



REQUEST FOR PROPOSALS Professional Services

WATER AND WASTEWATER RATE STUDY



RFP Issued	January 21, 2021
All questions must be received by 5:00 p.m.....	February 5, 2021
Proposal Due by 4:00 p.m.....	February 19, 2021
Evaluation Period Concludes.....	March 19, 2021
Interviews.....	Week of March 22, 2021
Award Contract	End of March, 2021

CITY OF SOLVANG
REQUEST FOR PROPOSALS

Water and Wastewater Rate Study

CITY OF SOLVANG (hereinafter "CITY") is soliciting proposals from qualified professional consulting firms to prepare a water and wastewater rate and fee study and will receive proposals in the office of the City Clerk, 1644 Oak Street, Solvang, California, up to the hour of **4:00 PM on the 19th day of February, 2021**. The selected consultant shall perform the tasks specified in the "Scope of Work" section of the Request for Proposals (RFP). You are hereby invited to submit a proposal based upon the requirements and conditions set forth in this RFP. The intent of the study is to independently assess and evaluate the City of Solvang's existing water and sewer rates, charges, and connection fees. Recommendations should support the broad objective, which is to adequately fund water and sewer utility operations, capital costs, and bonded debt. The study will be based on a comprehensive review of the City of Solvang's water and sewer enterprise funds, budgets, customer classes, current usage data, 10-year Capital Improvement Program, and future projected growth of the City of Solvang.

The services to be performed by the successful proposer are described in the Request for Proposals. Copies of the Request for Proposals are available on the City web site, or from the CITY at:

City Hall
1644 Oak Street
Solvang, CA 93463
(805) 688-5575

Or online at:

www.cityofsolvang.com

All responsive proposals shall be reviewed and evaluated by the CITY in order to determine which proposer best meets the CITY's needs for this PROJECT. The criteria by which the CITY shall evaluate proposals are set forth in the Request for Proposals.

The CITY reserves the right to reject any and all proposals or waive any irregularities in any proposal or the proposal process if in its sole discretion to do so is in the best interest of the CITY.

CITY OF SOLVANG
REQUEST FOR PROPOSALS

Water and Wastewater Rate Study

1. BACKGROUND INFORMATION

The City of Solvang Wastewater Treatment Plant is a Sequencing Batch Reactor plant with a design capacity of 1.5 million gallons per day. The plant is currently receiving approximately 750,000 gallons per day of influent from the City of Solvang and the Santa Ynez Community Services District. The Public Works Wastewater Division is staffed with five City employees; a Wastewater Supervisor, three Wastewater Treatment Plant Operators, and a Collection System Operator.

The City's water system is made up of nearly 41 miles of water mains, six water wells, three reservoirs, two interconnections to Santa Ynez River Water Conservation District - Improvement District 1, and a connection to the Coastal Branch of the State Water Project. Through approximately 2,100 service connections, the City's water system serves a population of approximately 5,900. The Public Works Water Division has a staff of four including a Water Supervisor and three Water Operators. These four operators are responsible for the operation and maintenance of the entire water system.

Administrative and billing functions are provided by the City of Solvang Administrative Services Department through overhead contributions from the Water and Wastewater enterprise Funds to the General Fund.

2. DELIVERY OF PROPOSALS

It is the Proposer's responsibility to ensure that the proposal is received by the City prior to the hour and date for the opening of proposals specified in the Notice of Request for Proposals. The City will receive proposals in the office of the City Clerk, 1644 Oak Street, Solvang, California, up to the hour of **4:00 PM on the 19th day of February, 2021**. Any proposals received by the City after that hour and date shall be returned unopened.

3. FORMAT OF PROPOSALS

All proposals shall be prepared in conformance with the Request for Proposals and submitted in an envelope plainly marked on the outside: "PROPOSAL FOR WATER AND WASTEWATER RATE STUDY– DO NOT OPEN WITH REGULAR MAIL." Six hard copies of the proposals will be required and an electronic version.

4. QUALITY OF PROPOSAL

Unnecessarily elaborate or glossy proposals are neither expected nor desired. The emphasis of the proposal should be on responding to the requirements set forth in this Request for Proposals.

5. CONTENTS OF PROPOSAL

The proposer shall include in its proposal, at a minimum, the following information presented in a clear and concise format, in order to demonstrate the Proposer's competence and professional qualifications for the satisfactory performance of the services outlined in the "Scope of Services" section of this Request for Proposals.

