

AGREEMENT FOR CONSULTANT SERVICES

THIS AGREEMENT is made and entered into on this 10th day of **October 2019**, by and between the Marin/Sonoma Mosquito and Vector Control District, hereinafter referred to as “District” and Municipal Resource Group LLC (MRG), hereinafter referred to as “Consultant.”

Section 1. Description of Project.

District and Consultant agree that the “Project” shall be as described in Exhibit A - Scope of Services, which is attached hereto and incorporated into the terms of this Agreement. If, during the course of the Project, District and Consultant agree to changes in the Project, such changes shall be effective only if incorporated into this Agreement by written amendment pursuant to Section 15 of this Agreement.

Section 2. Scope of Services.

Consultant agrees to perform those services described in Exhibit A, “Scope of Services.” As more fully set forth in Section 15 of this Agreement, Consultant shall not be responsible for and shall not commence any work exceeding the scope of services without prior written authorization from the District.

Section 3. Term of Agreement.

The Agreement shall commence on the date first entered above and end on January 31st, 2020.

Section 4. Compensation.

District agrees to pay Consultant, and Consultant agrees to accept in full satisfaction for the services required by this Agreement the Compensation set forth in Exhibit B. Said Compensation shall constitute reimbursement of Consultant’s fee for the services rendered, which shall include all expenses.

Consultant shall invoice District on a monthly basis for any services rendered. Such invoices shall itemize all charges in such detail as may reasonably be required by District in the usual course of District business. District shall pay Consultant no later than thirty (30) days after approval of the monthly invoice by District’s staff, such approval not to be unreasonably withheld or delayed.

Section 5. Professional Ability; Standard of Quality.

District has relied upon the professional training and ability of Consultant to perform the services described in Exhibit A “Scope of Services” as a material inducement to enter into this Agreement. Consultant shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All

work performed by Consultant under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Consultant's field of expertise.

Section 6. Indemnification.

Consultant agrees to indemnify, hold harmless, and defend District, District Trustees, and every officer, employee, and agent of District from any liability or financial loss (including, without limitation, attorneys' fees and costs) arising from any intentional, reckless, negligent, or otherwise wrongful acts, errors, or omissions of Consultant or any person employed by Consultant in the performance of this Agreement.

Section 7. Insurance.

Without limiting Consultant's indemnification obligations provided for above, Consultant shall obtain and maintain at all times during the term of this Agreement the following policies of insurance with insurers possessing a Best rating of not less than A:VII:

A. Workers' Compensation Coverage. Workers' Compensation insurance to cover Consultants' employees, if applicable. Consultant shall also require all subcontractors, if such are authorized by the District, to similarly provide Workers' Compensation insurance as required by the Labor Code of the State of California for all of the subcontractor's employees. All Workers' Compensation policies shall be endorsed with the provision that the insurance shall not be suspended, voided, or cancelled until thirty (30) days prior written notice has been provided to District by the insurer by certified mail, return receipt requested.

B. General Liability Coverage. General liability insurance, including personal injury and property damage insurance for all activities of the Consultant and its subcontractors, if such are authorized by the District, arising out of or in connection with this Agreement. The insurance shall be in an amount of not less than \$1 million combined single limit personal injury and property damage for each occurrence.

C. Automobile Liability Coverage. Automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with this Agreement, including coverage for owned, hired and non-owned vehicles, in an amount of not less than \$100,000 per person or \$300,000 total combined single limit for each occurrence.

D. Professional Liability Coverage. Professional liability, errors and omissions insurance in an amount not less than \$1 million. Consultant agrees to maintain professional liability coverage with limits as noted in this Paragraph D. District acknowledges that professional liability coverage is provided on a "claims made" basis with both "occurrence" and "aggregate" limits.

E. Policy Endorsements. Each general liability, automobile liability and professional liability insurance policy shall contain the following endorsements.

