

**City of California City
Request for Proposals
For Debt Collection Services**



Issue Date: August 21, 2026

Response Due Date/Time: September 21, 2026 5:00 pm (PST)

**Sean Grayson
City Manager
(760) 373-7170**

sgrayson@californiacity-ca.gov

**City of California City
21000 Hacienda Blvd
California City, CA 93505**

CITY OF CALIFORNIA CITY
REQUEST FOR PROPOSALS
DEBT COLLECTION SERVICES

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CITY OF CALIFORNIA CITY
REQUEST FOR PROPOSALS
DEBT COLLECTION SERVICES

I. INTRODUCTION

A. General Information

The City of California City is requesting proposals from qualified professional Consultants for Debt Collection Services

There is no expressed or implied obligation for the City of California City to reimburse responding Consultants for any expenses incurred in preparing proposals in response to this request. Materials submitted by respondents are subject to public inspection under the California Public Records Act (Government Code Sec. 6250 et seq.), unless exempt.

To be considered, respondents must submit their responses via email only to: Sean Grayson, City Manager at sgrayson@californiacity-ca.gov, by **5:00 P.M. on September 14, 2026**. The City reserves the right to reject any or all proposals submitted.

During the evaluation process, the City of California City reserves the right, where it may serve the City's best interest, to request additional information or clarification from proposers, or to allow corrections of errors or omissions. At the discretion of the City of California City, Consultants submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City of California City reserves the right to retain all proposals submitted regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the Consultant of the conditions contained in the request for proposals, unless clearly and specifically noted in the proposal submitted and in the contract between the City of California City and the Consultant selected.

It is anticipated the selection of the Consultant will be completed and a contract will be executed between both parties by September 18, 2026. The City reserves the right to reject any or all proposals, to waive any non-material irregularities or information in any proposal, and to accept or reject any times or combination of items.

B. Term of Engagement

It is the intent of the City of California City to contract for a comprehensive Debt Collection Services.

II. NATURE OF SERVICES REQUIRED (This Section II shall comprise the scope of services for Attachment A of the attachment Consulting Services Agreement)

A. Scope of the Work to be Performed

Consultant shall provide the following scope of work:

1. Letter process within five (5) days from the date of assignment. Send pre-collection letters for 45 days.
2. After 45 days, initiate the standard accepted collection process.
3. Report, correct and/or delete credit bureau reporting and provide evidentiary documentation to Revenue Services. The City retains the right to recall any accounts assigned for collection without charge or penalty from the Consultant. Upon recall by the City, no further collection efforts on recalled accounts will be undertaken. If the account being recalled has been reported to any credit bureau, it is expected to be immediately cleared from the customer's credit report and provide written consultation of such upon request.
4. Comply with Federal and State regulations regarding fair debt collection practices. Collection shall be conducted ethically and legally with the highest level of customer service.
5. Maintain separate files for each account for audit purposes. Auditing of any and all assigned records is at the discretion of the City.
6. Maintain confidentiality on all accounts assigned by the City.
7. Maintain a disaster recovery plan to protect the City's receivables and the confidentiality of the information contained therein.
8. Accept data from the City in electronic formats. The assignment will include the following information, if available, and any other relevant information in the City's possession at the time of referral as deemed appropriate: name(s), address, type of account, unpaid balance, date of birth, and driver's license (if on file), phone numbers, account numbers, and account start, date of last bill, date of last payment, email address, and stop dates.
9. Immediate return of all accounts still pending upon termination of the contract by any party
10. Accept and process credit card payments via telephone. Accept and process electronic payments from debtors. The Consultant is responsible for all costs associated with this service, including but not limited to the payment of the merchant's discount fee.
11. Bear all expenses and costs incurred to affect collection of any account referred to them by the City, including but not limited to litigation and transportation.
12. Remit monthly to the City all monies collected, less collection fees. Remittance should include a breakdown by the debtor and type of account.

