

CITY OF CHICO - PROFESSIONAL SERVICES AGREEMENT

NBS

Architect/Consultant/Engineer

SEWER RATE STUDY

Project Title

851-000-8801/50367-851-4120

Budget Account Number

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THIS PROFESSIONAL SERVICES AGREEMENT (Agreement) is entered into on June 18, 2021, between the City of Chico, a municipal corporation under the laws of the State of California, (City) and NBS, California corporation, (Consultant).

SECTION 1 - DESCRIPTION OF PROJECT

City desires to undertake that certain project (Project) described in EXHIBIT A, entitled "DESCRIPTION OF PROJECT," and to engage Consultant to provide the required professional services relating to the Project.

SECTION 2 - SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE

Consultant shall perform those basic professional services in connection with the Project as are set forth more particularly in EXHIBIT B, entitled "SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE," and shall complete said professional services in accordance with the completion schedule for professional services as incorporated in EXHIBIT B.

SECTION 3 - SCOPE OF PROFESSIONAL SERVICES - ADDITIONAL; COMPLETION SCHEDULE

City and Consultant agree that it may be necessary, in connection with the Project, for Consultant to perform or secure the performance of professional services other than those set forth in EXHIBIT B. In each such instance, Consultant shall advise City, in advance and in writing, of the need for such additional professional services, their cost and the estimated time, if appropriate, required to perform them. Consultant shall not proceed to perform any such required additional professional service until City has determined that such professional service is beyond the scope of the basic professional service to be provided, is required, and has given its written

authorization to perform or obtain it. Each additional professional service so authorized shall constitute an amendment to this Agreement, shall be identified and sequentially numbered as "Amendment No. 1" and so forth, shall be subject to all of the provisions of this Agreement, and shall be incorporated into EXHIBIT B accordingly.

SECTION 4 - COMPENSATION

Consultant shall be compensated for professional services rendered to City pursuant to this Agreement periodically in the amounts, manner and in accordance with the payment schedule as set forth in EXHIBIT C, entitled "COMPENSATION." Amounts due to Consultant from City for professional service rendered shall be evidenced by the submission to City by Consultant of an invoice, prepared in a form satisfactory to City, setting forth the amount of compensation due for the period covered by it. Each such invoice shall be forwarded to City so as to reach it on or before the 15th day of the month next following the month or months, or other applicable period, for which the professional service invoiced were provided. All such invoices shall be in full accord with any and all applicable provisions of this Agreement. City will make payment on each such invoice within 30 days of receipt of it. However, if Consultant submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, then City shall not be obligated to process any payment to Consultant until a correct and complying invoice has been submitted.

SECTION 5 - RESPONSIBILITY OF CONSULTANT

By executing this Agreement, Consultant warrants to City that Consultant possesses, or will arrange to secure from others, all of the necessary professional capabilities, experience, resources and facilities necessary to provide to City the professional services under this Agreement. In procuring the professional services of others to assist Consultant in performing the professional services set forth at EXHIBIT B or additional professional services under SECTION 3 of this Agreement, Consultant shall not employ or otherwise obtain the professional services of any person or entity known to Consultant or City to have, or be likely to develop during the term of this Agreement, an interest that is personally, or professionally, or financially adverse to any interest of City. Consultant will follow the best current, generally accepted professional practices in performing tests and procedures, making findings, rendering opinions, preparing factual presentations and providing professional advice and recommendations regarding professional services rendered under this Agreement.

SECTION 6 - RESPONSIBILITY OF CITY

To the extent appropriate to the Project contemplated by this Agreement, City shall:

6.1 Assist Consultant by placing at Consultant's disposal all available information pertinent to the Project, including previous reports and any other data relative to design and construction of the Project.

6.2 Guarantee access to and make all provisions for Consultant to enter upon public and private property as required for Consultant to perform Consultant's professional services.

6.3 Examine all studies, reports, sketches, drawings, specifications, proposals, and other documents prepared and presented by Consultant, and render verbally or in writing as may be appropriate, decisions pertaining thereto within a reasonable time so as not to delay the progress

of the services by Consultant.

6.4 Designate in writing a person to act as City's representative with respect to the services to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements and systems pertinent to Consultant's professional services.

6.5 Give prompt written notice to Consultant whenever City observes or otherwise becomes aware of any defect in the Project.

