

AGREEMENT

35426

THIS AGREEMENT is made and entered, in duplicate, as of September 10, 2019, for reference purposes only, pursuant to a minute order adopted by the City Council of the City of Long Beach at its meeting on August 20, 2019, by and between REVENUE AND COST SPECIALISTS, LLC, a California limited liability company ("Consultant"), with a place of business at 1519 East Chapman Avenue, Suite C, Fullerton, California 92831, and the CITY OF LONG BEACH, a municipal corporation ("City").

WHEREAS, City requires specialized services requiring unique skills to conduct Citywide user fee and cost recovery studies ("Project"); and

WHEREAS, City has selected Consultant in accordance with City's administrative procedures and City has determined that Consultant and its employees are qualified, licensed, if so required, and experienced in performing these specialized services; and

WHEREAS, City desires to have Consultant perform these specialized services, and Consultant is willing and able to do so on the terms and conditions in this Agreement;

NOW, THEREFORE, in consideration of the mutual terms, covenants, and conditions in this Agreement, the parties agree as follows:

1. SCOPE OF WORK OR SERVICES.

A. Consultant shall furnish specialized services more particularly described in Exhibit "A", attached to this Agreement and incorporated by this reference, in accordance with the standards of the profession, and City shall pay for these services in the manner described below, in an amount not to exceed Four Hundred Eight Thousand Dollars (\$408,000), at the rates or charges shown in Exhibit "B".

B. The City's obligation to pay the sum stated above for any one fiscal year shall be contingent upon the City Council of the City appropriating the

1 necessary funds for such payment by the City in each fiscal year during the term of
2 this Agreement. For the purposes of this Section, a fiscal year commences on
3 October 1 of the year and continues through September 30 of the following year. In
4 the event that the City Council of the City fails to appropriate the necessary funds
5 for any fiscal year, then, and in that event, the Agreement will terminate at no
6 additional cost or obligation to the City.

7 C. Consultant may select the time and place of performance for
8 these services; provided, however, that access to City documents, records and the
9 like, if needed by Consultant, shall be available only during City's normal business
10 hours and provided that milestones for performance, if any, are met.

11 D. Consultant has requested to receive regular payments. City
12 shall pay Consultant in due course of payments following receipt from Consultant
13 and approval by City of invoices showing the services or task performed, the time
14 expended (if billing is hourly), and the name of the Project. Consultant shall certify
15 on the invoices that Consultant has performed the services in full conformance with
16 this Agreement and is entitled to receive payment. Each invoice shall be
17 accompanied by a progress report indicating the progress to date of services
18 performed and covered by the invoice, including a brief statement of any Project
19 problems and potential causes of delay in performance, and listing those services
20 that are projected for performance by Consultant during the next invoice cycle.
21 Where billing is done and payment is made on an hourly basis, the parties
22 acknowledge that this arrangement is either customary practice for Consultant's
23 profession, industry or business, or is necessary to satisfy audit and legal
24 requirements which may arise due to the fact that City is a municipality.

25 E. Consultant represents that Consultant has obtained all
26 necessary information on conditions and circumstances that may affect its
27 performance and has conducted site visits, if necessary.

28 F. CAUTION: Consultant shall not begin work until this

1 Agreement has been signed by both parties and until Consultant's evidence of
2 insurance has been delivered to and approved by City.

3 2. TERM. The term of this Agreement shall commence at midnight on
4 August 20, 2019, and shall terminate at 11:59 p.m. on August 19, 2023, unless sooner
5 terminated as provided in this Agreement, or unless the services or the Project is
6 completed sooner. The term can be renewed for two (2) additional one-year periods, at
7 the discretion of the City Manager.

8 3. COORDINATION AND ORGANIZATION.

9 A. Consultant shall coordinate its performance with City's
10 representative, if any, named in Exhibit "C", attached to this Agreement and
11 incorporated by this reference. Consultant shall advise and inform City's
12 representative of the work in progress on the Project in sufficient detail so as to
13 assist City's representative in making presentations and in holding meetings on the
14 Project. City shall furnish to Consultant information or materials, if any, described
15 in Exhibit "D", attached to this Agreement and incorporated by this reference, and
16 shall perform any other tasks described in the Exhibit.