1. Except for professional liability insurance, the District, its Trustees, officials, employees, and agents are included as additional insureds with regards to damages and defenses of claims arising from activities performed by or on behalf of the Consultant, and products and completed operations of the Consultant.

2. The insurance shall not be suspended, voided, cancelled, or reduced in coverage or in limits except after thirty (30) days written notice has been provided to the District by mail.

3. For any claim related to this Agreement, Consultant's insurance coverage shall be primary insurance as respects the District, its Trustees, officials, employees, and agents.

F. Insurance Certificates and Endorsements. Prior to commencing work under this Agreement, Consultant shall submit to the District documentation evidencing the required insurance signed by the insurance agent and the companies named. This Agreement shall not be executed until these insurance documents are submitted to and approved by the District. In addition, current certification of insurance shall be kept on file with the District at all times during the term of this Agreement.

Section 8. Subcontracts.

Consultant may not subcontract any portion of the work to be performed under this Agreement except as expressly authorized herein. If District consents to such subcontract, Consultant shall be fully responsible to District for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between District and subcontractor nor shall it create any obligation on the part of the District to pay or to see to the payment of any monies due to any such subcontractor other than as required by law.

Section 9. Assignment.

The Consultant shall not assign any right or obligation under this Agreement without the District's prior written consent. Any attempted assignment of any right or obligation in violation of this Section shall be void.

Section 10. Jurisdiction and Severability.

This Agreement shall be administered and interpreted under the laws of the State of California. Jurisdiction of litigation arising from the Agreement shall be in the courts of the State of California, County of Sonoma. If any part of this Agreement is found in conflict with applicable laws, such part shall be inoperative, null and void insofar as it conflicts with said laws, but the remainder of this Agreement shall remain in full force and effect.

Section 11. Suspension of Work.

Consultant may request that the work be suspended by notifying District, in writing, of circumstances that are interfering with the normal progress of work. District may suspend the work at its sole discretion. Upon written District approval to suspend work, the time for completion of the work shall be extended by the number of days work is suspended.

Section 12. Termination of Work.

District may at any time, at its sole discretion and with or without cause, terminate all or any portion of the work to be performed under this Agreement upon seven (7) days written notice to Consultant. Consultant agrees to cease all work under this Agreement on or before the effective date of such notice. In the event of termination or cancellation of this Agreement by District, due to no fault or failure of performance by Consultant, Consultant shall be paid full compensation for all services performed by Consultant, in an amount to be determined as follows: For work done in accordance with all the terms and provisions of this Agreement, Consultant shall be paid an amount equal to the amount of services performed prior to the effective date of termination; provided, in no event shall the amount of money paid under the foregoing provisions of this paragraph exceed the amount which would be paid Consultant for the full performance of the services required by this Agreement. Subject to these conditions, Consultant shall be entitled to compensation for fees and expenses necessary to secure and organize its work product in the event of termination.

Consultant's obligations pursuant to Sections 6, 14 and 17 of this Agreement shall survive termination, and continue in effect for as long as necessary to fulfill the purposes of Sections 6, 14 and 17.

Section 13. Independent Contractor.

Consultant shall in all respects be an independent contractor and not an employee of District. In particular, Consultant shall receive no premium or enhanced pay for work normally understood as overtime; nor shall Consultant receive holiday pay, sick leave, administrative leave or pay for any other time not actually worked. It is intended by the parties that Consultant shall not be eligible for benefits and shall receive no compensation from the District, except as expressly set forth in Exhibit A, "Compensation" to this Agreement.

Section 14. Ownership of Documents.

All finished and unfinished reports, plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents in the course of implementing this Agreement shall become the sole property of the District upon payment to Consultant for such work. The District may have the exclusive right to use such materials in its sole discretion without further compensation to Consultant or to any other party solely for the project. Consultant shall, at District's expense, provide such reports, plans, studies, documents and writings to District or any party the District may

designate, upon written request. Consultant may keep file reference copies of all documents prepared for District.

Section 15. Changes and/or Extra Work.

