

CITY OF CHICO - SERVICE PROVIDER AGREEMENT

**Employer's Investigative Services
Provider**

**Pre-Employment Background Screening
Project Title**

**001-130-5400
Budget Account Number**

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THIS SERVICE PROVIDER AGREEMENT (“Agreement”) is entered into on January 30, 2022, between the City of Chico, a municipal corporation under the laws of the State of California (“City”), and Employer’s Investigative Services, a limited liability company, (“Provider”).

SECTION 1 - DESCRIPTION OF SERVICES

City desires to hire Provider to perform those certain services described in Exhibit A, entitled “Description of Services.”

SECTION 2 - SCOPE OF SERVICES

Provider shall perform and complete services as set forth more particularly in Exhibit B, entitled “Scope of Services” and the Attachments, created by City as services are to be rendered by Provider and numbered sequentially, to Exhibit B.

SECTION 3 - COMPENSATION

Provider shall be compensated for services provided 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 Provider from City for services rendered shall be evidenced by the submission to City by Provider 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 City on or before the 15th day of the month next following the month or months, or other applicable period, for which services 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 Provider submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Provider until a correct and complying invoice has been submitted.

SECTION 4 - TERM; TERMINATION

The initial term of this Agreement shall be for a period of three years, commencing on _____, 2022, and terminating on _____, 2025. Thereafter, the term of this Agreement may

be extended at the option of City for two successive one-year periods. 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 Provider. In this latter event, Provider shall be entitled to compensation for all services performed for City to the date of such termination.

SECTION 5 - RESPONSIBILITY OF PROVIDER

By executing this Agreement, Provider warrants to City that Provider possesses, or will arrange to secure from others, all of the necessary capabilities, experience, resources and facilities necessary to provide to City the services under this Agreement. In procuring the services of others to assist Provider in performing the services set forth in Exhibit B, Provider shall not employ or otherwise obtain the services of any person or entity known to Provider 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. Provider 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 services rendered under this Agreement.

SECTION 6 - RESPONSIBILITY OF CITY

To the extent appropriate in relation to services contemplated by this Agreement, City shall:

- a. Assist Provider by placing at Provider's disposal all available information pertinent to services;
- b. Designate in writing a person to act as City's representative with respect to 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 services; and
- c. Give prompt written notice to Provider whenever City observes or otherwise becomes aware of any deficiency in services.

SECTION 7 - INDEMNIFICATION

To the fullest extent permitted by law, Provider 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, or incident to any alleged acts, errors or omissions, or willful misconduct of Provider, its officials, officers, employees, subcontractors, consultants or agents in connection with the services provided for by this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Provider 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.

Provider'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. Provider's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers. Provider'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 Provider's negligent acts, errors or omissions.

SECTION 8 - INSURANCE

Any requirements by City that Provider carry general liability or any other type of insurance in connection with the services to be performed by Provider pursuant to this Agreement shall be as set forth in Exhibit D, entitled "Insurance Provisions."

SECTION 9 - CITY ACCESS TO PROVIDER'S RECORDS

Provider 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 (4) years following the date of final payment to Provider 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 Provider's usual and customary business hours. Provider shall provide proper facilities to City's representative(s) for access and inspection. Provider 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 service to City, falling under the provisions of Section 3, above.

SECTION 10 - INDEPENDENT CONTRACTOR

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

SECTION 11 - OWNERSHIP OF DOCUMENTS

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

were prepared.

SECTION 12 - CONFLICT OF INTEREST CODE APPLICABILITY

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

SECTION 13 - SUBCONTRACTING SERVICES

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

SECTION 14 - ASSIGNMENT

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

SECTION 15 - AMENDMENTS

This Agreement represents the entire understanding of City and Provider 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. City may at any time, upon a minimum of 10 days written notice, amend the scope of services to be provided under this Agreement. Provider shall, upon receipt of said notice, determine the impact on both time and compensation of such amendment and notify City in writing. Upon agreement between City and Provider as to the extent of said impacts to time and compensation, this Agreement shall be amended. Execution of the amendment by City and Provider shall constitute Provider's notice to proceed with the amended scope.

SECTION 16 - COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

All services performed by Provider 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. The City shall maintain full compliance with all applicable Federal, State, County and City Statutes and any rules or regulations promulgated thereunder with regarding to the access, uses and action taken using services and products provided by the Provider. This provision is considered an End User Agreement under the Fair Credit Reporting Act.

SECTION 17 - SEVERABILITY

This Agreement shall be administered and interpreted under the laws of the State of California. 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.

SECTION 18 - 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

To Provider: Employer's Investigative Services
724 Fourth Street
Orland, CA 95963

SECTION 19 - EXHIBITS INCORPORATED

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

SECTION 20 - 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 have executed this Agreement on the date first set forth above.

CITY:



Mark Sorensen, City Manager*

PROVIDER:



By: Michael Stover, General Manager

*Authorized pursuant to Section 3.08.060
of the Chico Municipal Code

APPROVED AS TO FORM:



Vincent C. Ewing, City Attorney*

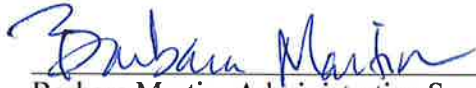
APPROVED AS TO CONTENT:



Chelsea Phebus, Human Resources and Risk Management Director

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

REVIEWED AS TO CONTENT:



Barbara Martin, Administrative Services Director*

*Reviewed by Finance and Information Systems

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EXHIBIT A

DESCRIPTION OF SERVICES

Upon request by the City, the Provider shall complete pre-employment screening services to include comprehensive executive level positions, full-time employee positions and part-time/seasonal employee positions.