When possible, the City would like to pass all collection fees to the customer. The City should not bear any of the cost of collections.
13. Provide monthly reports detailing:
 - a. Status of each account with customer pertinent information
 - b. Monthly status of accounts, including assigned and current balance
 - c. Collection received during the month
 - d. Total amounts in collection
 - e. Percentage of recovery in comparison to the total dollar value of assigned accounts
 - f. On a needed basis, ad hoc reports as requested, including but not limited to collections,
 - g. legal actions, adjustments, updated addresses, and corrections
14. Provide to the City an annual financial summary report as of June 30 (City's fiscal year end) including totals for receipts, net accounts receivable, total accounts receivable, and collection percentage. This report should be submitted to the City no later than July 30th of each year.

B. Working Papers Retention

All working papers and reports must be retained at the consultant's expense for a minimum of seven (7) years, unless the Consultant is notified in writing by the City of California City of the need to extend the retention period. The consultant may be required to make working papers or electronic files available to the City of California City or any government agencies included in the audit of federal grants.

III. DESCRIPTION OF THE GOVERNMENT

A. Background Information

California City was incorporated on December 10, 1965. The City is located in the northern Antelope Valley in Kern County, California. It is 100 miles (160 km) north of the city of Los Angeles. Covering 203.63 square miles (527.4 km²), California City has the third-largest land area of any city in the state of California (behind San Diego and Los Angeles), and is the largest city in California, by land area, that is not a county seat. It is the 43rd-largest city in the United States by land area.

California City operates under a Council/Manager form of government, with a Mayor directly elected by the voters and four elected Councilmembers, collectively known as the Council. The Council is responsible for setting policy for the City and for adopting an annual budget. The Council Member with the most seniority is designated as the Mayor Pro Tem to serve in the Mayor's absence. Day-to-day responsibilities are overseen by a City Manager, reporting to the Mayor and City Council. The City Manager is responsible for appointing and supervising the heads of all City departments, with the advice and consent of the Council, with the exception of the City Treasurer, which is an elected position, and the City Attorney, who is appointed by the Council directly.

The City of California City has a population of 14,973 as of the 2020 census. The City's annual operating budget is approximately \$11.7 million with a \$27.4 million all funds budget.

The City's operations are organized into 14 functions: Administration, City Clerk, Finance, Human Resources, Building and Planning, Housing, Police, Public Works, Parks & Recreation, OHV, Cannabis Management, Water, and Wastewater (Sewer) with 60 budgeted full-time and 11 part-time positions. Fire services are contracted with the Kern County. The accounting, billing, and financial reporting aspects of the City are centralized within the Finance department. The Finance Department is currently headed by the City Manager, Finance Manager, Accounting Technician III (2), Accounting Technician I (2) and a Payroll Clerk, in addition to the elected City Treasurer, who is also responsible for the treasury function.

B. Debt Collection Demand

The City of California City, on an annual basis, generates over 100,000 invoices with an approximate dollar value of \$30 Million for debts incurred by the public. Of this total billing, approximately 200 accounts and \$608,000 are subject to write off as bad debt annually. The successful Consultant will be involved in the collection of the following accounts:

1. Accounts receivable and returned checks to pay for various City services such as:
 - a. Utility billing (water and sewer)
 - b. General Billing for department fees

- c. Cannabis fees and taxes
 - d. Returned Checks that the City is unable to collect
 - e. Other recoverable services
2. Subrogation against third parties that have caused damage to City property and/or injury to City employees.

IV. TIME REQUIREMENTS

A. Proposal Calendar

The following is a list of key dates up to, and including, the date proposals are to be submitted:

Date	Activity
August 21, 2026	Request for Proposal Issued
September 4, 2026	Questions due
September 11, 2026	Responses to questions posted on RFP page
September 21, 2026	Due date for proposals by 5:00 p.m.
September 22-30, 2026	Staff review
October 13, 2026	Contract awarded by City Council

B. Date Cost Study May Commence

Debt collection planning, including necessary planning, documentation of systems and operations, and staff interview schedules are anticipated as appropriate after contract is executed. Work may commence no later than three weeks after City Council approval of contract.

