

**AGREEMENT
CITY OF FRESNO, CALIFORNIA
CONSULTANT SERVICES**

THIS AGREEMENT is made and entered into effective the ____ day of January 2022, by and between the CITY OF FRESNO, a California municipal corporation (CITY), and NBS Government Finance Group, a California Corporation (CONSULTANT).

RECITALS

WHEREAS, CITY desires to obtain professional consulting services for Study for Various Utility Connection and Capacity Fees (Project); and

WHEREAS, CONSULTANT is engaged in the business of furnishing services as a utility rate study consultant and hereby represents that it desires to and is professionally and legally capable of performing the services called for by this Agreement; and

WHEREAS, CONSULTANT acknowledges that this Agreement is subject to the requirements of Fresno Municipal Code Section 4-107 and Administrative Order No. 6-19; and

WHEREAS, this Agreement will be administered for CITY by its Director of Public Utilities (Director) or designee.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and of the covenants, conditions, and promises hereinafter contained to be kept and performed by the respective parties, it is mutually agreed as follows:

1. Scope of Services. CONSULTANT shall perform to the satisfaction of CITY the services described in **Exhibit A**, including all work incidental to, or necessary to perform, such services even though not specifically described in **Exhibit A**.

2. Term of Agreement and Time for Performance. This Agreement shall be effective from the date first set forth above and shall continue in full force and effect through the earlier of complete rendition of the services hereunder or December 30, 2023, subject to any earlier termination in accordance with this Agreement. The services of CONSULTANT as described in **Exhibit A** are to commence upon CITY'S issuance of a written "Notice to Proceed." Work shall be undertaken and completed in a sequence assuring expeditious completion, but in any event, all such services shall be completed within 700 consecutive calendar days from such authorization to proceed.

3. Compensation.

(a) CONSULTANT'S sole compensation for satisfactory performance of all services required or rendered pursuant to this Agreement shall be a total fee not to exceed one hundred twenty six thousand nine hundred ninety dollars (\$126,990), paid on a time and materials basis in accordance with the schedule of fees contained in **Exhibit A**, and a contingency amount not to exceed twelve thousand seven hundred dollars (\$12,700) for any additional work rendered pursuant to Subsection (c) below and authorized in writing by the Director.

(b) Detailed statements shall be rendered monthly and will be payable in the normal course of CITY business. CITY shall not be obligated to reimburse any expense for which it has not received a detailed invoice with applicable copies of representative and identifiable receipts or records substantiating such expense.

(c) The parties may modify this Agreement to increase or decrease the scope of services or provide for the rendition of services not required by this Agreement, which modification shall include an adjustment to CONSULTANT'S compensation. Any change in the scope of services must be made by written amendment to the Agreement signed by an authorized representative for each party. CONSULTANT shall not be entitled to any additional compensation if services are performed prior to a signed written amendment.

4. Termination, Remedies and Force Majeure.

(a) This Agreement shall terminate without any liability of CITY to CONSULTANT upon the earlier of: (i) CONSULTANT'S filing for protection under the federal bankruptcy laws, or any bankruptcy petition or petition for receiver commenced by a third party against CONSULTANT; (ii) 7 calendar days prior written notice with or without cause by CITY to CONSULTANT; (iii) CITY'S non-appropriation of funds sufficient to meet its obligations hereunder during any CITY fiscal year of this Agreement, or insufficient funding for the Project; or (iv) expiration of this Agreement.

(b) Immediately upon any termination or expiration of this Agreement, CONSULTANT shall (i) immediately stop all work hereunder; (ii) immediately cause any and all of its subcontractors to cease work; and (iii) return to CITY any and all unearned payments and all properties and materials in the possession of CONSULTANT that are owned by CITY. Subject to the terms of this Agreement, CONSULTANT shall be paid compensation for services satisfactorily performed prior to the effective date of termination. CONSULTANT shall not be paid for any work or services performed or costs incurred which reasonably could have been avoided.

(c) In the event of termination due to failure of CONSULTANT to satisfactorily perform in accordance with the terms of this Agreement, CITY may withhold an amount that would otherwise be payable as an offset to, but not in excess of, CITY'S damages caused by such failure. In no event shall any payment by CITY pursuant to this Agreement constitute a waiver by CITY of any breach of this Agreement which may then exist on the part of CONSULTANT, nor shall such payment impair or prejudice any remedy available to CITY with respect to the breach.

(d) Upon any breach of this Agreement by CONSULTANT, CITY may (i) exercise any right, remedy (in contract, law or equity), or privilege which may be available to it under applicable laws of the State of California or any other applicable law; (ii) proceed by appropriate court action to enforce the terms of the Agreement; and/or (iii) recover all direct, indirect, consequential, economic and incidental damages for the breach of the Agreement. If it is determined that CITY improperly terminated this Agreement for default, such termination shall be deemed a termination for convenience.

(e) CONSULTANT shall provide CITY with adequate written assurances of future performance, upon Director's request, in the event CONSULTANT fails to comply with any terms or conditions of this Agreement.

(f) CONSULTANT shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of CONSULTANT and without its fault or

negligence such as, acts of God or the public enemy, acts of CITY in its contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather, and delays of common carriers. CONSULTANT shall notify Director in writing as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, and shall remedy such occurrence with all reasonable dispatch, and shall promptly give written notice to Director of the cessation of such occurrence.