- 5.1. A list of the Proposer's principals, employees, agents, and subconsultants (project team) which the proposer anticipates assigning to this PROJECT. This list shall include a summary of the qualifications, licenses, and experience of each individual; the approximate number of hours each will devote to the PROJECT; and the type of work to be performed by each individual. The CITY will retain under its agreement with the successful Proposer the right of approval of all persons performing under the agreement. Also contact information for the person that will act as project leader including name, title, address, telephone and fax numbers and email address.
- 5.2. An outline of the proposer's understanding of the study.
- 5.3. A list of the most recent projects for which the Proposer Project Team has performed services of similar size, scope, and complexity. This list shall include the name, contact person, address, and phone number of each party for whom the service was provided, as well as a description of the service performed and the dollar amount of the contract, and the date of performance.
- 5.4. A detailed description of the methods by which the Proposer intends to perform the work set forth in the Scope of Services. The description shall include, at a minimum, the following items:
 - 5.4.1. A performance and cost schedule for all services necessary to complete this PROJECT. The proposal should specify the major components, the cost breakdown by major component or phase, and the expected time of completion for each component based on the scope of services outlined in the proposal.
 - 5.4.2. A total proposed "Not to Exceed" cost of the services, including a Fee Schedule describing all charges and hourly rates for services.
 - 5.4.3. Proposed terms for an agreement by which the work shall be performed. The CITY's standard Professional Services Agreement is attached to this Request for Proposals (see Attachment A). The Proposer should specifically indicate, in its proposals, any clauses in the CITY's proposed Agreement which are unacceptable to the proposer. This may be cause for the proposal to be considered as non-responsive.
- 5.5. A statement which discloses any past ongoing or potential conflicts of interest which the CONSULTANT may have as a result of performing the work for this PROJECT.
- 5.6. A statement of intent to provide insurance per the City's standard requirements as described in Attachment B of the Professional Services Agreement.
- 5.7. The Proposal must be signed by an authorized representative of the Proposer.

6. **INTERPRETATIONS OF THE REQUEST FOR PROPOSALS.**

If the Proposer is in doubt as to the meaning of any part of the Request For Proposals, or finds discrepancies in or omissions from the Request For Proposals, the Proposer shall submit to the CITY a written request for an interpretation of clarification prior to the time for opening proposals. All such requests should be clearly labeled "PROPOSAL FOR WATER AND WASTEWATER RATE STUDY" and be addressed to the CITY at:

City Manager
CityHall@CityofSolvang.com

The Proposer shall be responsible for the prompt delivery of the request. The CITY shall not be responsible for any explanation or interpretations of the Request for Proposals other than by written addendum delivered to each Proposer. No oral interpretations of any provision in the Request for Proposals shall be binding upon the CITY.

7. REVIEW OF PROPOSALS.

After the Proposals are received and opened by the CITY, the CITY shall review and evaluate all proposals for responsiveness to the Request for Proposals in order to determine whether the Proposer possesses the professional qualifications necessary for the satisfactory performance of the services required. The CITY shall also investigate qualifications of all proposers to whom the award is contemplated, and the CITY may request clarifications of proposals directly from one or more proposers. It is anticipated that this review period will last up to approximately thirty (30) days. In reviewing the proposals, the CITY will consider the following:

- 7.1. The consultant's understanding of the proposed project, scope of work, and familiarity with the City's water and wastewater funding systems. Suggestions by the consultant for additional tasks to improve the overall success of the project.
- 7.2. The experience and past performance of the Proposer and its agents, employees, and subconsultants (project team) in completing projects of similar type, size and complexity. The CITY may consider Proposer's timely and accurate completion of similar projects within budget.
- 7.3. The feasibility of the proposal based upon the performance, delivery schedules and the methodology to be used by the Proposer.
- 7.4. The clarity, creativeness, and responsiveness to the Request for Proposals.
- 7.5. The total cost of the proposal.

8. AWARD OF AGREEMENT.

Upon completion of the review period, the CITY shall notify the Proposer selected for the Project. The Proposer so notified may be required to provide specific documentation to the CITY. Any delay caused by Proposer's failure to respond to direction from the CITY may lead to a rejection of the Proposal.

- 8.1. If the CITY determines, after further evaluation and negotiation, to award the Agreement, a Professional Services Agreement shall be sent to the successful Proposer for the Proposer's signature. No proposal shall be binding upon the CITY until after the Agreement is signed by duly authorized representatives of both the Contractor and the CITY.
- 8.2. The CITY reserves the right to reject any or all proposals, and to waive any irregularities.
- 8.3. The successful Proposer will be required to obtain a City of Solvang Business Certificate.