6.6 Furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.

SECTION 7 - INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, related to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the services provided under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Consultant shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

Consultant's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers. Consultant's obligation to indemnify, defend and hold harmless the City, its officers, employees and agents for claims involving "Professional Liability" claims involving acts, errors or omissions in the rendering of professional services (as defined in Civil Code section 2782.8(2), specifically, architects (Business & Professions Code section 5500), landscape architects (Business & Professions Code section 5615), professional engineers (Business & Professions Code section 6701), and professional land surveyors (Business & Professions Code section 8701)), shall be limited to the extent caused by Consultant's negligent acts, errors or omissions.

SECTION 8 - INSURANCE

Any requirements by City that Consultant carry general liability, errors and omissions, or any other type of insurance in connection with the services to be performed and/or professional services to be rendered by Consultant pursuant to this Agreement shall be as set forth in EXHIBIT D, entitled "INSURANCE PROVISIONS."

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SECTION 9 - GENERAL PROVISIONS

9.1 Access to Records

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

9.2 Assignment

This Agreement is binding on the heirs, successors, and assigns of the parties hereto and shall not be assigned by either City or Consultant without the prior written consent of the other.

9.3 Changes to Scope of Services - Basic Professional Services

City may at any time, upon a minimum of 10 days written notice, modify the scope of basic professional services to be provided under this Agreement. Consultant shall, upon receipt of said notice, determine the impact on both time and compensation of such change in scope and notify City in writing. Upon agreement between City and Consultant as to the extent of said impacts to time and compensation, an amendment to this Agreement shall be prepared describing such changes. Execution of the amendment by City and Consultant shall constitute the Consultant's notice to proceed with the changed scope.

9.4 Compliance with Laws, Rules, Regulations

All professional services performed by Consultant pursuant to this Agreement shall be performed in accordance and full compliance with all applicable Federal, State, or City statutes, and any rules or regulations promulgated thereunder.

9.5 Conflict of Interest Code Applicability

If City's City Manager has determined that one or several of Consultant's Principal(s) or Project Manager(s) are subject to the provisions of Section 2R.04.180 of the Chico Municipal Code (the City's Conflict of Interest Code), then each such person will be required to comply with the provisions of said Code in connection with the professional services they render to the City under this Agreement. In such event, City's requirements are set forth in EXHIBIT E, entitled "CONFLICT OF INTEREST PROVISIONS," to this Agreement.

9.6 Exhibits Incorporated

All Exhibits attached to and referred to in this Agreement are hereby incorporated by this reference.

9.7 Independent Contractor

City and Consultant agree that the relationship between them created by this Agreement

is that of an employer-independent contractor. Consultant shall be solely responsible for the conduct and control of the services performed under this Agreement. Consultant shall be free to render professional consulting services to others during the term of this Agreement, so long as such activities do not interfere with or diminish Consultant's ability to fulfill the obligations established herein to City.

9.8 Integration; Amendment

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

9.9 Jurisdiction

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

9.10 Notice to Proceed; Progress; Completion

Upon execution of this Agreement by the parties, City shall give Consultant written notice to proceed with the services. Such notice may authorize Consultant to render all of the professional services contemplated herein, or such portions or phases as may be mutually agreed upon. In the latter event, City shall, in its sole discretion, issue subsequent notices from time to time regarding further portions or phases of the services. Upon receipt of such notices, Consultant shall diligently proceed with the services authorized and complete it within the agreed time period.

9.11 Ownership of Documents

Title to all documents, designs, drawings, specifications, and the like with respect to services performed under this Agreement shall vest with City at such time as City has compensated Consultant, as provided herein, for the professional services rendered by Consultant in connection with which they were prepared.

9.12 Subcontracts

Consultant shall be entitled, to the extent determined appropriate by Consultant, to subcontract any portion of the services to be performed under this Agreement. Consultant shall be responsible to City for the actions of persons and firms performing subcontract services. The subcontracting of services by Consultant shall not relieve Consultant, in any manner, of the obligations and requirements imposed upon Consultant by this Agreement.