5. Confidential Information, Ownership of Documents and Copyright License.

(a) Any reports, information, or other data prepared or assembled by CONSULTANT pursuant to this Agreement shall not be made available to any individual or organization by CONSULTANT without the prior written approval of CITY. During the term of this Agreement, and thereafter, CONSULTANT shall not, without the prior written consent of CITY, disclose to anyone any Confidential Information. The term Confidential Information for the purposes of this Agreement shall include all proprietary and confidential information of CITY, including but not limited to business plans, marketing plans, financial information, designs, drawings, specifications, materials, compilations, documents, instruments, models, source or object codes and other information disclosed or submitted, orally, in writing, or by any other medium or media. All Confidential Information shall be and remain confidential and proprietary in CITY.

(b) Any and all original sketches, pencil tracings of working drawings, plans, computations, specifications, computer disk files, writings and other documents prepared or provided by CONSULTANT pursuant to this Agreement are the property of CITY at the time of preparation and shall be turned over to CITY upon expiration or termination of the Agreement or default by CONSULTANT. CONSULTANT grants CITY a copyright license to use such drawings and writings. CONSULTANT shall not permit the reproduction or use thereof by any other person except as otherwise expressly provided herein. CITY may modify the design including any drawings or writings. Any use by CITY of the aforesaid sketches, tracings, plans, computations, specifications, computer disk files, writings and other documents in completed form as to other projects or extensions of this Project, or in uncompleted form, without specific written verification by CONSULTANT will be at CITY'S sole risk and without liability or legal exposure to CONSULTANT. CONSULTANT may keep a copy of all drawings and specifications for its sole and exclusive use.

(c) If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall cause each subcontractor to also comply with the requirements of this Section 5.

(d) This Section 5 shall survive expiration or termination of this Agreement.

6. Professional Skill. It is further mutually understood and agreed by and between the parties hereto that inasmuch as CONSULTANT represents to CITY that CONSULTANT and its subcontractors, if any, are skilled in the profession and shall perform in accordance with the standards of said profession necessary to perform the services agreed to be done by it under this Agreement, CITY relies upon the skill of CONSULTANT and any subcontractors to do and perform such services in a skillful manner and CONSULTANT agrees to thus perform the services and require the same of any subcontractors. Therefore, any acceptance of such services by CITY shall not operate as a release of CONSULTANT or any subcontractors from said professional standards.

7. Indemnification. To the furthest extent allowed by law, CONSULTANT shall indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage), and from any and all claims, demands and actions in law or equity (including reasonable attorney's fees and litigation expenses) that arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of CONSULTANT, its principals, officers, employees, agents or volunteers in the performance of this Agreement.

If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall require each subcontractor to indemnify, hold harmless and defend CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of the preceding paragraph.

This section shall survive termination or expiration of this Agreement.

8. Insurance.

(a) Throughout the life of this Agreement, CONSULTANT shall pay for and maintain in full force and effect all insurance as required in **Exhibit B**, which is incorporated into and part of this Agreement, with an insurance company(ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated no less than "A-VII" in the Best's Insurance Rating Guide, or (ii) as may be authorized in writing by CITY'S Risk Manager or designee at any time and in its sole discretion. The required policies of insurance as stated in Exhibit B shall maintain limits of liability of not less than those amounts stated therein. However, the insurance limits available to CITY, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified therein or the full limit of any insurance proceeds to the named insured.

(b) If at any time during the life of the Agreement or any extension, CONSULTANT or any of its subcontractors/sub-consultants fail to maintain any required insurance in full force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to CONSULTANT shall be withheld until notice is received by CITY that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to CITY. Any failure to maintain the required insurance shall be sufficient cause for CITY to terminate this Agreement. No action taken by CITY pursuant to this section shall in any way relieve CONSULTANT of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by CITY that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

(c) The fact that insurance is obtained by CONSULTANT shall not be deemed to release or diminish the liability of CONSULTANT, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify CITY 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 CONSULTANT. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of CONSULTANT, its principals, officers, agents, employees, persons under the supervision of CONSULTANT, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

(d) If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall require each subcontractor/sub-consultant to provide insurance protection, as an additional insured, to the CITY and each of its officers, officials, employees, agents and volunteers in accordance with the terms of this section, except that any required certificates and applicable endorsements shall be on file with CONSULTANT and CITY prior to the commencement of any services by the subcontractor. CONSULTANT and any subcontractor/sub-consultant shall establish additional insured status for CITY, its officers, officials, employees, agents and volunteers by using Insurance Service Office (ISO) Form CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01 or by an executed manuscript company endorsement providing additional insured status as broad as that contained in ISO Form CG 20 10 11 85.

9. Conflict of Interest and Non-Solicitation.

(a) Prior to CITY'S execution of this Agreement, CONSULTANT shall complete a City of Fresno conflict of interest disclosure statement in the form as set forth in **Exhibit C**. During the term of this Agreement, CONSULTANT shall have the obligation and duty to immediately notify CITY in writing of any change to the information provided by CONSULTANT in such statement.