District may authorize extra and/or changed work, modification of the time of completion, or additional compensation for the tasks to be performed by Consultant. Such authorization must be in writing. In the event Consultant and District agree that extra or changed work is required, or that additional compensation shall be awarded to Consultant for performance of the tasks identified in this Agreement, a supplemental agreement providing for such compensation shall be prepared and executed by both parties.

Section 16. Compliance with Federal, State and Local Laws.

Consultant shall comply with all federal, state and local laws, statutes, ordinances, rules and regulations affecting the performance of this Agreement, including without limitation laws requiring licensing and prohibiting discrimination in employment because of race, creed, color, sex, age, marital status, physical or mental disability, national origin or other prohibited bases. District shall not be responsible or liable for Consultant's failure to comply with applicable laws.

Section 17. Retention of Records.

Consultant and any subconsultants authorized by the terms of this Agreement shall keep and maintain full and complete documentation and accounting records, employees' time sheets, and correspondence pertaining to this project, and Consultant shall make such documents available for review and/or audit by District and District's representatives at all reasonable times and upon reasonable notice during the contract period and for at least four (4) years from the date of the completion or termination of this Agreement.

Section 18. Entire Agreement; Amendment.

This Agreement, including all exhibits hereto, constitutes the complete and exclusive expression of the understanding and agreement between the parties with respect to the subject matter hereof. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this Agreement. This Agreement may not be altered or amended except by written agreement of the parties hereto.

Section 19. Time of the Essence.

It is understood and agreed by District and Consultant that Consultant will perform services with due and reasonable diligence consistent with sound professional practice.

Section 20. Interpretation of Agreement.

This Agreement shall be interpreted and enforced in accordance with the laws of the State of California.

Section 21. Written Notification.

Except as otherwise specified in this Agreement, any notice, demand, request, consent, approval or communications that either party desires or is required to give to the other party shall be in writing and either served personally or sent by prepaid, first class mail or express mail. Any such notice, demand, request, consent, approval or communication shall be addressed to the other party at the address set forth herein below. Either party may change its address by notifying the other party of the change of address. Notice shall be deemed communicated within two business days from the time of mailing if mailed within the State of California as provided in this Section.

If to District: Philip D. Smith, Manager
Marin Sonoma Mosquito and Vector Control District
595 Helman Lane
Cotati, CA 94931

If to Consultant: Mike Oliver, Partner
Municipal Resource Group
675 Hartz Avenue, Suite 300
Danville, CA 94526

Section 22. Execution.

This Agreement may be executed in several original counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 23. No Third Party Rights.

Consultant's services under this agreement are intended for the sole benefit of the District and shall not create any third party rights or benefits.

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IN WITNESS WHEREOF, the parties hereby have executed this Agreement on the day first above written:

DISTRICT

By: 

Print Name: PHILIP D. SMITH

Title: DISTRICT MANAGER

Date: 10.11.2019

CONSULTANT

By: 

Print Name: MIKE OLIVER

Title: President - MFG.

Date: 10/11/2019

Exhibit A – SCOPE OF SERVICES

Tasks

I. PROJECT OVERVIEW

In early 2006, the Consultant previously prepared a capital asset valuation and cost replacement study for the District. The study covered a variety of capital assets, including buildings, vehicles, water craft, machinery and equipment. A significant part of this project will be to update the previous study, as described in the tasks contained in this agreement. Additionally, the Consultant will examine the current funding mechanism for capital replacements and improvements and suggest alternative funding strategies for capital replacements. A five-year capital asset replacement plan will be prepared for the District.

A second task is to work with District staff to identify funds that may be available above and beyond the prudent target fund balances established by the District in its recent GASB 54 compliant Target Fund Balance Policy. Consultant will recommend potentially beneficial uses for any fund balances determined to be in excess of reserve requirements. Options include prefunding of long term liabilities.

In recent years, the District has made it practice to prepare a ten-year financial forecast each year. The capital asset data and funding strategy will be integrated into the ten-year financial modeling prepared by NBS.

