to City’s RFP (the “Proposal”). A copy of said Proposal is attached hereto as **Exhibit** and incorporated herein by this reference.>>

[ALTERNATIVE]

<< Consultant shall diligently perform all the services described in the Scope of Services attached hereto as **Exhibit** and incorporated herein by reference. The City may elect to delete certain tasks of the Scope of Services at its sole discretion.>>

Notwithstanding services described above, the City may request and Consultant may agree to perform other services. The scope of such services and compensation shall be agreed to in writing, signed by both parties and shall become a part of this Agreement.

2.1. All professional services shall be performed by Consultant or under Consultant’s supervision. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional Consultants in accordance with sound professional practices.

2.2 Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

3. **Time of Performance.** <<Time is of the essence in the performance of services under this Agreement and the services shall be performed to completion in a diligent and timely manner. The failure by Consultant to perform the services in a diligent and timely manner may result in termination of this Agreement by City.>>

[ALTERNATIVE]

<< Time is of the essence in the performance of services under this Agreement and Consultant shall perform the services in accordance with the Project Schedule attached hereto as **Exhibit** and incorporated herein by reference. The failure by Consultant to strictly adhere to the schedule may result in termination of this Agreement by City.>>

Notwithstanding the foregoing, Consultant shall not be responsible for delays due to causes beyond Consultant’s reasonable control. However, in the case of any such delay in the services to be provided for the Project, each party hereby agrees to provide notice to the other party so that all delays can be addressed.

4. **Compensation.** <<City shall pay Consultant for the services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Pricing Proposal submitted by Consultant attached hereto as **Exhibit** and incorporated herein by reference. Consultant’s compensation for all work performed in accordance with this Agreement, including all reimbursable items and sub Consultant fees, shall not exceed <<dollar amount>> unless authorized in writing by the City and approved by the City Council.>>

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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[ALTERNATIVE]

<< Consultant shall be paid in accordance with the fee schedule set forth in **Exhibit** attached hereto and made a part of this Agreement (the “Fee Schedule”). Consultant’s compensation shall in no case exceed <<dollar amount.>>>>

[ALTERNATIVE]

<< City shall pay Consultant for the services on a time and expense not-to-exceed basis in accordance with the provisions of and the Project Budget this Section and the Staff Hour and Fee Estimate as well as the Consultant’s Schedule of Charges as set forth in **Exhibit** and incorporated herein by reference. Consultant’s compensation for all work performed in accordance with this Agreement, including all reimbursable items and sub consultant fees, shall not exceed <<dollar amount>> without additional authorization from City.>>

4.1 Consultant shall submit monthly invoices to City describing the work performed the preceding month. Consultant’s bills shall include the name of the person who performed the work, a brief description of the services performed and the specific Task in the Scope of Services to which it relates, the date the services were performed, the number of hours spent on all work billed on an hourly basis, and a description of any reimbursable expenditures. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City. City shall pay Consultant no later than thirty (30) days after receipt of the monthly invoice by the City.

4.2 City shall reimburse Consultant only for those costs or expenses specifically approved in this Agreement, or specifically approved in advance by City. Unless otherwise approved, such costs shall be limited and in accordance with Schedule of charges set forth in the Proposal attached hereto as **Exhibit** and incorporated herein by reference.

4.3 Consultant shall not receive any compensation for Additional Work without the prior written authorization of City. As used herein, “Additional Work” means any work that is determined by City to be necessary for the proper completion of the Project, but which is not included within the Scope of Services and which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Compensation for any authorized Additional Work shall be billed in accordance with the Billing Rates as set forth in **Exhibit** and on the terms set forth in this Article 4.

5. **Contract Administration.** The << identify city representative by title>> shall have the authority to act for City under this Agreement. The <<identify city representative by title>> or his/her authorized representative shall represent City in all matters pertaining to the services to be rendered pursuant to this Agreement. Consultant shall designate a representative for purposes of this Agreement who shall have the authority to act for Consultant under this Agreement.

6. **Project Managers.** City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement. Consultant shall designate a Project Manager, who shall coordinate all phases of the Project. This Project Manager shall be available to City at all reasonable times during the Agreement term. Consultant has designated <<name of project

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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manager>>, to be its Project Manager. Consultant shall not remove or reassign the Project Manager without the prior written consent of City. City's approval shall not be unreasonably withheld.

7. **Indemnification.** When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend, and hold harmless City and any and all of its officials, employees and agents from and against any and all losses, liabilities, damages, costs, and expenses, including legal counsel's fees and costs but only to the extent the Consultant (and its Sub consultants), are responsible for such damages, liabilities and costs on a comparative basis of fault between the Consultant (and its Sub consultants) and the City in the performance of professional services under this agreement.