(b) CONSULTANT shall comply, and require its subcontractors to comply, with all applicable (i) professional canons and requirements governing avoidance of impermissible client conflicts; and (ii) federal, state and local conflict of interest laws and regulations including, without limitation, California Government Code Section 1090 et. seq., the California Political Reform Act (California Government Code Section 87100 et. seq.), the regulations of the Fair Political Practices Commission concerning disclosure and disqualification (2 California Code of Regulations Section 18700 et. seq.) and Section 4-112 of the Fresno Municipal Code (Ineligibility to Compete). At any time, upon written request of CITY, CONSULTANT shall provide a written opinion of its legal counsel and that of any subcontractor that, after a due diligent inquiry, CONSULTANT and the respective subcontractor(s) are in full compliance with all laws and regulations. CONSULTANT shall take, and require its subcontractors to take, reasonable steps to avoid any appearance of a conflict of interest. Upon discovery of any facts giving rise to the appearance of a conflict of interest, CONSULTANT shall immediately notify CITY of these facts in writing.

(c) In performing the work or services to be provided hereunder, CONSULTANT shall not employ or retain the services of any person while such person either is employed by CITY or is a member of any CITY council, commission, board, committee, or similar CITY body. This requirement may be waived in writing by the City Manager, if no actual or potential conflict is involved.

(d) CONSULTANT represents and warrants that it has not paid or agreed to pay any compensation, contingent or otherwise, direct or indirect, to solicit or procure this Agreement or any rights/benefits hereunder.

(e) Neither CONSULTANT, nor any of CONSULTANT'S subcontractors performing any services on this Project, shall bid for, assist anyone in the preparation of a bid for, or perform any services pursuant to, any other contract in connection with this Project. CONSULTANT and any of its subcontractors shall have no interest, direct or indirect, in any other contract with a third party in connection with this Project unless such interest is in accordance

with all applicable law and fully disclosed to and approved by the City Manager, in advance and in writing.

(f) If CONSULTANT should subcontract all or any portion of the work to be performed or services to be provided under this Agreement, CONSULTANT shall include the provisions of this Section 9 in each subcontract and require its subcontractors to comply therewith.

(g) This Section 9 shall survive expiration or termination of this Agreement.

10. Recycling Program. In the event CONSULTANT maintains an office or operates a facility(ies), or is required herein to maintain or operate same, within the incorporated limits of the City of Fresno, CONSULTANT at its sole cost and expense shall:

- (i) Immediately establish and maintain a viable and ongoing recycling program, approved by CITY'S Solid Waste Management Division, for each office and facility. Literature describing CITY recycling programs is available from CITY'S Solid Waste Management Division and by calling City of Fresno Recycling Hotline at (559) 621-1111.
- (ii) Immediately contact CITY'S Solid Waste Management Division at (559) 621-1452 and schedule a free waste audit, and cooperate with such Division in their conduct of the audit for each office and facility.
- (iii) Cooperate with and demonstrate to the satisfaction of CITY'S Solid Waste Management Division the establishment of the recycling program in paragraph (i) above and the ongoing maintenance thereof.

11. General Terms.

(a) Except as otherwise provided by law, all notices expressly required of CITY within the body of this Agreement, and not otherwise specifically provided for, shall be effective only if signed by the Director or designee.

(b) Records of CONSULTANT'S expenses pertaining to the Project shall be kept on a generally recognized accounting basis and shall be available to CITY or its authorized representatives upon request during regular business hours throughout the life of this Agreement and for a period of three years after final payment or, if longer, for any period required by law. In addition, all books, documents, papers, and records of CONSULTANT pertaining to the Project shall be available for the purpose of making audits, examinations, excerpts, and transcriptions for the same period of time. If any litigation, claim, negotiations, audit or other action is commenced before the expiration of said time period, all records shall be retained and made available to CITY until such action is resolved, or until the end of said time period whichever shall later occur. If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall cause each subcontractor to also comply with the requirements of this paragraph. This Section 11(b) shall survive expiration or termination of this Agreement.

(c) Prior to execution of this Agreement by CITY, CONSULTANT shall have provided evidence to CITY that CONSULTANT is licensed to perform the services called for by this Agreement (or that no license is required). If CONSULTANT should subcontract all or any portion of the work or services to be performed under this Agreement, CONSULTANT shall

require each subcontractor to provide evidence to CITY that subcontractor is licensed to perform the services called for by this Agreement (or that no license is required) before beginning work.

12. Nondiscrimination. To the extent required by controlling federal, state and local law, CONSULTANT shall not employ discriminatory practices in the provision of services, employment of personnel, or in any other respect on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Subject to the foregoing and during the performance of this Agreement, CONSULTANT agrees as follows:

(a) CONSULTANT will comply with all applicable laws and regulations providing that no person shall, on the grounds of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity made possible by or resulting from this Agreement.

(b) CONSULTANT will not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. CONSULTANT shall ensure that applicants are employed, and the employees are treated during employment, without regard to their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era. Such requirement shall apply to CONSULTANT'S employment practices including, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provision of this nondiscrimination clause.

(c) CONSULTANT will, in all solicitations or advertisements for employees placed by or on behalf of CONSULTANT in pursuit hereof, state that all qualified applicants will receive consideration for employment without regard to race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, ethnicity, status as a disabled veteran or veteran of the Vietnam era.

(d) CONSULTANT will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice advising such labor union or workers' representatives of CONSULTANT'S commitment under this section and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(e) If CONSULTANT should subcontract all or any portion of the services to be performed under this Agreement, CONSULTANT shall cause each subcontractor to also comply with the requirements of this Section 12.

13. Independent Contractor.

(a) In the furnishing of the services provided for herein, CONSULTANT is acting solely as an independent contractor. Neither CONSULTANT, nor any of its officers, agents or employees shall be deemed an officer, agent, employee, joint venturer, partner or associate of CITY for any purpose. CITY shall have no right to control or supervise or direct the manner or method by which CONSULTANT shall perform its work and functions. However, CITY shall retain the right to administer this Agreement so as to verify that CONSULTANT is performing its obligations in accordance with the terms and conditions thereof.