17 B. The parties acknowledge that a substantial inducement to City
18 for entering this Agreement was and is the reputation and skill of Consultant's key
19 employee, named in Exhibit "E" attached to this Agreement and incorporated by this
20 reference. City shall have the right to approve any person proposed by Consultant
21 to replace that key employee.

22 4. INDEPENDENT CONTRACTOR. In performing its services,
23 Consultant is and shall act as an independent contractor and not an employee,
24 representative or agent of City. Consultant shall have control of Consultant's work and the
25 manner in which it is performed. Consultant shall be free to contract for similar services to
26 be performed for others during this Agreement; provided, however, that Consultant acts in
27 accordance with Section 9 and Section 11 of this Agreement. Consultant acknowledges
28 and agrees that (a) City will not withhold taxes of any kind from Consultant's compensation;

(b) City will not secure workers' compensation or pay unemployment insurance to, for or on Consultant's behalf; and (c) City will not provide and Consultant is not entitled to any of the usual and customary rights, benefits or privileges of City employees. Consultant expressly warrants that neither Consultant nor any of Consultant's employees or agents shall represent themselves to be employees or agents of City.

5. INSURANCE.

A. As a condition precedent to the effectiveness of this Agreement, Consultant shall procure and maintain, at Consultant's expense for the duration of this Agreement, from insurance companies that are admitted to write insurance in California and have ratings of or equivalent to A:V by A.M. Best Company or from authorized non-admitted insurance companies subject to Section 1763 of the California Insurance Code and that have ratings of or equivalent to A:VIII by A.M. Best Company, the following insurance:

i. Commercial general liability insurance (equivalent in scope to ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This coverage shall include but not be limited to broad form contractual liability, cross liability, independent contractors liability, and products and completed operations liability. City, its boards and commissions, and their officials, employees and agents shall be named as additional insureds by endorsement (on City's endorsement form or on an endorsement equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85 or both CG 20 10 07 04 and CG 20 37 07 04 or both CG 20 33 07 04 and CG 20 37 07 04), and this insurance shall contain no special limitations on the scope of protection given to City, its boards and commissions, and their officials, employees and agents. This policy shall be endorsed to state that the insurer waives its right of subrogation against City, its boards and commissions, and their officials, employees and agents.

1 ii. Workers' Compensation insurance as required by the
2 California Labor Code and employer's liability insurance in an amount not
3 less than \$1,000,000. This policy shall be endorsed to state that the insurer
4 waives its right of subrogation against City, its boards and commissions, and
5 their officials, employees and agents.

6 iii. Professional liability or errors and omissions insurance
7 in an amount not less than \$1,000,000 per claim.

8 iv. Commercial automobile liability insurance (equivalent in
9 scope to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in
10 an amount not less than \$500,000 combined single limit per accident.

11 B. Any self-insurance program, self-insured retention, or
12 deductible must be separately approved in writing by City's Risk Manager or
13 designee and shall protect City, its officials, employees and agents in the same
14 manner and to the same extent as they would have been protected had the policy
15 or policies not contained retention or deductible provisions.

16 C. Each insurance policy shall be endorsed to state that coverage
17 shall not be reduced, non-renewed or canceled except after thirty (30) days prior
18 written notice to City, shall be primary and not contributing to any other insurance
19 or self-insurance maintained by City, and shall be endorsed to state that coverage
20 maintained by City shall be excess to and shall not contribute to insurance or self-
21 insurance maintained by Consultant. Consultant shall notify City in writing within
22 five (5) days after any insurance has been voided by the insurer or cancelled by the
23 insured.

24 D. If this coverage is written on a "claims made" basis, it must
25 provide for an extended reporting period of not less than one hundred eighty (180)
26 days, commencing on the date this Agreement expires or is terminated, unless
27 Consultant guarantees that Consultant will provide to City evidence of uninterrupted,
28 continuing coverage for a period of not less than three (3) years, commencing on

1 the date this Agreement expires or is terminated.

2 E. Consultant shall require that all subconsultants or contractors
3 that Consultant uses in the performance of these services maintain insurance in
4 compliance with this Section unless otherwise agreed in writing by City's Risk
5 Manager or designee.

6 F. Prior to the start of performance, Consultant shall deliver to City
7 certificates of insurance and the endorsements for approval as to sufficiency and
8 form. In addition, Consultant shall, within thirty (30) days prior to expiration of the
9 insurance, furnish to City certificates of insurance and endorsements evidencing
10 renewal of the insurance. City reserves the right to require complete certified copies
11 of all policies of Consultant and Consultant's subconsultants and contractors, at any
12 time. Consultant shall make available to City's Risk Manager or designee all books,
13 records and other information relating to this insurance, during normal business
14 hours.