9. SCOPE OF SERVICES.

The scope of services set forth in this Request For Proposals represents an outline of the services which the CITY anticipates the successful proposer to perform, and is presented for the primary purpose of allowing the CITY to compare proposals. The precise scope of services to be incorporated into the Professional Services Agreement shall be negotiated between the CITY and the successful proposer. The proposer is encouraged to suggest any changes to the scope of services (as a part of the proposal) in order to achieve the CITY's stated project objective.

The CITY's primary objective for this Request for Proposals is to obtain professional assistance in a timely and cost-effective review of water and wastewater rates, charges, and fees. The detailed scope of work is attached.

Request for Proposals 2021 Water and Wastewater Rate Study

Detailed Scope of Work

The consultant shall prepare and produce a detailed comprehensive Water and Wastewater Rate and Fee Study to enable the City to update its water and wastewater rates, charges, and connection fees to recover operation and capital costs of providing water and sewer service. The scope of work for the study shall include the following:

- Determine current and projected water and wastewater revenue for the next 10 fiscal years.
- Determine current and projected water and wastewater costs based on the City use, and the current Water and Wastewater 10-Year Capital Improvement Programs for the next 10 years.
- Allocate costs between usage rates, charges, and connection fees.
- Review of existing customer classes and provide suggestions for changes to clarify/simplify classes of service. The City is interested in changing from a 2-tier water rate structure to a 3-tier water rate structure with a small Tier 1 range such as 0 to 8 HCF, Tier 2 range such as 9 to 30 HCF, and Tier 3 range of over 30 HCF.
- Allocate costs among customer classes such as commercial, residential, industrial, institutional, etc.
- Develop water and wastewater rate structure, charges, and fees to enable the City to recover costs equitably and in compliance with Prop 218.
- Develop modifications to the City's Code to address water and wastewater rates and fee issues.
- Recommend rate structures that consider and make provision for the following factors:
 - Current and future cost of providing water and wastewater service with established and anticipated standards and regulations.
 - Projected demands. Connection/capacity impact fees for new customers.
 - Funding requirements for all current long term liabilities and debt obligations.
 - Revising existing two-tiered water rate structure to three tiers.
 - Monthly Fire Connection charge.
 - Bulk Water Charge.
 - Construction Meter Charge.
 - Monthly Sub-Meter Charge.
 - Commercial-Industrial domestic and high strength sewer rate structure.
 - Monthly Grease Interceptor Charge.
 - Increasing occurrence of delinquency.
 - Other impacts as identified.
- The consultant shall develop water and wastewater rate models in Microsoft Excel—or other commonly available software—that include monthly service charges, usage charges, and connection capacity charges segregated by customer type (single-family residential, multi-family residential, commercial, industrial, institutional, etc.) to support the revenue requirements for the capital improvement programs and operating budgets. The consultant will work with staff to use this model to review the suggested rate/fee structure scenarios.
- The recommended rate/fee structures shall provide direct identification of revenues appropriated to major funded activities and infrastructure.
- The recommended rate/fee structures shall be consistent with industry practice for established rates in California and comply with Prop 218 and the Revenue Program Guidelines by the State of California Water Resources Control Board.
- The final report shall provide at least two recommended rate/fee alternatives based upon standard rate practice that meet the criteria above and make a recommendation as to which one best meets

the criteria. Include recommendations for revising the City's existing two-tiered rate structure to a three-tiered structure.

- The benefits of any proposed modifications shall be weighed against the financial impacts on ratepayers.
- Justifications for any special classes of customers under the recommended rate structure shall be demonstrated.
- The recommended rate structure shall result in no decrease in stability of the revenue stream to the Water and Wastewater Funds, as compared to the current structure.
- Consideration should be given to funding past and future depreciation (replacement of facilities).
- The recommended rate structure must be easy to administer and understand, by both the customer and the City, and be consistent with all Federal, State, and Local regulations.
- The recommended rate structure shall be planned for at least ten years.
- The revenue program must reflect a rate structure that is tailored to meet the specific needs of the City.
- Include recommendations for Water and Wastewater Fund reserves funding levels, possibly including emergency reserves, rate stability reserves, long term capital reserves, short term capital reserves, and others as may be appropriate.

Following completion of the Water and Wastewater Rate Study, develop a Stormwater Utility Funding Technical Memo. Perform research on the three most common municipal Stormwater Utility funding mechanisms. Review costs associated with the City's Stormwater Management Program, NPDES Permit requirements, and 10-Year Stormwater Capital Improvement Program. Develop a recommended Stormwater Utility funding plan, and present all information, findings and recommendations in a Technical Memo.