(b) This Agreement does not evidence a partnership or joint venture between CONSULTANT and CITY. CONSULTANT shall have no authority to bind CITY absent CITY'S express written consent. Except to the extent otherwise provided in this Agreement, CONSULTANT shall bear its own costs and expenses in pursuit thereof.

(c) Because of its status as an independent contractor, CONSULTANT and its officers, agents and employees shall have absolutely no right to employment rights and benefits available to CITY employees. CONSULTANT shall be solely liable and responsible for all payroll and tax withholding and for providing to, or on behalf of, its employees all employee benefits including, without limitation, health, welfare and retirement benefits. In addition, together with its other obligations under this Agreement, CONSULTANT shall be solely responsible, indemnify, defend and save CITY harmless from all matters relating to employment and tax withholding for and payment of CONSULTANT'S employees, including, without limitation, (i) compliance with Social Security and unemployment insurance withholding, payment of workers' compensation benefits, and all other laws and regulations governing matters of employee withholding, taxes and payment; and (ii) any claim of right or interest in CITY employment benefits, entitlements, programs and/or funds offered employees of CITY whether arising by reason of any common law, de facto, leased, or co-employee rights or other theory. It is acknowledged that during the term of this Agreement, CONSULTANT may be providing services to others unrelated to CITY or to this Agreement.

14. Notices. Any notice required or intended to be given to either party under the terms of this Agreement shall be in writing and shall be deemed to be duly given if delivered personally, transmitted by facsimile followed by telephone confirmation of receipt, or sent by United States registered or certified mail, with postage prepaid, return receipt requested, addressed to the party to which notice is to be given at the party's address set forth on the signature page of this Agreement or at such other address as the parties may from time to time designate by written notice. Notices served by United States mail in the manner above described shall be deemed sufficiently served or given at the time of the mailing thereof.

15. Binding. Subject to Section 16, below, once this Agreement is signed by all parties, it shall be binding upon, and shall inure to the benefit of, all parties, and each parties' respective heirs, successors, assigns, transferees, agents, servants, employees and representatives.

16. Assignment.

(a) This Agreement is personal to CONSULTANT and there shall be no assignment by CONSULTANT of its rights or obligations under this Agreement without the prior written approval of the City Manager or designee. Any attempted assignment by CONSULTANT, its successors or assigns, shall be null and void unless approved in writing by the City Manager or designee.

(b) CONSULTANT hereby agrees not to assign the payment of any monies due CONSULTANT from CITY under the terms of this Agreement to any other individual(s), corporation(s) or entity(ies). CITY retains the right to pay any and all monies due CONSULTANT directly to CONSULTANT.

17. Compliance With Law. In providing the services required under this Agreement, CONSULTANT shall at all times comply with all applicable laws of the United States, the State of California and CITY, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.

18. Waiver. The waiver by either party of a breach by the other of any provision of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of either the same or a different provision of this Agreement. No provisions of this Agreement may be waived unless in writing and signed by all parties to this Agreement. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein.

19. Governing Law and Venue. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction. Venue for purposes of the filing of any action regarding the enforcement or interpretation of this Agreement and any rights and duties hereunder shall be Fresno County, California.

20. Headings. The section headings in this Agreement are for convenience and reference only and shall not be construed or held in any way to explain, modify or add to the interpretation or meaning of the provisions of this Agreement.

21. Severability. The provisions of this Agreement are severable. The invalidity, or unenforceability of any one provision in this Agreement shall not affect the other provisions.

22. Interpretation. The parties acknowledge that this Agreement in its final form is the result of the combined efforts of the parties and that, should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against either party, but rather by construing the terms in accordance with their generally accepted meaning.

23. Attorney's Fees. If either party is required to commence any proceeding or legal action to enforce or interpret any term, covenant or condition of this Agreement, the prevailing party in such proceeding or action shall be entitled to recover from the other party its reasonable attorney's fees and legal expenses.

24. Exhibits. Each exhibit and attachment referenced in this Agreement is, by the reference, incorporated into and made a part of this Agreement.

25. Precedence of Documents. In the event of any conflict between the body of this Agreement and any Exhibit or Attachment hereto, the terms and conditions of the body of this Agreement shall control and take precedence over the terms and conditions expressed within the Exhibit or Attachment. Furthermore, any terms or conditions contained within any Exhibit or Attachment hereto which purport to modify the allocation of risk between the parties, provided for within the body of this Agreement, shall be null and void.

26. Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

27. No Third Party Beneficiaries. The rights, interests, duties and obligations defined within this Agreement are intended for the specific parties hereto as identified in the preamble of this Agreement. Notwithstanding anything stated to the contrary in this Agreement, it is not intended that any rights or interests in this Agreement benefit or flow to the interest of any third parties.

28. Extent of Agreement. Each party acknowledges that they have read and fully understand the contents of this Agreement. This Agreement represents the entire and integrated agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be modified only by written instrument duly authorized and executed by both CITY and CONSULTANT.

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IN WITNESS WHEREOF, the parties have executed this Agreement at Fresno, California, the day and year first above written.