C. Questions and Answers

The City will accept questions until the scheduled date and time on the RFP Proposal Calendar. Responses to all questions received will be posted on the City's RFP postings webpage on the scheduled date.

D. Submission of Reports

The Consultant shall provide all drafts and recommendations to the City Manager. The Consultant should be available for any meetings that may be necessary to discuss the draft and/or work methodologies.

V. PROPOSAL REQUIREMENTS

A. Submission of Proposal

For a proposal to be considered, the Proposal shall be received via email only by the City of California City **by 5:00 p.m. on September 14, 2026.**

The Proposal should be addressed as follows:

City of California City
Sean Grayson, City Manager
sgrayson@californiacity-ca.gov

B. Minimum Content of Proposal

The Proposal should include the technical proposal and costs and fees.

C. Contents of the Proposal

Proposals shall include a detailed operational plan which demonstrates an understanding of and capability to assume responsibility for collecting delinquent revenue for the City. Proposals shall be limited to 50 pages.

The plan shall provide all details of the methods to be used to maximize successful collections, including initiating and continuing collection attempts within the guidelines set forth by Federal and State regulations regarding fair debt collection practices. The City is seeking innovative ways to minimize the non-payment of customer accounts and the number of accounts being sent to collections. Consultants are encouraged to provide Proposals which could include limiting the length of time the accounts are held by the Consultant and/or providing secondary resources of collection.

Supplemental Information

1. Provide a history of the Consultant, length of time in business, and key management/collection team members.
2. Provide a statement of the Consultant's background and experience in servicing government clients. Include the number and types of government clients you are currently servicing and the historical percentage of collections by account type. Be very specific about relevant experience with California government clients in the past five (5) years. Provide a statement of your Consultant's knowledge and adherence to the Federal Fair Debt Collection Practices Act, California Government Code, and other applicable laws and regulations.
3. List any disciplinary or investigative action, including audits, in the past five (5) years conducted by any professional body or local, state, or federal branch of the government of the Consultant.
4. List any and all litigation, pending or final, to which you are a party that is related or similar to the services being solicited in the past five (5) years.
5. Provide a detailed list of the types of bad debt your Consultant has experience in collecting for California municipal agencies.
6. Describe the method to do rapid letters for pre-collections.
7. Describe the normal method used to collect accounts (first and second placements). Include the specific work standards currently used, the dollar threshold where various levels of follow-up occur, the number of written and telephone attempts, and samples of all forms and correspondences that illustrate your Consultant's methods.
8. Describe and provide examples of your Consultant's procedures for skip accounts, including dollar thresholds for different levels of effort.
9. Describe and provide examples of your Consultant's procedures for accounts that will be pursued through legal action and any parameters used for these accounts, such as the minimum balance for a lawsuit.

10. Describe your Consultant's policies and procedures on handling customer complaints, escalation and resolution, and expected response turnaround time.
11. Describe your Consultant's approach to achieving reasonable collection targets in detail.
12. Describe, in detail, your Consultant's plan to implement the proposed services and to ensure a smooth, error-free conversion from the City's existing collection agency. (If your organization is the existing collection agency, describe in detail how existing services will be enhanced).
13. Describe the on-site training for City personnel, if needed, for account queries and management reports.
14. Describe your Consultant's disaster recovery plan to protect the City's receivables and the information's confidentiality.
15. Describe any off-site storage location and plan for backing up data.
16. Describe your Consultant's Systems and Organization Controls (SOC), including Person Identifiable Information (PII), to keep customer and City information safe.
17. Describe and provide samples of reports that would be provided to the City and the frequency of these reports.
18. Describe any internet capability that would allow the City to query accounts and/or prepare ad hoc reports as necessary.
19. Describe the certification of your Consultant with regard to best practices of the Federal Fair Debt Collection Practices Act.