9.13 Term; Termination

The term of this Agreement shall commence upon City's issuance to Consultant of a notice to proceed for all or a portion of the services, as hereinabove provided, and shall end upon City's acceptance and payment for all or such portion of the services as was authorized by such notice, including any and all retentions. Notwithstanding the foregoing, City may, in its sole

discretion, terminate this Agreement at any time and for any reason whatsoever by giving at least 10 days prior written notice of such termination to Consultant. In this latter event, Consultant shall be entitled to compensation for all professional service rendered and services performed for City to the date of such termination.

9.14 Notice

Any notices required to be given pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service or, alternatively, by personal delivery or overnight courier service addressed to the parties as follows:

To City:	City Manager City of Chico P. O. Box 3420 Chico, CA 95927-3420	or	City Manager City of Chico 411 Main Street Chico, CA 95928
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To Consultant: NBS
870 Market Street, Suite 1223
San Francisco, CA 94102

SECTION 10 - SPECIAL PROVISIONS

This Agreement shall include all special provisions, if any, as are set forth on EXHIBIT F, entitled "SPECIAL PROVISIONS."

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date first set forth above.

CITY:



Mark Orme, City Manager*

*Authorized pursuant to Section 3.08.060
of the Chico Municipal Code

CONSULTANT:



By: Michael Rentner
President & CEO Title

APPROVED AS TO FORM:



Vincent C. Ewing, City Attorney*

*Pursuant to The Charter of the
City of Chico, Section 906(D)

APPROVED AS TO CONTENT:



Brendan Ottoboni, Public Works Director,
Engineering

REVIEWED AS TO CONTENT:



Scott Dowell, Administrative Services Director*

*Reviewed by Finance and Information Systems

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SEWER RATE STUDY

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Budget Account Number

EXHIBIT A

DESCRIPTION OF PROJECT

The Consultant shall provide a comprehensive review of the sewer rate. This review shall include customer classes, sewer rate design and shall meet Proposition 218 requirements. This review shall develop final recommendations to City staff that shall be presented to City Council, and clearly communicate the results to the City's customers through a public hearing process.

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EXHIBIT B

SCOPE OF PROFESSIONAL SERVICES - BASIC; COMPLETION SCHEDULE

Scope of Professional Services - Basic

The Consultant shall provide professional services as follows:

TASK 1 – KICK-OFF MEETING AND DATA COLLECTION

Consultant shall provide the City with a data request and hold a kickoff meeting (by videoconference or phone) to review and discuss the data requirements for the study, scope of work, study timeline and ensure there is a clear understanding of how the study objective shall be met. The data required to conduct the study shall include information such as:

- Financial data typically reported in financial statements.
- Operating and maintenance budget including sewer collection, treatment, disposal, capital and replacement, and overhead and administrative costs.
- Similar budget information for stormwater and street sweeping programs.
- Total annual rate revenue for residential and commercial sewer customers for the past two years.
- Customer billing information such as number of accounts by customer class and monthly water consumption from Cal-Water records.
- Wastewater treatment plant records of total annual flow, and pounds of BOD and TSS.
- Projected annual expenditures for capital improvement costs based on the City's Master Plan.
- Current cash balances in sewer reserve funds.

TASK 2 – FINANCIAL PLAN

Consultant shall prepare a financial plan that summarizes revenues, expenditures, reserves, and shall identify the net revenue requirements – that is, the revenue that must be collected from

customer charges.

Task 2 Deliverables shall include for each utility:

- *A 10-year financial projection model that shall serve as a financial "roadmap".*
- *Summary of current and projected net revenue requirements.*
- *Updated reserve fund policies and targets potentially including reserves for operations, rate stabilization, repair and replacement, debt service, and capital projects.*
- *Projected year-end reserve fund levels.*
- *Calculated debt service coverage ratios.*

This financial plan shall lay the groundwork for the cost-of-service and rate design analyses addressed in Tasks 3 and 4. The following subtasks shall be anticipated:

Task 2.1 Projected Revenues and Expenditures – Consultant shall prepare a 10-year rate model that projects revenues, expenses, and increases in rate revenue needed to meet all obligations. The analysis shall use a cash-basis approach when addressing the City's system of accounts. The City's projected customer growth rates and planned cost inflation factors shall be incorporated into the analysis.

Task 2.2 Evaluate Reserve Fund Sufficiency – Consultant shall evaluate the sufficiency of existing reserve funds, target reserves, reserve fund policies, and related issues, such as meeting debt service coverage ratios and other rate covenants. Consultant shall recommend reserve fund targets that are tailored to the City's specific needs.