CITY OF FRESNO,
a California municipal corporation

By: _____
Georgeanne A. White,
Assistant City Manager
Department of Public Utilities

ATTEST:
TODD STERMER, CMC
City Clerk

By: _____
Clerk Attesting
Deputy

No signature of City Attorney required.
Standard Document #DPU-S 8.3 has been
used without modification, as certified by
the undersigned.

By: Patricia Diep 1/5/2022
Patricia Diep
Supervising Engineering Technician
Department of Public Utilities

DocuSigned by:
REVIEWED BY: _____ 1/5/2022
Jesus A. Gonzalez,
Public Utilities Manager
Department of Public Utilities

Addresses:
CITY:
City of Fresno
Attention: Patricia Diep,
Supervising Engineering Technician
2101 G Street, Building A
Fresno, CA 93706
Phone: (559) 621-1609
FAX: (559) 498-4126

Attachments:

- 1. Exhibit A - Scope of Services
- 2. Exhibit B - Insurance Requirements
- 3. Exhibit C - Conflict of Interest Disclosure Form

NBS Government Finance Group,
a California corporation

By: Michael Rentner 1/14/2022

Name: Michael Rentner

Title: CEO
(If corporation or LLC., Board Chair,
Pres. or Vice Pres.)

By: _____

Name: _____

Title: _____
(If corporation or LLC., CFO, Treasurer,
Secretary or Assistant Secretary)

Any Applicable Professional License:

Number: _____

Name: _____

Date of Issuance: _____

CONSULTANT:

NBS Government Finance Group
Attention: Michael Rentner,
President
32605 Temecula Parkway, Suite 100
Temecula, CA 92592
Phone: (951) 296-1997
FAX: (951) 296-1998

Exhibit A

SCOPE OF SERVICES Consultant Service Agreement between City of Fresno (City) and NBS Government Finance Group (Consultant) Study for Various Utility Connection and Capacity Fees

Overview

The study will develop a total of 15 new and updated water, sewer, and recycled water capacity fees for various areas of the City. It consists of six (6) new fees that need to be calculated for new development areas and nine (9) existing fees that need to be updated by following the existing definitions and methodologies embedded in the Fresno Municipal Code (FMC).

NBS Scope of work

Develop six new fees

1. New Water Supply Fees in Growth Area 2 - Southeast Development Area (SEDA)
2. New Water Supply Fees in Growth Area 2 - West Area
3. New Recycled Water Capacity Fees in Growth Area2 - Southeast Development Area (SEDA)
4. New Recycled Water Capacity Fees - Southwest Recycled Area
5. New Sewer Capacity Fee - Southeast Development Area (SEDA) including Temperance and Regional Wastewater Reclamation Facility (RWRF)
6. New Sewer Capacity Fee - Southeast Development Area (SEDA) including the Fowler Trunk

Update nine existing fees

1. Trunk Sewer Charge for residential users - Cornelia, Fowler, Grantland and Herndon service areas
2. Wastewater Facilities Sewer Charge for residential users for maps vested after December 30, 1995
3. Wastewater Facilities Sewer Charge for commercial & industrial users - Citywide
4. Trunk Sewer Charge for commercial & industrial users - Fowler, Grantland/cornelia, Herndon and Temperance service areas
5. Sewer oversize credit for private installation when required to be constructed - Citywide and UGM area except as provided in FMC 6-306
6. Extra depth credit for oversize sewer installations (per linear foot) - Citywide
7. Water Connection Frontage Charge - Citywide
8. Water Capacity Fee based on meter size- Citywide
9. Transmission Grid Reimbursement for water connection - Citywide

NBS' scope of work will treat these 15 fees as separate analyses as defined in the tasks outlined below. While the creation of new fees will follow methodologies primarily focused on incremental analyses (i.e., they mostly include planned and future facilities vs. existing assets), we will identify differences in the data sources, and the units of analysis (e.g., EDUs, meter sizes, annual consumption, etc.). In contrast, updating existing fees will focus primarily on existing methodologies, although NBS and City Staff may decide that an alternative or modified approach is better suited to the City's purposes going forward. We assume that for the purpose of study efficiencies, progress meetings for all analyses will be combined to the extent possible.

TASK 1. PROJECT MANAGEMENT

The project management tasks include 8 various meetings with City staff during the study for new and update existing fees. The specific items below are provided for the purpose of ensuring the overall success of this project.

- Deliverables include the following:
 - Data request provided to City staff one week prior to the kick-off meeting.
 - Meeting Agenda prior to the meeting.
 - Hold a kick-off meeting with City staff to review the initial data provided and the preliminary schedule for meetings and workshops.
 - Review of initial data provided
 - Hold a progress meeting at least once per month (by phone) and one-on one meetings with City Staff (by phone).
 - Provide an updated post kick-off meeting schedule on the project.
 - Provide detailed monthly and total-to-date billing costs by personnel and task.

TASK 2. IDENTIFY NEW DEVELOPMENT SHARE OF SYSTEM CAPACITY COSTS

NBS will work with City staff to outline the documents, plans, and related information currently available that identify capacity-related capital costs, what items might need to be updated, and discuss and confirm the technical methodology that will be used to calculate new development's share of capital costs.

- Deliverables: Separate sets of initial results for each capacity fee (water supply, sewer, and recycled water) will be provided identifying the respective shares of CIP costs allocated to new development, and a briefing on these initial findings. Six (6) hard copies plus electronic copies in PDF, Word and/or Excel format (as appropriate) of the initial results will be provided. The following are additional details we propose for this task.