References

Provide a listing of five (5) government clients, preferably California government clients, to whom your Consultant or agency has provided collections services over the last five (5) years. If your Consultant or agency is unable to provide a listing of government clients, then provide a listing of five (5) private sector clients whom your Consultant or agency has provided collections services over the last five (5) years. Indicate each organization's name, address, reference contact person and title, telephone number, and e-mail address. Additionally, describe the nature of services provided, the engagement's initial date, and the contract's expiration date.

Proposal Guidelines, Content and Format

The City of California City uses a qualifications-based selection process to obtain these services.

In order for the City to properly evaluate the Consultants' qualifications to perform this work, the proposals shall include, as a minimum, the following information:

1. Evidence of the Consultant's ability to be responsive to this project in regards to timeliness and expertise, including the availability of staff proposed to be assigned.
2. Please submit one (1) electronic copy of your proposal/qualifications.

Cover Letter

Submit a letter on your company letterhead addressing the proposal and format. The letter should be signed by an officer of the Consultant authorized to bind the Consultant to all comments made in the proposal, and shall include the name, address, phone number and e-mail address of the person(s) to contact who will be authorized to represent your Consultant.

Minimum Experience Qualifications Summary

A statement of professional experience and ability.

Management/Method of Operation

Provide a detailed description outlining your Consultant's approach to providing the service. Highlight innovative ideas your Consultant may have to provide to the City and describe your procedures and management techniques in detail.

References

Provide a list of references with current contact person, e-mail address, and phone number. The number of who may be contacted regarding Consultant performance.

Financial Statement

The Consultant must demonstrate a good performance record and have sufficient financial resources to ensure they can satisfactorily provide the services required.

Consultant shall submit a full and detailed presentation of the true condition of the Consultant's assets, liabilities, and net worth. The report should include a balance sheet and income statement. Individual financial statements must be submitted for each general partner or joint venture if the Consultant is a new partnership or joint venture. The most current annual report should be submitted if a Consultant is a publicly held corporation.

Any Consultant who, at the time of submission, is involved in an ongoing bankruptcy as a debtor, or in a reorganization, liquidation, or dissolution proceeding, or if a trustee or receiver has been appointed over all or a substantial portion of the property of the Consultant under federal bankruptcy law or any state insolvency, may be declared non-responsive.

Corporate Structure, Organization

Describe how your Consultant is organized; noting major divisions and any parent/holding companies, as well as a brief history of the Consultant and all personnel potentially to be involved in the project, including all sub-consultants. Designate the Principal in Charge and other key personnel. Include résumés. Also, provide a description of the experience your Consultant has had with similar processes.

Proposal Fee

Provide a detailed basic fee structure and breakdown of any other charges related to your Consultant's proposal. Finalist's fee structure may be subject to negotiation.

Material and data not specifically requested for consideration but which the Consultant wishes to submit must not appear with the Proposal but may appear only in an "Additional Data" section. This has specific reference to the following types of data:

- Generalized narrative of supplementary information
- Supplementary graphic material

All proposals must be signed with the full name of the Consultant if an individual; by an authorized general partner, if a partnership; or by an authorized officer, if a corporation.

When proposals are signed by an agent other than an officer of a corporation or a member of a general partnership, a power of attorney authorizing the signature must be submitted with the proposal.

If a partnership or joint venture submits the proposal, each general partner or joint venture

thereof must complete the Statement of Personal History attached to the Proposal. If a corporation submits the proposal, the Statement must be completed by each principal officer of said corporation.

Licensing Requirements

Any professional certifications or licenses that may be required will be the sole cost and responsibility of the successful Consultant.

The awarded Consultant will be required to obtain a City of California City Business License for this project.

Insurance Requirements

Consultant/Bidder, at Consultant's/Bidder's sole cost and expense and for the full term of the Resultant contract or any extension thereof, shall obtain and maintain at least all of the insurance requirements listed in attached example contract.

All coverage shall be provided by a carrier authorized to transact business in California and shall be primary. All policies, endorsements, and certificates shall be subject to approval by the City of California City as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager.

Maintenance of proper insurance coverage is a material element of this contract. Failure to maintain or renew coverage or provide evidence of renewal may be treated as a material breach of contract.