15 G. Any modification or waiver of these insurance requirements
16 shall only be made with the approval of City's Risk Manager or designee. Not more
17 frequently than once a year, City's Risk Manager or designee may require that
18 Consultant, Consultant's subconsultants and contractors change the amount, scope
19 or types of coverages required in this Section if, in his or her sole opinion, the
20 amount, scope or types of coverages are not adequate.

21 H. The procuring or existence of insurance shall not be construed
22 or deemed as a limitation on liability relating to Consultant's performance or as full
23 performance of or compliance with the indemnification provisions of this Agreement.

24 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
25 contemplates the personal services of Consultant and Consultant's employees, and the
26 parties acknowledge that a substantial inducement to City for entering this Agreement was
27 and is the professional reputation and competence of Consultant and Consultant's
28 employees. Consultant shall not assign its rights or delegate its duties under this

Agreement, or any interest in this Agreement, or any portion of it, without the prior approval of City, except that Consultant may with the prior approval of the City Manager of City, assign any moneys due or to become due Consultant under this Agreement. Any attempted assignment or delegation shall be void, and any assignee or delegate shall acquire no right or interest by reason of an attempted assignment or delegation. Furthermore, Consultant shall not subcontract any portion of its performance without the prior approval of the City Manager or designee, or substitute an approved subconsultant or contractor without approval prior to the substitution. Nothing stated in this Section shall prevent Consultant from employing as many employees as Consultant deems necessary for performance of this Agreement.

7. CONFLICT OF INTEREST. Consultant, by executing this Agreement, certifies that, at the time Consultant executes this Agreement and for its duration, Consultant does not and will not perform services for any other client which would create a conflict, whether monetary or otherwise, as between the interests of City and the interests of that other client. Consultant further certifies that Consultant does not now have and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. And, Consultant shall obtain similar certifications from Consultant's employees, subconsultants and contractors.

8. MATERIALS. Consultant shall furnish all labor and supervision, supplies, materials, tools, machinery, equipment, appliances, transportation and services necessary to or used in the performance of Consultant's obligations under this Agreement, except as stated in Exhibit "D".

9. OWNERSHIP OF DATA. All materials, information and data prepared, developed or assembled by Consultant or furnished to Consultant in connection with this Agreement, including but not limited to documents, estimates, calculations, studies, maps, graphs, charts, computer disks, computer source documentation, samples,

1 models, reports, summaries, drawings, designs, notes, plans, information, material and
2 memorandum ("Data") shall be the exclusive property of City. Data shall be given to City,
3 and City shall have the unrestricted right to use and disclose the Data in any manner and
4 for any purpose without payment of further compensation to Consultant. Copies of Data
5 may be retained by Consultant but Consultant warrants that Data shall not be made
6 available to any person or entity for use without the prior approval of City. This warranty
7 shall survive termination of this Agreement for five (5) years.

8 10. TERMINATION. Either party shall have the right to terminate this
9 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
10 prior written notice to the other party. In the event of termination under this Section, City
11 shall pay Consultant for services satisfactorily performed and costs incurred up to the
12 effective date of termination for which Consultant has not been previously paid. The
13 procedures for payment in Section 1.B. with regard to invoices shall apply. On the effective
14 date of termination, Consultant shall deliver to City all Data developed or accumulated in
15 the performance of this Agreement, whether in draft or final form, or in process. And,
16 Consultant acknowledges and agrees that City's obligation to make final payment is
17 conditioned on Consultant's delivery of the Data to City.

18 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and
19 shall not disclose the Data or use the Data directly or indirectly, other than in the course of
20 performing its services, during the term of this Agreement and for five (5) years following
21 expiration or termination of this Agreement. In addition, Consultant shall keep confidential
22 all information, whether written, oral or visual, obtained by any means whatsoever in the
23 course of performing its services for the same period of time. Consultant shall not disclose
24 any or all of the Data to any third party, or use it for Consultant's own benefit or the benefit
25 of others except for the purpose of this Agreement.

26 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
27 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
28 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available

1 without breach of this Agreement by Consultant; or (c) a third party who has a right to
2 disclose does so to Consultant without restrictions on further disclosure; or (d) must be
3 disclosed pursuant to subpoena or court order.