- a. Review of Current Capacity Fees and Policies – NBS will work with City staff to review and evaluate current capacity policies at the beginning of the study. The intent is to clarify the context within which capacity fees are developed, how they are presented, and hopefully avoid any confusion when the final results are presented to the Council and public.

The intent is to ensure there is clarity about City's policies related to basic equity and fairness, buy-in vs. incremental methodologies, assumptions regarding capital repair and replacement costs, and the capacity fee planning period. Typically, capacity fees should ensure that existing customers do not subsidize new development and that new development pays their proportional share of those costs.

- b. Refinement of Capacity Fee Methodologies – Two basic approaches typically used in calculating water-based utility capacity fees are: (1) a "buy-in" approach, whereby new development must pay their equitable share of system assets previously paid for by existing development, and (2) an "incremental" approach, whereby new development must pay for the additional capital assets required to provide them capacity in a water, sewer, and recycled water systems. This second approach is typically only used when the existing system has no remaining capacity and, essentially, new development will require all new facilities to serve their projected demand.

As noted previously, creating new fees for new development areas will likely emphasize the incremental approach whereas updating existing fees will focus more on the buy-in approach.

- c. Analysis of Capital Improvement Costs – NBS will review current costs of capital improvement plans for the planning period and update those costs based on the most current information from City staff and/or the City’s engineering consultants. This will require information for two categories of infrastructure costs:

1. Planned Capital Improvements - New projects and rehabilitations/replacements included long-range planning efforts consisting of a 30 to 40 year planning period.

Water supply assets would include, but not be limited to:

- Conveyance assets
- Storage Facilities
- Treatment Plants
- Pump Stations

Sewer assets might include, but not be limited to:

- Collection/conveyance assets
- Treatment plant(s)
- Lift stations

Recycled water assets might include, but not be limited to:

- Conveyance assets
- Recycled water production
- Storage Facilities
- Recharge basins (if included in the recycled water system)

2. Existing Assets – Including original construction dates, original costs, the expected life, additions and rehabilitations, and any debt-related funding.

Existing water system assets would include, but not be limited to:

- Conveyance assets
- Storage Facilities
- Treatment Plants
- Pump Stations

Existing sewer assets might include, but not be limited to:

- Collection/conveyance assets
- Treatment plant(s)
- Lift stations

Existing Recycled water assets might include, but not be limited to:

- Conveyance
- Recycled water production
- Storage Facilities
- Recharge basins (if included in the recycled water system)

It will be important to accurately estimate the current-year dollar value of both existing and future assets. Existing assets should be estimated using a replacement costs-new-less-depreciation approach, whereby construction cost indices are applied to historical assets to estimate their current cost if constructed today, adjusted for accumulated depreciation. This lays a technically sound foundation for calculating capacity fees

Future capital improvements might include any facilities included in City's master plans or other planning documents. Often these costs are preliminary estimates, and NBS would work with engineering staff to ensure appropriate costs estimates are used in this analysis.

- d. Analysis of Projected Growth – NBS will work with City staff to assess current information on projected growth in new connections for the planning period and, where appropriate, update based on most current information from City staff and other sources.
- e. Allocations Analysis Existing vs. New Development – NBS will work with City staff to evaluate all identified existing and planned infrastructure assets and allocate these assets to existing and new development. This will involve identifying and/or estimating the capacities of individual assets, which may be evaluated on an asset-by-asset basis or on a system-by-system basis reflecting the overall capacity of each system. For example, a storage asset may include a dam, reservoir, and transmission assets that together form a system with a fixed overall capacity.

TASK 3. PREPARE CAPACITY FEES

This task will result in recommended water, sewer, and recycled water system capacity fees as well as capacity fee schedules for various types of development (residential, commercial, etc.). It will also document the basis for the fees, including the projected growth rates and the number of units of new development, the total costs assigned by asset type for each system. This task will also estimate the annual cash flow resulting from the capacity fees for each new connection times the number of new connections per year of the planning period.

- Deliverables: NBS will brief City staff on initial findings and prepare separate interim reports, including revenue estimates and fee schedules, for the six new and nine updated fees. Six (6) hard copies plus electronic copies in PDF, Word and/or Excel format (as appropriate) of the initial results will be provided for each of the six (6) new capacity fees and a combined report (6 hard copies plus PDF/Word/Excel) for the updates of the existing fees
- a. Calculate and Recommend New and Updated Capacity Fees – Capacity fees, in their simplest form, are the total growth-related costs allocated to new development divided by the projected number of new connections based on the remaining capacity in the system. However, there are nuances to this analysis that we will discuss with City. Technically, the number of new connections can be represented by the total remaining capacity of the assets and/or systems or by the projected buildout of development within the planning period.

For example, a transmission pipe may be designed to serve a buildout demand of “X” but available pipe sizes only offer “X less 20%” or “X plus 20%” of capacity. Since projected demand must be met, the transmission pipe installed is the X plus 20% of capacity, leaving 20% of excess capacity that technically will never be used. In this

example, a case can be made for using the projected demand (“X”) rather than the actual design capacity (“X plus 20%). NBS will coordinate with City staff and legal review of these issues to ensure they comply with AB 1600 regulations.

NBS will calculate the new and updated capacity fees based on projected costs of capital improvements allocated to growth and number of new connections during the planning period. For example, sewer capacity fees are typically based on an equivalent dwelling unit (or EDU) and should reflect the estimated flow and loadings of each new connection based on the average single-family residential customer. In contrast, water supply capacity fees typically reflect the size of water meters, which represent the potential demand that each meter size places on the water supply system.