The Consultant shall assert that these insurance requirements will be met as part of their proposal response. Failure to comply with these insurance requirements may result in an unresponsive proposal. The Consultant shall satisfy these insurance requirements concurrently with the signing of the contract prior to the commencement of work. It is strongly suggested that insurance requirements be reviewed with Consultant's broker to ensure any additional costs are included in the proposal pricing component.

VI. EVALUATION PROCEDURES

A. Review of Proposals

The City is interested in selecting a qualified Consultant with the ability to provide DEBT COLLECTION SERVICES. A key component for a successful Consultant will be the ability to meet the City's performance desires while minimizing the cost.

The Evaluation Panel will consist of City of California City staff and any other person(s) designated by the City. Following a review of the proposals, the Panel may invite one or more Consultants to make an oral presentation. During these presentations, the Consultant will be allowed to present such information as may be appropriate in order that the Panel can effectively and objectively analyze all materials and documentation submitted as part of the proposals.

Each Consultant must be represented by an individual who will be the prime contact person to the City and any other individuals whom the Consultant may select. The highest-rated proposal(s) will then be further evaluated through financial analysis and reference checks.

B. Evaluation Criteria

The final selection will be the Consultant which, in the City's opinion, is the most responsive and responsible in meeting the City's requirements in providing the service. The City maintains the sole and exclusive right to evaluate the merits of the proposals received.

Consultants will be objectively evaluated based on their responses to the project scope outlined in this RFP. The written proposal should clearly demonstrate how the Consultant could best satisfy the requirements of the City of California City.

Proposals will be evaluated based on the following criteria:

- Consultant's ability to provide all services as outlined in the Scope of Services;
- Related experience with similar projects, company background and qualifications;
- Consultant's Fee Schedule: completed and signed;
- Consultant's ability to safe keep confidential information;
- Consultant's Agreement;
- References;
- Any other criteria as best suit the City of California City.

C. Award

Upon conclusion of the Request process, a contract may be awarded for DEBT COLLECTION SERVICES for the City of California City. The City reserves the right to select the successful Consultant and to negotiate terms of a contract with the Consultant(s) whose proposal(s) is/are most responsive to the needs of the City. Furthermore, the City reserves the right to reject any and all proposal or alternate proposals or waive any informality in the proposal as is in the City's best interest.

The Consultant shall provide the name, address, e-mail address and telephone number of an individual in their organization to whom notices and inquiries by the City should be directed as part of this proposal.

All material submitted in or with the proposal shall become the property of the City unless it is clearly marked as proprietary information. The City reserves the right to use any ideas presented in the proposals without compensation paid to the Consultant. Selection or rejection of the proposal shall not affect this right.

The City reserves the right to reject any and all proposals submitted and request additional information from the Consultant. The award will be made to the Consultant which, in the opinion of the City, is best qualified.

VII. CONTACTS

Inquiries concerning the Request for Proposals may be made to:

Sean Grayson, City Manager
(760) 373-7170 sgrayson@californiacity-ca.gov

Attachment A – Consulting Services Agreement

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**CONSULTING SERVICES AGREEMENT
BETWEEN THE CITY OF CALIFORNIA CITY AND
[NAME OF CONSULTANT]**

THIS Agreement ("Agreement") for consulting services is made by and between the City of California City ("City") and _____, a California [corporation] [limited liability company] ("Consultant") (together referred to as the "Parties") as of _____, 20____ (the "Effective Date").

Section 1. SERVICES. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Work attached as Exhibit A, and incorporated herein, at the time and place and in the manner specified therein.

- 1.1 Term of Services.** The term of this Agreement shall begin on the Effective Date and shall end on _____ or the date the Consultant completes the services specified in Exhibit A, whichever occurs first, unless the term of the Agreement is otherwise terminated or extended, as referenced herein.
- 1.2 Standard of Performance.** Consultant shall perform all services required pursuant to this Agreement according to the standards observed by a competent practitioner of the profession in which Consultant is engaged.
- 1.3 Assignment of Personnel.** Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, requests in writing the reassignment of any such persons to ensure Consultant performs services in accordance with the Standard of Performance, Consultant shall, immediately upon receiving City's request, reassign such persons.
- 1.4 Time.** Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance provided herein above and to satisfy Consultant's obligations hereunder.