4 13. ADDITIONAL COSTS AND REDESIGN.

5 A. Any costs incurred by City due to Consultant's failure to meet
6 the standards required by the scope of work or Consultant's failure to perform fully
7 the tasks described in the scope of work which, in either case, causes City to request
8 that Consultant perform again all or part of the Scope of Work shall be at the sole
9 cost of Consultant and City shall not pay any additional compensation to Consultant
10 for its re-performance.

11 B. If the Project involves construction and the scope of work
12 requires Consultant to prepare plans and specifications with an estimate of the cost
13 of construction, then Consultant may be required to modify the plans and
14 specifications, any construction documents relating to the plans and specifications,
15 and Consultant's estimate, at no cost to City, when the lowest bid for construction
16 received by City exceeds by more than ten percent (10%) Consultant's estimate.
17 This modification shall be submitted in a timely fashion to allow City to receive new
18 bids within four (4) months after the date on which the original plans and
19 specifications were submitted by Consultant.

20 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
21 amended, nor any provision or breach waived, except in writing signed by the parties which
22 expressly refers to this Agreement.

23 15. LAW. This Agreement shall be construed in accordance with the laws
24 of the State of California, and the venue for any legal actions brought by any party with
25 respect to this Agreement shall be the County of Los Angeles, State of California for state
26 actions and the Central District of California for any federal actions. Consultant shall cause
27 all work performed in connection with construction of the Project to be performed in
28 compliance with (1) all applicable laws, ordinances, rules and regulations of federal, state,

1 county or municipal governments or agencies (including, without limitation, all applicable
2 federal and state labor standards, including the prevailing wage provisions of sections 1770
3 *et seq.* of the California Labor Code); and (2) all directions, rules and regulations of any fire
4 marshal, health officer, building inspector, or other officer of every governmental agency
5 now having or hereafter acquiring jurisdiction.

6 16. PREVAILING WAGES.

7 A. Consultant agrees that all public work (as defined in California
8 Labor Code section 1720) performed pursuant to this Agreement (the "Public
9 Work"), if any, shall comply with the requirements of California Labor Code sections
10 1770 *et seq.* City makes no representation or statement that the Project, or any
11 portion thereof, is or is not a "public work" as defined in California Labor Code
12 section 1720.

13 B. In all bid specifications, contracts and subcontracts for any
14 such Public Work, Consultant shall obtain the general prevailing rate of per diem
15 wages and the general prevailing rate for holiday and overtime work in this locality
16 for each craft, classification or type of worker needed to perform the Public Work,
17 and shall include such rates in the bid specifications, contract or subcontract. Such
18 bid specifications, contract or subcontract must contain the following provision: "It
19 shall be mandatory for the contractor to pay not less than the said prevailing rate of
20 wages to all workers employed by the contractor in the execution of this contract.
21 The contractor expressly agrees to comply with the penalty provisions of California
22 Labor Code section 1775 and the payroll record keeping requirements of California
23 Labor Code section 1771."

24 17. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
25 constitutes the entire understanding between the parties and supersedes all other
26 agreements, oral or written, with respect to the subject matter in this Agreement.

27 18. INDEMNITY.

28 A. Consultant shall indemnify, protect and hold harmless City, its

Boards, Commissions, and their officials, employees and agents ("Indemnified Parties"), from and against any and all liability, claims, demands, damage, loss, obligations, causes of action, proceedings, awards, fines, judgments, penalties, costs and expenses, arising or alleged to have arisen, in whole or in part, out of or in connection with (1) Consultant's breach or failure to comply with any of its obligations contained in this Agreement, including any obligations arising from the Project's compliance with or failure to comply with applicable laws, including all applicable federal and state labor requirements including, without limitation, the requirements of California Labor Code section 1770 *et seq.* or (2) negligent or willful acts, errors, omissions or misrepresentations committed by Consultant, its officers, employees, agents, subcontractors, or anyone under Consultant's control, in the performance of work or services under this Agreement (collectively "Claims" or individually "Claim").

B. In addition to Consultant's duty to indemnify, Consultant shall have a separate and wholly independent duty to defend Indemnified Parties at Consultant's expense by legal counsel approved by City, from and against all Claims, and shall continue this defense until the Claims are resolved, whether by settlement, judgment or otherwise. No finding or judgment of negligence, fault, breach, or the like on the part of Consultant shall be required for the duty to defend to arise. City shall notify Consultant of any Claim, shall tender the defense of the Claim to Consultant, and shall assist Consultant, as may be reasonably requested, in the defense.