NBS will discuss with City staff how projected new development might be handled. For example, whether projected development is in terms of the number of planned acres of commercial development, multi-family, or single-family development or whether number of EDU’s are used. Ultimately, the projected demand of new development will need to be quantified, whether by the number of typical one-inch water meters or the EDU per acre.

- b. Summary and Comparison of New and Updated Capacity Fees: This summary and comparison will include current and proposed capacity fees and those of four (4) comparable surrounding agencies. Fees for similar agencies will reflect the most current available fees and we will contact those agencies to determine if they are in the process of updating those fees.
- c. Implementation of Capacity Fees: NBS will provide guidance related to implementation of the capacity fees. A fundamental premise of capacity fees is that the burden of the fees cannot total more than the actual cost of the public facilities needed to serve the development paying the fee, including costs associated with administering the fee program. The Mitigation Fee Act also has specific accounting and reporting requirements, both annually and after every five-year period, for the use of capacity fee revenues.

Implementation must also ensure that capacity fee revenues are not used for staffing, operations, or maintenance of either existing or new facilities which, over their life cycle, will be quite substantial, and must be borne by customers connected to the system.

TASK 4. WORKSHOPS AND PRESENTATIONS

NBS will provide the workshops and presentations necessary for collecting feedback and direction from City Council members and other stakeholders such as the Building Industry Association (BIA).

- Deliverables: Based on discussion with City staff, two (2) workshops/presentations will be provided for new fees and two (2) workshops/presentations will be provided for the updated fees. This is a total of four (4) workshops/presentations. In addition, NBS will provide two (2) workshops/presentations to the BIA and two (2) workshops/presentations to the City Council. The combined total of all workshops/ presentations is eight (8).

TASK 5. DRAFT AND FINAL REPORTS

NBS will prepare draft and final reports for new and updated water, sewer and recycled water capacity fee analyses that summarize Tasks 1 through 4.

- Deliverables: Separate draft and final reports for water, sewer and recycled water capacity fees and a briefing to City staff on these reports. Once staff comments are received, NBS will incorporate those comments in the reports. NBS will provide six (6) hard copies and plus electronic copies in PDF, Word and/or Excel format (as appropriate) of both the draft and final reports. For the six (6) separate new capacity fees and the combined report on existing fees (total of 7 separate reports), this means there are 42 copies of the draft reports and 42 copies of final reports.

A critical component of the reports will be the necessary findings as required by the Mitigation Fee Act contained in California Government Code Section 66000 et seq., which establishes requirements for imposing and funding the ongoing administration of capacity fee programs. When adopting a capacity fee, local governments must document the nexus of the capacity fees in a report that includes:

- The purpose of the capacity fee.
- The use of capacity fee revenues.
- Determine there is a reasonable relationship between the capacity fee's use and the type of development paying the fee.
- Determine there is a reasonable relationship between the need for the capacity fee and the type of development paying the fee.
- Determine there is a reasonable relationship between the amount of the capacity fee and the cost of the facility attributable to development paying the fee.
- Since only GC 66000 is applicable for these studies, this scope of work specifically excludes any Proposition 218 related services.

SCHEDULE OF FEES

Consultant: Classification/Staff	Total Burdened Labor	
	Hourly Rate	Per Diem
Greg Clumpner/Director	\$250	\$2,000
Allan Highstreet/Principal Consultant	\$250	\$2,000
Jordan Taylor/Consultant	\$170	\$1,360
Alice Bou/Consultant	\$170	\$1,360
John Egan/P.E.	\$210	\$1,680
Costs for Printing	(included in labor rates)	
Mileage (\$/mi.)	\$0.58	
Other Travel (hotel, meals, etc.)	(at direct cost - no markups)	

Exhibit B

INSURANCE REQUIREMENTS
Consultant Service Agreement between City of Fresno (“CITY”)
and NBS Government Finance Group (“CONSULTANT”)
Study for Various Utility Connection and Capacity Fees
PROJECT TITLE

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, providing liability coverage arising out of your business operations. The Commercial General Liability policy shall be written on an occurrence form and shall provide coverage for “bodily injury,” “property damage” and “personal and advertising injury” with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Agreement) with limits of liability not less than those set forth under “Minimum Limits of Insurance.”
2. The most current version of ISO *Commercial Auto Coverage Form CA 00 01, providing liability coverage arising out of the ownership, maintenance or use of automobiles in the course of your business operations. The Automobile Policy shall be written on an occurrence form and shall provide coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1- Any Auto). If personal automobile coverage is used, the CITY, its officers, officials, employees, agents and volunteers are to be listed as additional insureds.
3. Workers’ Compensation insurance as required by the State of California and Employer’s Liability Insurance.
4. Professional Liability (Errors and Omissions) insurance appropriate to CONSULTANT’S profession. Architect’s and engineer’s coverage is to be endorsed to include contractual liability.

MINIMUM LIMITS OF INSURANCE

CONSULTANT, or any party the CONSULTANT subcontracts with, shall maintain limits of liability of not less than those set forth below. However, insurance limits available to CITY, its officers, officials, employees, agents and volunteers as additional insureds, shall be the greater of the minimum limits specified herein or the full limit of any insurance proceeds available to the named insured:

1. **COMMERCIAL GENERAL LIABILITY:**
 - (i) \$1,000,000 per occurrence for bodily injury and property damage;
 - (ii) \$1,000,000 per occurrence for personal and advertising injury;
 - (iii) \$2,000,000 aggregate for products and completed operations; and,

- (iv) \$2,000,000 general aggregate applying separately to the work performed under the Agreement.