Section 2. COMPENSATION. City hereby agrees to pay Consultant a sum not to exceed _____ \$(_____), as set forth in Exhibit B, attached hereto and incorporated herein for services to be performed and reimbursable expenses incurred under this Agreement. This dollar amount is not a guarantee that the City will pay that full amount to the Consultant, but is merely a limit of potential City expenditures under this Agreement.

Consultant and City acknowledge and agree that compensation paid by City to Consultant under this Agreement is based upon Consultant's estimated costs of providing the services required hereunder, including salaries and benefits of employees and subcontractors of Consultant. Consequently, the parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities to which Consultant and its employees, agents, and subcontractors may be eligible. City therefore has no responsibility for such contributions beyond compensation required under this Agreement.

- 2.1 Invoices.** Consultant shall submit invoices, not more often than once a month during the term of this Agreement, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information, unless waived by the City Manager, or his or her designee:
- Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
 - The beginning and ending dates of the billing period;
 - A Task Summary containing the original contract amount, the amount of prior billings, the total due this period, the balance available under the Agreement, and the percentage of completion;
 - At City's option, for each work item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person doing the work, the hours spent by each person, a brief description of the work, and each reimbursable expense;
 - The total number of hours of work performed under the Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing services hereunder;
 - The Consultant's signature.
- 2.2 Monthly Payment.** City shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred. City shall pay undisputed invoices that comply with the above requirements within 30 days from the receipt of the invoice.
- 2.3 Final Payment.** Consultant shall submit its final invoice within 60 days of completing its services. Consultant's failure to submit its final invoice within this 60 day period shall constitute Consultant's waiver of any further billings to, or payments from, City.
- 2.4 Reimbursable Expenses.** Reimbursable expenses, if any, are specified in Exhibit B and included in the total compensation referenced in Section

1. Expenses not listed in Exhibit B are not chargeable to, or reimbursable by, City.

2.5 Payment of Taxes. Consultant is solely responsible for the payment of all federal, state and local taxes, including employment taxes, incurred under this Agreement.

2.6 Authorization to Perform Services. The Consultant is not authorized to perform any services or incur any costs whatsoever under the terms of this Agreement until receipt of a written authorization from the City Manager, or his or her designee.

Section 3. FACILITIES AND EQUIPMENT. Except as set forth herein, Consultant shall, at its sole cost and expense, provide all facilities and equipment that may be necessary to perform the services required by this Agreement

Section 4. INSURANCE REQUIREMENTS. Before beginning any services under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance specified herein and maintain that insurance throughout the term of this Agreement. The cost of such insurance shall be included in the Consultant's bid or proposal. Consultant shall be fully responsible for the acts and omissions of its subcontractors or other agents.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant in the amount required by applicable law. The requirement to maintain Statutory Workers' Compensation and Employer's Liability Insurance may be waived by the City upon written verification that Consultant is a sole proprietor and does not have any employees and will not have any employees during the term of this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

4.2.1 General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than \$2,000,000 per occurrence and \$4,000,000 aggregate, combined single limit coverage for risks associated with the work contemplated by this Agreement.

4.2.2 Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (most recent edition) covering comprehensive General Liability on an "occurrence" basis.

Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 (most recent edition) covering any auto (Code 1), or if Consultant has no owned autos, hired (code 8) and non-owned autos (Code 9). No endorsement shall be attached limiting the coverage.