C. If a court of competent jurisdiction determines that a Claim was caused by the sole negligence or willful misconduct of Indemnified Parties, Consultant's costs of defense and indemnity shall be (1) reimbursed in full if the court determines sole negligence by the Indemnified Parties, or (2) reduced by the percentage of willful misconduct attributed by the court to the Indemnified Parties.

D. The provisions of this Section shall survive the expiration or

1 termination of this Agreement.

2 19. AMBIGUITY. In the event of any conflict or ambiguity between this
3 Agreement and any Exhibit, the provisions of this Agreement shall govern.

4 20. NONDISCRIMINATION.

5 A. In connection with performance of this Agreement and subject
6 to applicable rules and regulations, Consultant shall not discriminate against any
7 employee or applicant for employment because of race, religion, national origin,
8 color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or
9 disability. Consultant shall ensure that applicants are employed, and that
10 employees are treated during their employment, without regard to these bases.
11 These actions shall include, but not be limited to, the following: employment,
12 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
13 termination; rates of pay or other forms of compensation; and selection for training,
14 including apprenticeship.

15 B. It is the policy of City to encourage the participation of
16 Disadvantaged, Minority and Women-Owned Business Enterprises in City's
17 procurement process, and Consultant agrees to use its best efforts to carry out this
18 policy in its use of subconsultants and contractors to the fullest extent consistent
19 with the efficient performance of this Agreement. Consultant may rely on written
20 representations by subconsultants and contractors regarding their status.
21 Consultant shall report to City in May and in December or, in the case of short-term
22 agreements, prior to invoicing for final payment, the names of all subconsultants
23 and contractors hired by Consultant for this Project and information on whether or
24 not they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as
25 defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

26 21. EQUAL BENEFITS ORDINANCE. Unless otherwise exempted in
27 accordance with the provisions of the Ordinance, this Agreement is subject to the
28 applicable provisions of the Equal Benefits Ordinance (EBO), section 2.73 et seq. of the

1 Long Beach Municipal Code, as amended from time to time.

2 A. During the performance of this Agreement, the Consultant
3 certifies and represents that the Consultant will comply with the EBO. The
4 Consultant agrees to post the following statement in conspicuous places at its place
5 of business available to employees and applicants for employment:

6 "During the performance of a contract with the City of Long Beach, the
7 Consultant will provide equal benefits to employees with spouses and its
8 employees with domestic partners. Additional information about the City of
9 Long Beach's Equal Benefits Ordinance may be obtained from the City of
10 Long Beach Business Services Division at 562-570-6200."

11 B. The failure of the Consultant to comply with the EBO will be
12 deemed to be a material breach of the Agreement by the City.

13 C. If the Consultant fails to comply with the EBO, the City may
14 cancel, terminate or suspend the Agreement, in whole or in part, and monies due or
15 to become due under the Agreement may be retained by the City. The City may
16 also pursue any and all other remedies at law or in equity for any breach.

17 D. Failure to comply with the EBO may be used as evidence
18 against the Consultant in actions taken pursuant to the provisions of Long Beach
19 Municipal Code 2.93 et seq., Contractor Responsibility.

20 E. If the City determines that the Consultant has set up or used its
21 contracting entity for the purpose of evading the intent of the EBO, the City may
22 terminate the Agreement on behalf of the City. Violation of this provision may be
23 used as evidence against the Consultant in actions taken pursuant to the provisions
24 of Long Beach Municipal Code Section 2.93 et seq., Contractor Responsibility.

25 22. NOTICES. Any notice or approval required by this Agreement shall
26 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
27 postage prepaid, addressed to Consultant at the address first stated above, and to City at
28 411 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager, with a copy

1 to the City Engineer at the same address. Notice of change of address shall be given in
2 the same manner as stated for other notices. Notice shall be deemed given on the date
3 deposited in the mail or on the date personal delivery is made, whichever occurs first.

4 23. COPYRIGHTS AND PATENT RIGHTS.

5 A. Consultant shall place the following copyright protection on all
6 Data: © City of Long Beach, California _____, inserting the appropriate year.