Task 2.3 Review Capital Improvement Program Funding – Consultant shall incorporate the City's plans for new facilities, infrastructure improvements, and asset replacement into the financial plan with the intent of developing an appropriate balance between rate revenue, reserves and, if necessary, outside financing. Consultant shall develop up to three scenarios to fund the capital improvement program for modeling and comparison purposes.

TASK 3 – COST OF SERVICE ANALYSIS

Using the net revenue requirements developed in Task 2, Consultant shall equitably allocate costs to each customer class based on cost of service principles that comply with Prop 218. Consultant shall also review the City's existing customer classifications (residential, breweries, restaurants, markets/bakeries, car washes and all other) and analyze the historical usage characteristics to determine if any changes should be made to improve equity among user classes or comply with industry standards. Consultant shall also make recommendations for new customer classifications based on analysis.

Consultant shall evaluate how costs should be allocated to various cost components and types of customers based on the following subtasks.

Task 3.1 Sewer Cost of Service Analysis – Consultant shall rely on the City's sewer budget to classify all expenses into their various cost components, such as flow (volume), strength (BOD and TSS), and customer related costs. Consultant shall allocate costs to each customer class based on allocation factors: water consumption, wastewater

treatment plant flow and loading data, and industry standard customer classification data. The cost allocation factors developed shall include:

- Volume Allocation Factor – Develop estimates of the total annual volume of wastewater treated for each customer class.
- Strength Allocation Factors – Develop estimates of the annual pounds of BOD and TSS treated for each customer class.
- Customer Allocation Factors – Calculate the number of customers by customer class in the City's service area.

Consultant shall then apportion the costs to individual customer classes based on the allocation factors specific to each cost classification, producing fixed and variable revenue requirements for each customer class. These allocations shall be used in the actual rate calculations for each customer class in Task 4.

Task 3.2 Street Sweeping Costs – For this study, Consultant shall assume street sweeping costs shall be included in sewer rates but shall rely on the City to provide support cost of service for this action.

TASK 4 – RATE DESIGN ANALYSIS

Consultant shall work with City staff to review the current sewer rate structure and develop alternative that meet the City's broader rate design objectives. The following subtasks shall be anticipated:

Task 4.1 Develop Rate Design Recommendations – Updated utility rates shall be developed based on the cost-of-service analyses, and Consultant shall include a discussion of the relative merits (pros and cons) of the current rate structures and alternatives developed. Rate design alternatives shall all generate the same amount of revenue. Therefore, it shall be important to highlight the customer bill impacts resulting from the rate alternatives, along with the pros and cons of each option. Consultant shall focus on ensuring the proposed rates provide adequate revenues to support utility operations, maintenance and capital improvement needs, should the City choose to maintain the existing rate structure.

Task 4.2 Review Criteria for Improving the Rate Design – Primary considerations in the rate design shall include revenue sufficiency, and financial resiliency. Consultant's approach shall be to avoid the risk of under-collection of rate revenue, which is the worst-case scenario from a financial perspective. Other criteria for evaluating rate structures shall include:

- Ease of understanding the rate structure by customers.
- Revenue stability – how costs are allocated to fixed and volumetric rates affect.
- Drought and conservation impacts – how annual changes over the last several years may affect rates going forward.
- Customer bill impacts – fixed and variable charges significantly impact individual customer bills.
- Consumption related impacts – customer bills change based on whether they have

low-, average-, or high-consumption levels.

Task 4.3 Calculate Fixed and Volumetric Charges – In strict cost-of-service analysis, fixed charges would cover 100-percent of the variable costs. Water or sewer utilities that collect an excessive amount of their rate revenue through volumetric rates risk revenue instability (e.g., when consumption drops), although this can be offset by using a rate stabilization reserve.

Finding the right combination of fixed and variable charges should consider these concerns along with the ease of understanding and ease of administration. Consultant shall work with City staff to develop an appropriate balance between fixed and variable charges in the new sewer rates.

Task 4.4 Comparison of Customer Bills – In order to fairly compare rate alternatives, Consultant shall prepare rate tables and bill comparisons for each customer class that illustrate how customer bills are affected. Tables and charts shall be used in the report and in public workshops.