4.2.3 Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

- a. The Commercial General and Automobile Liability Insurance shall cover on an occurrence basis.
- b. City, its officers, officials, employees, agents, and volunteers shall be covered as additional insureds for liability arising out of work or operations on behalf of the Consultant, including materials, parts, or equipment furnished in connection with such work or operations; or automobiles owned, leased, hired, or borrowed by the Consultant. Coverage can be provided in the form of an endorsement to the Consultant's insurance at least as broad as CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01.
- c. For any claims related to this Agreement or the work hereunder, the Consultant's insurance covered shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self- insurance maintained by the City, its officers, officials, employees, agents or volunteers shall be excess of the Consultant's insurance and non-contributing.
- d. The policy shall cover inter-insured suits and include a "separation of Insureds" or "severability" clause which treats each insured separately.
- e. Consultant agrees to give at least 30 days prior written notice to City before coverage is canceled or modified as to scope or amount.

4.3 Professional Liability Insurance.

- 4.3.1 General requirements.** Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing work pursuant to this Agreement in an amount not less than

\$1,000,000 per occurrence or claim covering the Consultant's errors and omissions.

4.3.2 Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

- a. The retroactive date of the policy must be shown and must be before the date of the Agreement.
- b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the Agreement or the work.
- c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the date of this Agreement, Consultant must purchase an extended period coverage for a minimum of five (5) years after completion of work under this Agreement.
- d. A copy of the claim reporting requirements must be submitted to the City for review prior to the commencement of any work under this Agreement.

4.4 All Policies Requirements.

4.4.1 Submittal Requirements. Consultant shall submit the following to City prior to beginning services:

- a. Certificate of Liability Insurance in the amounts specified in this Agreement; and
- b. Additional Insured Endorsement as required for the General Commercial and Automobile Liability Policies.

4.4.2 Acceptability of Insurers. All insurance required by this Agreement is to be placed with insurers with a Bests' rating of no less than A:VII.

4.4.3 Deductibles and Self-Insured Retentions. Insurance obtained by the Consultant shall have a self-insured retention or deductible of no more than \$100,000.

4.4.4 Wasting Policies. No policy required herein shall include a "wasting" policy limit (i.e. limit that is eroded by the cost of defense).

4.4.5 Waiver of Subrogation. Consultant hereby agrees to waive subrogation which any insurer or contractor may require from Consultant by virtue of the payment of any loss. Consultant agrees to obtain any endorsements that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Consultant, its employees, agents, and subcontractors.

4.4.6 Subcontractors. Consultant shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein, and Consultant shall ensure that City, its officers, officials, employees, agents, and volunteers are covered as additional insured on all coverages.

4.4.7 Excess Insurance. If Consultant maintains higher insurance limits than the minimums specified herein, City shall be entitled to coverage for the higher limits maintained by the Consultant.

4.5 Remedies. In addition to any other remedies City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option: 1) obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement; 2) order Consultant to stop work under this Agreement and withhold any payment that becomes due to Consultant hereunder until Consultant demonstrates compliance with the requirements hereof; and/or 3) terminate this Agreement.

Section 5. INDEMNIFICATION AND CONSULTANT'S RESPONSIBILITIES.

5.1 General Requirement. To the fullest extent permitted by law, Consultant shall indemnify, defend with counsel acceptable to City, and hold harmless City and its officers, officials, employees, agents and volunteers (collectively, "Indemnitees") from and against any and all liability, loss, damage, claims, expenses, and costs, including without limitation, attorney's fees, costs and fees of litigation, (collectively, "Liability") of every nature arising out of or in connection with Consultant's performance of the services under this Agreement, or its failure to comply with any of its obligations contained in this Agreement, or its failure to comply with any

applicable law or regulation, except such Liability caused by the sole negligence or willful misconduct of City.

Acceptance by City of insurance certificates and endorsements required under this Agreement does not relieve Consultant from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damage or claims for damages whether or not such insurance policies shall be determined to apply.

- 5.2 PERS Indemnification.** In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Section 6. STATUS OF CONSULTANT.

- 6.1 Independent Contractor.** At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City.
- 6.2 Consultant Not an Agent.** Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

Section 7. LEGAL REQUIREMENTS.

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** Consultant and any subcontractors shall comply with all laws applicable to the performance of the work hereunder. Consultant shall also, to the extent required by the California Labor Code, pay not less than the latest prevailing wage rates as determined by the California Department of Industrial Relations.
- 7.3 Licenses and Permits.** Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have, and

will maintain at their sole cost and expense, all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid business licenses from City.