II. PROPOSED WORK PLAN AND SCOPE OF SERVICES

Task One: Initial meeting with the District's key staff.

The meeting will include a review of project outcomes and the project process, obtaining contact information, setting an initial timeline, and requesting additional information and background reports.

Task Two: Update the Capital Asset Replacement Inventory

MRG will accomplish the following subtasks:

- Meet with District staff and review expenditure records, as needed, to identify assets that have been replaced and/or added since the 2016 study.
- Conduct facility walk-throughs and on-site review of capital assets.
- Remove items valued at less than \$5,000 pursuant to District's adoption of \$5,000 capitalization standard.
- Update the asset replacement schedule, including estimated life and current replacement costs to reflect a 20-year forecast.
- Based on a condition analysis of current capital assets and projected asset life, create a 5-year capital asset replacement expenditure plan.

Task Three: Provide analysis and recommendations regarding funding of the Capital Asset Replacement Program.

Based on the updated inventory, MRG will provide recommendations for funding the District's capital assessment replacement program. Analysis will include:

- Calculations for a fixed 20-year annual payment option that could help inform policy makers about long-term funding options.
- Recommendations regarding the Capital Asset Replacement Reserve amount (currently \$2 million).
- Provide a discussion of the impact on operating expenses of the District's increase in the capitalization standard from \$500 to \$5,000. Provide any recommended actions deemed prudent.

Task Four: Determine the sufficiency of District's target fund balance reserve levels & make recommendations for advantageous uses of funds.

To assist the District evaluate the appropriateness of their fund balance reserves, MRG will:

- Review the District's Fund Balance Classification and Target Balance policy and determine if current fund balances are consistent with, insufficient, or in excess of the Board's policy.
- Review District's fiscal reports, including annual budget, audit reports, and NBS Financial Report (November 2018) to determine if resources are (or are projected to be) available in excess of the target reserves described in the Board policy.
- If there are available funds in excess of the policy targets, MRG will make recommendations for their advantageous use. Recommendations could include a Section 115 Pension Prefunding Trust, contributions to the District's OPEB prefunding trust, or other beneficial uses.

Task Five: Prepare draft report and meet with District staff.

MRG will compile the information developed in previous tasks and create a draft report for District review. MRG will meet with District staff as desired to review the draft report, discuss findings, and identify areas needing further review.

Task Six: Prepare draft report and meet with District staff.

Based on feedback received from the District, MRG will compile a final report.

Task Seven: Prepare draft report and meet with District staff.

At the discretion of District staff, MRG will meet with the Budget Committee and District Board to present findings and recommendations.

III. TIMELINE

Municipal Resource Group LLC shall initiate the project upon contract approval and receipt of notice to proceed issued by the District. The time-line for the completion of the project tasks and services will be as follows:

- Kickoff Meeting: Two weeks from finalization of MRG contract.
- Complete Analysis: 45 days from kickoff meeting (may vary depending on availability of documentation from District).
- Deliver Draft Report: 60 days from kickoff meeting.
- Presentation to Budget Committee and Board of Directors: As scheduled by District staff.

Exhibit B – COMPENSATION

Project Cost

Hourly rates charged by Consultant are as follows:

Mike Oliver	\$225.00
Mike Bakaldin	\$180.00
Dana Shigley	\$180.00

The total project budget of \$32,555 is comprised of the following tasks:

Task 1	\$3,510
Task 2	\$7,290
Task 3	\$3,510
Task 4	\$5,355
Task 5	\$5,110
Task 6	\$1,035
Task 7	\$5,490
Mileage/Misc.	<u>\$1,255</u>
Project Cost:	\$32,555

Additional allowable expenses such as printing and review of draft report: \$500

Total Cost Not to Exceed: \$33,055

The total amount authorized under this Agreement, including expenses and reimbursable costs, shall not exceed **\$33,055** (thirty three thousand and fifty five dollars), unless amended in accordance with article 15 of this Agreement.