TASK 5 – PREPARE RATE MODELS

Consultant shall prepare an Excel-based sewer rate model and shall share draft components of the rate models throughout the study, such as the financial plans and reserve fund balances, the cost-of-service worksheets, and the rate design calculations. Also, Consultant shall not use a “proprietary” or “black-box” rate model that is difficult for non-consultants to understand. Consultant shall focus on transparency and simplicity so City staff can follow, step-by-step, the process of taking input data and resulting in proposed rates.

TASK 6 – PREPARE WRITTEN STUDY REPORT

Consultant shall prepare a study report and work with City staff to review a draft report prior to public release. The emphasis shall be on clear and concise reports with an executive summary of no more than two pages. Key assumptions, methodologies, and factors affecting the development of proposed rates shall be highlighted with charts and graphs where helpful. The more technical aspects of the study, particularly the multiple tables documenting the calculations and sources of data, shall be separately provided in a technical appendix.

TASK 7 – MEETINGS AND PRESENTATIONS

Consultant shall talk with City staff on a regular basis regarding data collection, analysis, initial results, and to answer questions staff may have. Consultant shall plan to attend in-person two to three public meetings/presentations as requested.

TASK 8 – PROP 218 ASSISTANCE

Consultant shall work with City staff to help answer Prop 218-related questions and guide the City through the adoption process, including providing the proposed Prop 218 rate tables and reviewing the City’s overall language included in the Prop 218 notice. The City should also have legal counsel review the notices for compliance with the legal provisions of Prop 218, wording

related to pass-throughs, etc. Consultant shall assume the City shall be responsible for mailing the Prop 218 notices and conducting the public hearings, although Consultant shall assist City staff by answering questions about the study results and attend public meetings (Task 7).

Services to be Provided by City

City shall furnish Consultant with the necessary and available information as requested.

Completion Schedule

The Consultant shall complete all services outlined herein in compliance with the following schedule:

1. Draft sewer rate analysis due May 21, 2021.
2. All complete work products within 20 weeks of receipt of the City's Notice to Proceed.

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EXHIBIT C

COMPENSATION

Compensation for the services shall be in accordance with the following schedule of hourly rates listed below. Total maximum compensation for the services outlined herein shall not exceed **\$39,950.00**. Compensation shall be based upon actual invoices received and shall be paid in accordance with each task as follows:

Description	Project Manager \$250/hr.	Senior Review \$250/hr.	Consultants \$170/hr.	Total Hours	Cost
Task 1- Kickoff Meeting & Data Collection	4.0	-	12.0	16.0	\$3,040.00
Task 2 - Financial Plan	6.0	2.0	20.0	28.0	\$5,400.00
Task 3 - Cost of Service Analysis	12.0	4.0	24.0	40.0	\$8,080.00
-Including Street Sweeping Costs	6.0	2.0	12.0	20.0	\$4,040.00
Task 4 - Rate Design Analysis	16.0	4.0	24.0	44.0	\$9,080.00
Task 5 - Prepare Rate Model	2.0	-	6.0	8.0	\$1,520.00
Task 6 - Prepare Written Study Report	10.0	-	8.0	18.0	\$3,860.00
Task 7 - Meetings & Presentations	10.0	-	2.0	12.0	\$2,840.00
Task 8 - Prop 218 Assistance	6.0	-	2.0	8.0	\$1,840.00
Travel Expenses					\$250.00
Total	72.0	12.0	110.0	194.0	\$39,950.00

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EXHIBIT D

INSURANCE PROVISIONS

General Liability Insurance

Consultant/Contractor shall obtain commercial general liability insurance (occurrence policy form) from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better or, in the alternative, an unlicensed U.S. domiciled company or companies with an "A" rating, which provides coverage for bodily injury, personal injury and property damage liability in the amount of at least \$1,000,000 per occurrence, and \$2,000,000 in the aggregate, with a maximum policy deductible of \$5,000, or as approved by the City's Human Resources and Risk Management Office.

It shall be a requirement under this agreement that any available insurance proceeds broader than or in excess of the specific minimum Insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement; or (2) the broader coverage and maximum limits of coverage of any Insurance policy or proceeds available to the named Insured, whichever is greater.