- 7.4 Nondiscrimination and Equal Opportunity.** Consultant shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, genetic information, marital status, sex, sexual orientation, gender or gender identity, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Consultant under this Agreement. Consultant shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement, including but not limited to the satisfaction of any positive obligations required of Consultant thereby.

Section 8. TERMINATION AND MODIFICATION.

- 8.1 Termination.** Upon ten days' prior written notice, City may cancel this Agreement at any time and without cause upon such written notification to Consultant. In the event of termination, Consultant shall be entitled to compensation for services performed to the effective date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or the City in connection with this Agreement.
- 8.2 Amendments.** The parties may amend this Agreement only by a writing signed by the parties hereto.
- 8.3 Assignment and Subcontracting.** City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the City Manager, or his or her designee. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the

subcontractors noted in the proposal, without prior written approval of the City Manager, or his or her designee.

8.4 Survival. All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant, including but not limited to the provisions of Section 5, shall survive the termination of this Agreement.

8.5 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, the following:

8.5.1 Immediately terminate the Agreement;

8.5.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;

8.5.3 Retain a different consultant to complete the work described in Exhibit A not finished by Consultant; or

8.5.4 Charge Consultant the difference between the cost to complete the work described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the work.

8.5.5 The remedies mentioned in this Agreement are not exclusive of any other right, power or remedy permitted by law. The City's failure or delay in exercising any remedy shall not constitute a waiver of such remedy or preclude the further exercise of City's rights.

Section 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant's Performance. All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of the City. Consultant hereby agrees to deliver those documents to the City upon termination of the Agreement, and the City may use, reuse or otherwise dispose of the documents without Consultant's permission. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily

suitable for any future or other use. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports and other documents are confidential drafts and will not be released to third parties by Consultant without prior written approval of City.

- 9.2 Consultant's Books and Records.** Consultant shall maintain any and all records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the City under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of the City. Pursuant to Government Code Section 8546.7, the Agreement may be subject to the examination and audit of the State Auditor for a period of 3 years after final payment under the Agreement.

Section 10 MISCELLANEOUS PROVISIONS.

- 10.1 Attorneys' Fees.** If a party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 10.2 Venue.** In the event that either party brings any action against the other under this Agreement, the parties agree that trial of such action shall be vested exclusively in the state courts of California in Kern County or in the United States District Court for the Southern District of California.
- 10.3 Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
- 10.4 No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 10.5 Successors and Assigns.** The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the parties.

10.6 Conflict of Interest. Consultant may serve other clients, but none whose activities within the corporate limits of City or whose business, regardless of location, would place Consultant in a “conflict of interest,” as that term is defined in the Political Reform Act, codified at California Government Code Section 81000 *et seq.*

Consultant shall not employ any City official in the work performed pursuant to this Agreement. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.*

10.7 Solicitation. Consultant agrees not to solicit business at any meeting, focus group, or interview related to this Agreement, either orally or through any written materials.

10.8 Notices. Any notice, demand, request, consent or approval that either party is required to give the other pursuant to this Agreement, shall be in writing and may be given by either (i) personal service, or (ii) certified United States mail, postage prepaid, return receipt requested. Notice shall be effective upon personal delivery or delivery to the addresses specified below, as reflected on the receipt of delivery or return receipt, as applicable.

Consultant : 





City: City of California
21000 Hacienda Blvd.
California City, CA 93505
ATTN: City Manager

10.9 Professional Seal. Where applicable in the determination of the City Manager, or his or her designee, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled “Seal and Signature of Registered Professional with report/design responsibility.”

10.10 Integration. This Agreement, including the scope of work attached hereto and incorporated herein as Exhibits A and B represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral.

EXHIBIT A
SCOPE OF SERVICES

EXHIBIT B
COMPENSATION SCHEDULE

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONSULTANT

By: _____

Title: _____

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