7 B. City reserves the exclusive right to seek and obtain a patent or
8 copyright registration on any Data or other result arising from Consultant's
9 performance of this Agreement. By executing this Agreement, Consultant assigns
10 any ownership interest Consultant may have in the Data to City.

11 C. Consultant warrants that the Data does not violate or infringe
12 any patent, copyright, trade secret or other proprietary right of any other party.
13 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
14 and employees harmless from any and all claims, demands, damages, loss, liability,
15 causes of action, costs or expenses (including reasonable attorney's fees) whether
16 or not reduced to judgment, arising from any breach or alleged breach of this
17 warranty.

18 24. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
19 that Consultant has not employed or retained any entity or person to solicit or obtain this
20 Agreement and that Consultant has not paid or agreed to pay any entity or person any fee,
21 commission or other monies based on or from the award of this Agreement. If Consultant
22 breaches this warranty, City shall have the right to terminate this Agreement immediately
23 notwithstanding the provisions of Section 10 or, in its discretion, to deduct from payments
24 due under this Agreement or otherwise recover the full amount of the fee, commission or
25 other monies.

26 25. WAIVER. The acceptance of any services or the payment of any
27 money by City shall not operate as a waiver of any provision of this Agreement or of any
28 right to damages or indemnity stated in this Agreement. The waiver of any breach of this

1 Agreement shall not constitute a waiver of any other or subsequent breach of this
2 Agreement.

3 26. CONTINUATION. Termination or expiration of this Agreement shall
4 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
5 17, 19, 22 and 28 prior to termination or expiration of this Agreement.

6 27. TAX REPORTING. As required by federal and state law, City is
7 obligated to and will report the payment of compensation to Consultant on Form 1099-
8 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
9 resulting from payments under this Agreement. Consultant shall submit Consultant's
10 Employer Identification Number (EIN), or Consultant's Social Security Number if
11 Consultant does not have an EIN, in writing to City's Accounts Payable, Department of
12 Financial Management. Consultant acknowledges and agrees that City has no obligation
13 to pay Consultant until Consultant provides one of these numbers.

14 28. ADVERTISING. Consultant shall not use the name of City, its officials
15 or employees in any advertising or solicitation for business or as a reference, without the
16 prior approval of the City Manager or designee.

17 29. AUDIT. City shall have the right at all reasonable times during the
18 term of this Agreement and for a period of five (5) years after termination or expiration of
19 this Agreement to examine, audit, inspect, review, extract information from and copy all
20 books, records, accounts and other documents of Consultant relating to this Agreement.

21 30. THIRD PARTY BENEFICIARY. This Agreement is not intended or
22 designed to or entered for the purpose of creating any benefit or right for any person or
23 entity of any kind that is not a party to this Agreement.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Long Beach, CA 90802-4664

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IN WITNESS WHEREOF, the parties have caused this document to be duly
executed with all formalities required by law as of the date first stated above.

9/24, 2019
9/24, 2019

REVENUE AND COST SPECIALISTS,
LLC, a California limited liability company

By [Signature]
Name ERIC JOHNSON
Title PRESIDENT

By [Signature]
Name ALBERT R. KERHER, JR
Title PARTNER

"Consultant"

CITY OF LONG BEACH, a municipal
corporation

10/21/, 2019

By [Signature]

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

"City"

This Agreement is approved as to form on Oct. 7, 2019.

CHARLES PARKIN, City Attorney

By [Signature]
Deputy

EXHIBIT “A”

Scope of Work

SCOPE OF WORK/METHODOLOGY

WORK PLAN

The proposed work plan is described below for the user-friendly spreadsheet and user fee study. The work plan for the various departments in the study will be done concurrently as there are overlapping steps and the results needed for the overhead component of the fee study.

As is detailed in the task list below, RCS will always have one of the firm's principals present and perform the necessary meetings with the departments. All meetings will be on-site at the City. RCS does not leave forms with staff and expect them to be filled out. We use our experience to work with staff, which makes the process quicker and the results more accurate.

Our process will allow the City to have well documented and defensible service costs which will be used to develop fees that will be in compliance with Propositions 4, 218, and 26.

Phase I

Task 1: Retrieve and review budget, employee and fee information

RCS need to collect the necessary budget, employee and fee information to make sure. This will help RCS thoroughly understand Long Beach's organizational structure, and the information will be supporting documentation for the final report.