2. **COMMERCIAL AUTOMOBILE LIABILITY:**

\$1,000,000 per accident for bodily injury and property damage.

OR*

PERSONAL AUTOMOBILE LIABILITY insurance with limits of liability not less than:

- (i) \$100,000 per person;
- (ii) \$300,000 per accident for bodily injury; and,
- (iii) \$50,000 per accident for property damage.

3. **WORKERS' COMPENSATION INSURANCE** as required by the State of California with statutory limits.

4. **EMPLOYER'S LIABILITY:**

- (i) \$1,000,000 each accident for bodily injury;
- (ii) \$1,000,000 disease each employee; and,
- (iii) \$1,000,000 disease policy limit.

5. **PROFESSIONAL LIABILITY** (Errors and Omissions):

- (i) \$1,000,000 per claim/occurrence; and,
- (ii) \$2,000,000 policy aggregate.

UMBRELLA OR EXCESS INSURANCE

In the event CONSULTANT purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies). In addition, such Umbrella or Excess insurance policy(ies) shall also apply on a primary and non-contributory basis for the benefit of the CITY, its officers, officials, employees, agents and volunteers.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

CONSULTANT shall be responsible for payment of any deductibles contained in any insurance policy(ies) required herein and CONSULTANT shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared on the Certificate of Insurance, and approved by, the CITY'S Risk Manager or designee. At the option of the CITY'S Risk Manager or designee, either:

- (i) The insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY, its officers, officials, employees, agents and volunteers; or

- (ii) CONSULTANT shall provide a financial guarantee, satisfactory to CITY'S Risk Manager or designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall CITY be responsible for the payment of any deductibles or self-insured retentions.

OTHER INSURANCE PROVISIONS/ENDORSEMENTS

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

1. CITY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds. CONSULTANT shall establish additional insured status for the City and for all ongoing and completed operations by use of ISO Form CG 20 10 11 85 or both CG 20 10 10 01 and CG 20 37 10 01 or by an executed manuscript insurance company endorsement providing additional insured status as broad as that contained in ISO Form CG 20 10 11 85.
2. The coverage shall contain no special limitations on the scope of protection afforded to CITY, its officers, officials, employees, agents and volunteers. Any available insurance proceeds in excess of the specified minimum limits and coverage shall be available to the Additional Insured.
3. For any claims related to this Agreement, CONSULTANT'S insurance coverage shall be primary insurance with respect to the CITY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents and volunteers shall be excess of CONSULTANT'S insurance and shall not contribute with it. CONSULTANT shall establish primary and non-contributory status by using ISO Form CG 20 01 04 13 or by an executed manuscript insurance company endorsement that provides primary and non-contributory status as broad as that contained in ISO Form CG 20 01 04 13.

The Workers' Compensation insurance policy is to contain, or be endorsed to contain, the following provision: CONSULTANT and its insurer shall waive any right of subrogation against CITY, its officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by CONSULTANT.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement work or termination of the Agreement, whichever occurs first, or, in the alternative, the policy shall be endorsed to provide not less than a five (5) year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by CONSULTANT, CONSULTANT must purchase

“extended reporting” coverage for a minimum of five (5) years after completion of the Agreement work or termination of the Agreement, whichever occurs first.

4. A copy of the claims reporting requirements must be submitted to CITY for review.
5. These requirements shall survive expiration or termination of the Agreement.

All policies of insurance required herein shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar days written notice by certified mail, return receipt requested, has been given to CITY. CONSULTANT is also responsible for providing written notice to the CITY under the same terms and conditions. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, CONSULTANT shall furnish CITY with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for CITY, CONSULTANT shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than fifteen (15) calendar days prior to the expiration date of the expiring policy.

VERIFICATION OF COVERAGE

CONSULTANT shall furnish CITY with all certificate(s) and **applicable endorsements** effecting coverage required hereunder. All certificates and **applicable endorsements** are to be received and approved by the CITY’S Risk Manager or designee prior to CITY’S execution of the Agreement and before work commences. All non-ISO endorsements amending policy coverage shall be executed by a licensed and authorized agent or broker. Upon request of CITY, CONSULTANT shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

Exhibit C

DISCLOSURE OF CONFLICT OF INTEREST

Study for Various Utility Connection and Capacity Fees
PROJECT TITLE

		YES*	NO
1	Are you currently in litigation with the City of Fresno or any of its agents?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2	Do you represent any firm, organization or person who is in litigation with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3	Do you currently represent or perform work for any clients who do business with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4	Are you or any of your principals, managers or professionals, owners or investors in a business which does business with the City of Fresno, or in a business which is in litigation with the City of Fresno?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
5	Are you or any of your principals, managers or professionals, related by blood or marriage to any City of Fresno employee who has any significant role in the subject matter of this service?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6	Do you or any of your subcontractors have, or expect to have, any interest, direct or indirect, in any other contract in connection with this Project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
* If the answer to any question is yes, please explain in full below.			

Explanation: _____

Additional page(s) attached.



Signature

January 14, 2022
Date

Michael Rentner
(name)

NBS Government Finance Group
(company)

32605 Temecula Pkwy, Ste. 100
(address)

Temecula, CA 92592
(city state zip)