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend, and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or City for which Consultant is legally liable, including, but not limited to officers, agents, employees, or subcontractors of Consultant.

Notwithstanding the foregoing, nothing herein shall be construed to require Consultant to indemnify the Indemnified Parties from any Claim arising from the active negligence or willful misconduct of the Indemnified Parties. Nothing in this indemnity shall be construed as authorizing any award of attorney's fees in any action on or to enforce the terms of this Agreement. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by the Consultant.

In the event the City indemnitees are made a party to any action, lawsuit, or other adversarial proceeding arising from Consultant's performance of this agreement, the Consultant shall provide a defense to the City indemnitees, or at the City's option, reimburse the City indemnitees their costs of defense, including reasonable legal counsels' fees, incurred in defense of such claims.

8. **Insurance.** Without limiting Consultant's indemnification of City, and prior to commencement of work, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, a policy or policies of liability insurance of the type and amounts described below and in a form satisfactory to City.

A. **Certificates of Insurance.** Consultant shall provide certificates of insurance with original endorsements to City as evidence of the insurance coverage required herein. Insurance certificates must be approved by the City Attorney prior to commencement of performance or issuance of any permit. Current certification of insurance shall be kept on file with City at all times during the term of this Agreement.

B. **Signature.** A person authorized by the insurer to bind coverage on its behalf shall

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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sign certification of all required policies.

C. Acceptable Insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A (or higher) and Financial Size Category Class VII (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City Attorney.

D. Coverage Requirements.

i Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance with limits of at least one million dollars (\$1,000,000). Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

i General Liability Coverage. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence, four million dollars (\$4,000,000) general aggregate, for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. Consultant's general liability policies shall be primary and non-contributory, and be endorsed using Insurance Services Office form CG 20 10 to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction contracts, an endorsement providing completed operations to the additional insured, ISO form CG 20 37, is also required.

i Automobile Liability Coverage. Consultant shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01, or the exact equivalent, with a limit of no less than one million dollars (\$1,000,000) per accident. If Consultant owns no vehicles, this requirement may be met through a non-owned auto endorsement to the CGL policy.

ix Professional Errors and Omissions Insurance. Consultant shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of one million dollars (\$1,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement. The cost of such insurance shall be included in Consultant's bid.

E. Endorsements. Each general liability and automobile liability insurance policy shall

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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be endorsed with the following specific language:

- i. The City, its elected or appointed officers, officials, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Consultant.
- ii. This policy shall be considered primary insurance as respects to City, its elected or appointed officers, officials, employees, agents and volunteers as respects to all claims, losses, or liability arising directly or indirectly from the Consultant's operations or services provided to City. Any insurance maintained by City, including any self-insured retention City may have, shall be considered excess insurance only and not contributory with the insurance provided hereunder.
- iii. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.
- iv. The insurer waives all rights of subrogation against City, its elected or appointed officers, officials, employees, agents and volunteers.
- v. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its elected or appointed officers, officials, employees, agents or volunteers.
- vi. The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits, by either party except after thirty (30) calendar days (10 calendar days written notice of non-payment of premium) written notice has been received by City.

8.1 Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

9. **Nondiscrimination.** In the performing of this Agreement, Consultant shall not discriminate against any subcontractor, employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation race, religion, color, national origin, handicap, ancestry, sex or age.

10. **Independent Contractor.** It is understood that City retains Consultant on an independent contractor basis and Consultant is not an agent or employee of City. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the expressed terms of this Agreement. Nothing in this Agreement shall be deemed to constitute approval for Consultant or any of Consultant's employees or agents, to be the agents or employees of City. Consultant shall have the responsibility for and control over the means of performing the work, provided that Consultant is in compliance with the terms of this Agreement. Anything in this Agreement that may appear to give City the right to direct Consultant as to the details of the performance or to exercise a measure of control over Consultant

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shall mean only that Consultant shall follow the desires of City with respect to the results of the services.

10.1 The Consultant shall at all times remain an independent Contractor with respect to the services to be performed under this Agreement and shall be responsible for the payment of Federal and State Employer Withholding Taxes, Unemployment Insurance Taxes, FICA Taxes, Retirement, Life and/or Medical Insurance, and Worker's Compensation Insurance for the employees of the Consultant or any other person performing services under this Agreement. Consultant and its employees are not entitled to the rights or benefits afforded to City's employees, including disability or unemployment insurance, workers' compensation, medical insurance, sick leave, or any other employment benefit. Consultant agrees to indemnify and hold City harmless from any claims, costs, losses, fees, penalties, interest, or damages suffered by City as a result of any claim by any person or entity contrary to the provisions of this Section 10.