Task 2: Kick-Off Meeting

RCS will meet with City staff to discuss project goal, timeline, meeting structure, and answer questions. Then, we will begin departmental meetings which should take 1-4 hours for each group.

Task 3: Follow-Up meeting

RCS will be on-site to conduct follow-up meetings. It's our philosophy to make sure both parties understand the project, agree with what's discussed, and are satisfied with the outcome.

Task 4: Prepare Draft Phase I Report and Review with City Staff

RCS will make any changes and prepare a Draft Report with allocations to end user departments. RCS will review this Draft Report with the City's management group and make any necessary adjustments.

Task 5: Prepare Final Phase I Report

RCS will make any changes and prepare a Final Report with allocations to end user departments. It will be these results that will be used for the City general overhead component of the Fee Study and can also be used to determine the amounts for transfers to the General Fund for support provided to other funds. RCS will provide one bound copy and a PDF file of the Final Report.

User Fee Study

Task 1: Review the Service List with Departmental Staff

RCS will review the service list through meetings with City staff. We will also work with Departmental staff to determine any changes to the fee calculation methods. The end result, whichever method is utilized, will be a fee structure that best fits the City of Long Beach going forward. While this list will change during the course of the Study as it is refined, it will be the initial basis from where we start. City staff time for this review will be approximately 1 hour per department.

Task 2: Staff Time Allocations

RCS will interview personnel providing end-user services to ensure that costs from all functional areas directly involved with a service are included in the cost of that service. This component will form the bulk of the time spent by staff. There will be two to four meetings with supervisory level staff in each functional area to create and verify the amount of time spent by staff on the services identified in the task above. We do not ask City staff to do our job by filling out forms detailing where they spend their time. This iterative process, and the fact that we allocate 100% of all departmental staff, allows everyone to ensure that the information being generated is valid and reliable. A sample Time Detail Report is included in the following pages.

Task 3: Develop Fully Allocated Hourly Rates

RCS will develop a fully allocated hourly rate for each departmental employee, including salaries and benefits, miscellaneous operating service and supply costs, overhead costs from the above report, debt service, and other direct costs as identified, which can be used for all charging and costing processes. A Sample Hourly Rate Report is included in the following pages.

Task 4: Prepare Draft Report

RCS will prepare a Draft Report that identifies the total costs for each service, the current fees, and makes fee recommendations for each service presented. RCS will review this draft report with the departments, so that each department will have

final input on the fees presented in the final report. City staff time would be approximately 1-2 hours per department for those departments that have fee services. A sample of the Service Summary and Cost Detail Reports that are provided for each service is included in the following pages.

Task 5: Prepare Final Report

Based on staff input, RCS will prepare a Final Report, which will have recommendations for new fees and subsidy percentages and projections of new revenues from those fees. The Report will also include explanatory text and various summary tables to easily explain the results and the context. All recommended fees will be in compliance with Propositions 4, 218, 26, and any other applicable laws. RCS will provide three bound copies and a PDF file of the Final Report, as well as an electronic copy of a Master Fee Resolution with the City's proposed fees included.

Task 6: Present Report to the City Council

RCS will assist the City Council in the review and adoption of revised service fees and subsidy percentages and assist the staff in the implementation of the revised service fees at up to three meetings.

Documentation

Task 1: Collect Data and Calculate

RCS will determine and identify fees and areas with the biggest discrepancies between costs and fees and will create a cost recovery model specific to the City of Long Beach for the creation of a user-friendly spreadsheet or database that will allow City staff to continue to update expenditures and revenues to assess future costs of service and subsidy levels in the future, with initial staff training and support.

PROJECT TIMELINE

RCS proposes the following schedule of tasks over the course of the project to meet the City's needs. This schedule will require the cooperative participation of City staff. RCS references will attest that our timelines are ideal for fee studies. We propose project initiation in June 2019 and presenting to the City Council in October 2019. We also propose calculating the estimated overhead cost allocation rates for 2008-2012 in October 2019, when we have all the necessary allocation data from the studies.