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EXHIBIT B

SCOPE OF SERVICES - BASIC; COMPLETION SCHEDULE

Scope of Services - Basic

The Provider shall perform the following services:

Comprehensive/Executive/Department Head Investigation to include:

- Social Security Trace
- Credit Report
- County Level Criminal Conviction Search – All Names / All Counties
- State Criminal Conviction Search – All Names / All States
- Federal Criminal District Conviction Search – All Names / All Districts
- Nationwide Database – All Names
- Global Security Watch List – All Names
- National Sex Offender Database – All Names
- Federal Bankruptcy Search
- Employment Verification – All Employers in the Past Seven Years
- Professional Reference Verification – (4)
- Education Verification – All Claimed Awarded Degrees
- Instant Driving Record

Full Time – Permanent Employee Investigation to include:

- Social Security Trace
- County Level Criminal Conviction Search – All Names / All Counties
- State Criminal Conviction Search – All Names / All States
- Federal Criminal District Conviction Search – All Names / All Districts
- Nationwide Database – All Names
- Global Security Watch List – All Names

- National Sex Offender Database – All Names
- Employment Verification – Current or Last Employer
- Professional Reference Verification – (2)
- Instant Driving Record

Part-Time/Seasonal Employee Investigation to include:

- Social Security Trace
- County Level Criminal Conviction Search – All Names / All Counties
- State Criminal Conviction Search – All Names / All States
- Federal Criminal District Conviction Search – All Names / All Districts
- Nationwide Database – All Names
- Global Security Watch List – All Names
- National Sex Offender Database – All Names
- Instant Driving Record

City Responsibilities - Basic

- Notify Provider of an applicant ready for investigation by completing submission form through an online link.
- City will give Provider completed “release/hold harmless” and “authorization to inquire” forms signed by each applicant being investigated.

Completion Schedule

Provider shall complete all requested services within one week of submission of request from the City. If the request it to take longer than a week, Provider will communicate the need for an extension with the City.

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EXHIBIT C

COMPENSATION

Compensation for services shall be in accordance with the schedule of rates below:

Provider Billing Rates

Defaulted Searches Price:

Social Security Trace \$7.00
Credit Report (No Score) (Employment) \$15.00
County Level Criminal Conviction Search* \$15.00
State Criminal Court Conviction Search* \$15.00
Federal District Criminal Conviction Search * \$15.00
Nationwide / Multi State Database \$15.00
Global Security Watch List – OIG * \$15.00
National Sex Offender Registry* \$10.00
Federal Bankruptcy Search \$15.00
Employment Verification** \$15.00
Professional Reference Verification** \$15.00
Education Verification** \$15.00
Instant Driving Records \$10.00

Optional Searches Price:

County Civil Search* \$25.00
Federal Civil Search* \$25.00
Professional License Verification** \$15.00
Consent Based SSN Verification \$25.00
Consumer Copy Mailing \$4.65
Manual Entry \$5.00
10 Panel Substance Abuse \$62.00

* Price listed will be applied to each name and search.

** Price listed is for each verification.

State Criminal Court Conviction Search is only available in States with Repositories.

Prices do not include third-party and court search fees. Those fees are passed on at the actual cost. Some New York counties charge a court search fee of \$95.00 per name. Please note, that all processed searches will be charged at the rate listed, including any suspended due to the availability of third-party verification. In addition, canceled searches are subject to charge. All database hits must be confirmed via the appropriate jurisdiction via a County, State, or Federal Search.

For each succeeding 12-month term of this Agreement, the Provider may request the City to adjust the compensation rate(s) during such term. The Provider's request for such an adjustment shall be filed with the City no later than January 15, and shall be accompanied by such documentation, including, but not limited to, financial reports and records, operational cost data, and the like, as may be required by the City to enable it to satisfactorily evaluate and make a determination upon it. Nothing hereinabove, however, shall require the City to make any adjustment therefor in response to the Provider's request. Further, in no event shall any such adjustment exceed an amount equal to 75 percent of the increase in the Consumer Price Index for All Urban Consumers (CPI-U) - U.S. City Average - as published by the Bureau of Labor Statistics, U.S. Department of Labor, for the most recent available previous 12-month period. As an example, if such Index increased 10 percent for a preceding 12-month period, an annual adjustment could not exceed 7.5 percent regardless of whether or not the Provider's documented costs exceed 7.5 percent.

Compensation shall be based upon actual invoices billed and received each month and shall be based on services as outlined in this agreement. Total maximum compensation for services outlined in this agreement shall not exceed \$49,999.

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EXHIBIT D

INSURANCE PROVISIONS

General Liability Insurance

Consultant/Contractor/Provider 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/Provider 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/Provider 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/Provider,

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/Provider 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/Provider and provided to City upon request.

Workers' Compensation Insurance

Consultant/Contractor/Provider shall, at Consultant/Contractor/Provider's expense, purchase and maintain in full force and effect workers' compensation insurance as required by Federal and State of California law. Consultant/Contractor/Provider shall also require all of Consultant/Contractor/Provider's subconsultants/subcontractors/subproviders 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/Provider or Consultant/Contractor/Provider's subconsultants/subcontractors/subproviders to City upon request.

Subrogation

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

Indemnity

Consultant/Contractor/Provider/Subconsultant/Subcontractor/Subprovider'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/Provider 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.

For All Required Insurance

In the event such proof of any insurance is not delivered as required, or in the event such insurance is canceled, at any time and no replacement coverage is provided, the City has the right to, but not the duty, to obtain any insurance it deems necessary to protect its interests under this or any other agreement and to pay the premium. Any premium so paid by the City shall be charged to and promptly paid by Contractor or deducted from sums due the City, at the City's option.

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EXHIBIT E

CONFLICT OF INTEREST PROVISIONS

None.

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EXHIBIT F

SPECIAL PROVISIONS

None.