11. **Ownership of Documents.** All documents, information and materials of any and every type prepared by the Consultant pursuant to this Agreement shall be the property of the City. Such documents shall include but not be limited to all findings, reports, documents, information and data including, but not limited to, electronic media, computer tapes or discs, files, and tapes furnished or prepared or accumulated by the Consultant in performing work under this Agreement, whether completed or in process.

12. **Confidentiality.** All City information disclosed to Consultant during the course of performance of services under this Agreement shall be treated as confidential and shall not be disclosed to any other persons or parties except as authorized by City, excepting that information which is public record and subject to disclosure pursuant to the Public Records Act, or otherwise required by law. All documents, including drafts, notes and communications that result from the services in this Agreement, shall be kept confidential unless City authorizes in writing the release of information, excepting that information which is public record and subject to disclosure pursuant to the Public Records Act, or otherwise required by law..

13. **Access to Records.** Consultant shall maintain all books, records, documents, accounting ledgers, and similar materials relating to work performed for City under this Agreement on file for at least three (3) years following the date of final payment to Consultant by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit and copying at reasonable times, during Consultant's usual and customary business hours. Consultant shall provide proper facilities to City's representative(s) for access and inspection. Consultant shall be entitled to reasonable compensation for time and expenses relate to such access and inspection activities, which shall be considered to be an additional service to the City, subject to the provisions of Section 4 hereinabove.

14. **Conflict of Interest.** The Consultant or its employees may be subject to the provisions of the California Political Reform Act of 1974 (the "Act"), which (1) requires such persons to disclose any financial interest that may foreseeably be materially affected by the work performed under this Agreement, and (2) prohibits such persons from making, or participating in making, decisions that will foreseeably financially affect such interest.

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If subject to the Act, Consultant shall conform to all requirements of the Act. Failure to do so constitutes a material breach and is grounds for immediate termination of this Agreement by City. Consultant shall indemnify and hold harmless City for any and all claims for damages resulting from Consultant's violation of this Section.

Consultant represents that neither Consultant, nor any of its employees, agents or subcontractors, have a conflict of interest with respect to the work to be performed under this Agreement, nor shall such individuals, during this term of this Agreement, acquire any interest, which would conflict in any manner with the performances of services hereunder.

15. **Assignment.** This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

16. **Compliance with Laws, Rules, Regulations.** Consultant shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

17. **Integration: Amendment.** This Agreement represents the entire understanding of City and Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing sign by both parties.

18. **Severability.** If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

19. **Waiver/Validity.** Consultant agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver of any other condition of performance under this Agreement. The acceptance by the City of the performance of any work or services by Contractor shall not be deemed to be a waiver of any term or condition of this Agreement.

20. **Jurisdiction.** City and Consultant agree that the law governing this Agreement shall be that of the State of California. Any suit brought by either party against the other arising out of the performance of this Agreement shall be filed and maintained in the County of Los Angeles.

21. **Notice.** Any notices required to be given pursuant to this Agreement shall be deemed

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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to have been given by their deposit, postage prepaid, in the United States Postal Service, addressed to the parties as follows:

To City:  
City of Bell Gardens  
7100 Garfield Avenue  
Bell Gardens, California  
90201 Attn: <<name>>

To Consultant:  
<<consultant>>  
<<address>>  
<<city, state, zip>>  
Attn: <<name>>

Nothing hereinabove shall prevent either City or Consultant from personally delivering any such notices to the other.

22. **Termination.** City may, in its sole discretion, terminate this Agreement at any time and for any reason whatsoever by giving written notice of such termination to Consultant. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. In the event of such termination, Consultant shall be entitled to compensation for all services rendered and work performed for City to the date of such termination.

23. **Order of Precedence.** In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of the RFP or the Response, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over both the Response and the RFP and the Response shall govern over the RFP.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates set forth below.

<<consultant>>

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_  
by: <<name and title>>

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**TEMPLATE PROFESSIONAL SERVICES AGREEMENT**

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**CITY OF BELL GARDENS, a  
California municipal corporation**

Date: \_\_\_\_\_, 20\_\_

\_\_\_\_\_ **by: <<name and title>>**

**ATTEST:  
CITY CLERK**

\_\_\_\_\_  
**Kristina Santana, City Clerk**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
**Rick R. Olivarez, City Attorney**