The insurance coverage required herein shall be evidenced by a certificate of insurance with policy endorsements and shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

Consultant/Contractor acknowledges and agrees that City of Chico, its officers, boards and commissions, and members thereof, its employees and agents, are covered as additional insureds with respect to any liability arising out of the activities of Consultant/Contractor as the named insured. Such additional insured status shall be evidenced by a policy endorsement executed by an authorized official of the insurer(s). A blanket endorsement which provides additional insured status to any person or organization with whom Consultant/Contractor, as named insured, has entered into a written contract, such as this Agreement, shall satisfy this

requirement.

The insurance coverage required herein shall be primary and non-contributory insurance with respect to the City of Chico, its officers, officials and employees. Any insurance or self-insurance maintained by the City of Chico, its officers, officials or employees shall be in excess of the insurance afforded to the named insured by the insurance coverage required herein and shall not contribute to any loss. Such primary insurance status shall be evidenced by a policy endorsement issued by an authorized official of the insurer(s), and shall be at least as broad as CG 20 01 04 13. In the alternative, a letter issued by an authorized official of the insurer(s) and copies of the pertinent page(s) of the policy shall satisfy this requirement.

The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess Insurance. Any umbrella or excess Insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City of Chico (if agreed to in a written contract or agreement) before City of Chico's self-insurance shall be called upon to protect it as a named insured.

All self-insured retentions (SIR) must be disclosed to the City's Human Resources and Risk Management Office for approval and shall not reduce the limits of liability. Policies containing any (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named Insured or City of Chico. City of Chico reserves the right to obtain a full certified copy of any Insurance policy or endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Automobile Liability Insurance

Consultant/Contractor shall obtain automobile liability insurance from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better which provides coverage for bodily injury, personal injury, and property damage liability in the amount of at least \$500,000 combined single limit for each occurrence. Evidence of such coverage shall be maintained by Consultant/Contractor and provided to City upon request.

Subconsultant/Subcontractor Insurance

Consultant/Contractor agrees to include with all subconsultants/subcontractors in their subcontract the same requirements and provisions of this agreement including the indemnity and Insurance requirements to the extent they apply to the scope of the subconsultant/subcontractor's work. Subconsultant/Subcontractor agrees to be bound to Consultant/Contractor and City of Chico in the same manner and to the same extent as Consultant/Contractor is bound to City of Chico under the agreement. Subconsultant/Subcontractor further agrees to include the same requirements and provisions of this agreement, including the indemnity and Insurance requirements, with any Sub-subconsultant/Sub-subcontractor to the extent they apply to the scope of the Sub-subconsultant/Sub-subcontractor's work.

A copy of the City of Chico Insurance Provisions will be furnished to the subconsultant/subcontractor upon request. Evidence of such coverage shall be maintained by

Consultant/Contractor and provided to City upon request.

Workers' Compensation Insurance

Consultant/Contractor shall, at Consultant/Contractor's expense, purchase and maintain in full force and effect workers' compensation insurance as required by Federal and State of California law. Consultant/Contractor shall also require all of Consultant's subconsultants/subcontractors to maintain this insurance coverage. Proof of workers' compensation insurance or other documentation acceptable to City evidencing such insurance coverage shall be provided by Consultant/Contractor or Consultant/Contractor's subconsultants/subcontractors to City upon request.

Subrogation

Consultant/Contractor shall agree to waive all rights of subrogation against City for losses arising from Services performed by the Consultant/Contractor or Consultant/Contractor's subconsultants/subcontractors for City under this Agreement.

Indemnity

Consultant/Contractor/Subconsultant/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this agreement.

Professional Liability Insurance

Consultant/Contractor shall obtain professional liability (errors and omissions) insurance, with a minimum \$1,000,000 limit, from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better providing coverage for services rendered to City under this Agreement.

Said insurance coverage shall be evidenced by a certificate of insurance which shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

CITY OF CHICO - PROFESSIONAL SERVICES AGREEMENT

NBS

Architect/Consultant/Engineer

SEWER RATE STUDY

Project Title

851-000-8801/50367-851-4120

Budget Account Number

EXHIBIT E

CONFLICT OF INTEREST PROVISIONS

None.

CITY OF CHICO - PROFESSIONAL SERVICES AGREEMENT

NBS

Architect/Consultant/Engineer

SEWER RATE STUDY

Project Title

851-000-8801/50367-851-4120

Budget Account Number

EXHIBIT F

SPECIAL PROVISIONS

None.