User Fee Study	Jul '19	Aug '19	Sep '19	Oct '19	Nov '19	Dec '19	Jan '20	Feb - May '20	Jun - Aug '20	Sep - Nov '20	Dec '20	Jan - Mar '21	Apr - Jun '21	Jul - Sep '21	Oct - Dec '21	Jan - Mar '22
Phase 1																
Retrieve & Review Information																
Kick-Off Meeting																
Follow-Up Meeting																
Review Draft Report with City																
Develop Cost Recovery Model																
Present Cost Recovery Model																
Present final Phase 1 report and excel model																
Phase 2																
Department Kick-Off Meeting (Group 1)																
Review Service List																
Staff Time Allocations																
Develop Fully Allocated Hourly Rates																
Present draft Department Fee Report																
Present final Department Fee Report																
Group 2 Fee Update																
Group 3 Fee Update																
Group 4 Fee Update																
Budget & Employee Data Update																
Group 5 Fee Update																
Group 6 Fee Update																
Group 7 Fee Update																
Group 8 Fee Update																
Budget & Employee Data Update																
Group 9 Fee Update																

EXHIBIT “B”

Rates or Charges

PROJECT BUDGET

Revenue & Cost Specialists proposes the following options shown below. The total project will not exceed \$269,960.

Phase 1				
Task Description	Timeline	On-Site Time	RCS Time	Cost
Retrieve and review budget, employee and fee information	Weeks 1-4	0	40	\$6,800
Kick-Off Meeting	Week 5	24	32	\$5,440
Follow-Up Meeting	Week 7	16	16	\$2,720
Review Draft Report with City	Week 10	4	40	\$6,800
Develop Cost Recovery Model	Week 12	0	40	\$6,800
Present Cost Recovery Model	Week 14	4	24	\$4,080
Present final Phase I report and excel model	Week 16	4	24	\$4,080
PHASE 1 TOTAL	16 Weeks	52	216	\$36,720

Phase 2 (each group)				
Task Description	Timeline	On-Site Time	RCS Time	Cost
Department Kick-Off Meeting	Week 1	2	16	\$2,720
Review Service List with Departmental Staff	Week 2-3	6	16	\$2,720
Staff Time Allocations	Weeks 4-10	16	64	\$10,880
Develop Fully Allocated Hourly Rates	Week 11	0	8	\$1,360
Present draft Department Fee Report	Week 11-12	4	16	\$2,720
Present final Department Fee Report	Week 13	4	24	\$4,080
PHASE 2 - (PER GROUP)	13 Weeks	32	144	\$24,480

Administration (Clerk, Manager, Prosecutor, Financial Management, Human Resources & Citywide Fees & Charges)	13 Weeks	32	144	\$24,480
Planning	13 Weeks	32	144	\$24,480
Building	13 Weeks	32	144	\$24,480
Code Enforcement & Housing	13 Weeks	32	144	\$24,480
Fire & Police	13 Weeks	32	144	\$24,480
Health & Human Services	13 Weeks	32	144	\$24,480
Library & Long Beach Airport	13 Weeks	32	144	\$24,480
Parks, Recreation & Marine	13 Weeks	32	144	\$24,480
Public Works	13 Weeks	32	144	\$24,480
PHASE 2 TOTAL	117 Weeks	288	1,296	\$220,320

Budget and Employee Data Update				
Task Description	Timeline	On-Site Time	RCS Time	Cost
Update budget and employee information (each update of Fiscal Year or MOU)	Weeks 1-2	0	60	\$10,200
Reallocate staffing changes	Weeks 1-2	0	16	\$2,720
UPDATE TOTAL	2 Weeks	0	76	\$12,920

PROJECT NOT TO EXCEED \$269,960

The above costs are based on a cost of \$170 per hour. The billing rate for any additional work not covered by this proposal would be \$195 per hour.

The above fees cover all costs except for the following additional costs which the City may incur:

- insurance coverage beyond our basic general liability and workers compensation requiring an additional premium⁽¹⁾,
- report reproduction beyond identified number of copies of the final Reports, and
- Meeting attendance beyond those identified in this proposal.

RCS will submit four equal invoices plus any miscellaneous costs from the previous paragraph. The first invoice will be submitted ten days after notice to proceed. Each invoice will be due within 30 days of submission.

⁽¹⁾ RCS standard coverage includes workers compensation pursuant to state law, comprehensive liability Insurance with a combined single limit coverage of \$1,000,000 and professional liability insurance with a combined coverage of \$2,000,000.

EXHIBIT “C”

City’s Representative:

Geraldine Alejo, Revenue Management Officer

(562) 570-5478

EXHIBIT “D”

Materials/Information Furnished: None

EXHIBIT “E”

Consultant’s Key Employee:

Eric Johnson, President