The successful firm will provide the City with a detailed list of information required to complete the study. The City will provide the information and records and arrange for management personnel to meet the firm's personnel, once an agreement has been executed between the City and the firm. All requested statistical and financial City reports will be submitted to the requestor in Excel and/or PDF format. The successful firm is expected onsite for an initial kickoff meeting to review the data available and commence the study. Subsequent onsite visits (or video conferences) may be necessary. The complete draft report shall be submitted to the City within 6 months after award of contract. The City recognizes that performance by consultant is dependent upon performance by City and shall make schedule adjustments to reflect any delays caused by City. The consultant and the City will agree in writing on terms for adjustment of project timeline.

The consultant shall attend two progress meetings with City staff at appropriate project milestones. Following review of the draft Study by City staff, consultant shall incorporate and/or address all staff comments. Then the consultant shall attend an initial City Council meeting and present the first draft Study. Based on City Council comments and direction from City staff, consultant shall develop a second draft Study and submit to staff for review. Following review of second draft Study by City staff, consultant shall incorporate and/or address all staff comments. Then the consultant shall attend a second City Council meeting and present the second draft Study. Based on City Council comments and further direction from City staff, consultant shall finalize the Study and submit the Final Study to the City. Consultants shall be available to attend the City Council meeting in which the Final Study is submitted to Council.

Four hard copies and one PDF copy of the first and second draft Studies shall be provided. Ten (10) bound copies, one unbound copy, and the electronic files in Microsoft Word format, of the Final Report shall be submitted to City within 30 days of receipt of City final comments. In addition, the selected firm shall provide the City with an easy to use electronic rate model in MS Excel which can be readily controlled to take into account alternative scenarios before final payment is made.

ATTACHMENT A

PROPOSED PROFESSIONAL SERVICES AGREEMENT

CITY OF SOLVANG PROFESSIONAL SERVICES AGREEMENT

This Professional Service Agreement (“AGREEMENT”) is made upon the date of execution, as set forth below, by and between the City of Solvang (“CITY”), a municipal corporation, and XXX (“CONSULTANT”), a limited liability partnership. The parties hereto, in consideration of the mutual covenants and conditions set forth herein, hereby agree to the following terms and conditions:

1. **TERM**: This AGREEMENT shall commence on XXX and shall remain and continue in effect until tasks described herein are completed, but in no event later than XXX, unless sooner terminated pursuant to the provisions of this AGREEMENT.
2. **SERVICES**: CONSULTANT shall perform the tasks described and set forth in **Exhibit A**, attached hereto and incorporated herein as though set forth in full. CONSULTANT shall complete the tasks according to the schedule of performance which is also set forth in **Exhibit A**. To the extent that **Exhibit A** is a proposal from CONSULTANT, such proposal is incorporated only for the description of the scope of services and no other terms and conditions from any such proposal shall apply to this AGREEMENT unless specifically agreed to in writing. CONSULTANT shall determine the method, details and means of performing the above-referenced services. CONSULTANT may, at their own expense, employ such assistants and sub-consultants, as CONSULTANT deems necessary to perform the services required of CONSULTANT by this AGREEMENT. However, CONSULTANT may not assign this AGREEMENT to any other person or entity in the performance of required project-related services and the CITY may not control, direct or supervise CONSULTANT’S assistants or employees in the performance of those services.
3. **PERFORMANCE**: CONSULTANT shall at all times faithfully, competently, and to the best of his/her ability, experience, and talent, perform all tasks described herein. CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of CONSULTANT hereunder in meeting its obligations under this AGREEMENT. Whenever the scope of work requires or permits approval by the CITY, it is understood to be approval solely for the purposes of conforming to the requirements of the scope of work and not acceptance of any professional or other responsibility for the work. Such approval does not relieve the CONSULTANT of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of CONSULTANT. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this AGREEMENT and all applicable federal, state and local laws. If CONSULTANT is retained to perform services requiring a license, certification, registration or other similar requirement under California law, CONSULTANT shall maintain that license,

certification, registration or other similar requirement throughout the term of this Contract.

4. **AGENCY MANAGEMENT:** CITY MANAGER shall be designated as the Agency Manager and shall represent CITY in all matters pertaining to the administration of this AGREEMENT and review and approval of all products submitted by CONSULTANT, but not including the authority to enlarge the Tasks to be Performed or change the compensation due to CONSULTANT.

5. **PAYMENT:**

- A. The CITY agrees to pay CONSULTANT monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed \$XXX for the total term of the AGREEMENT unless additional payment is approved as provided in this AGREEMENT or an executed amendment thereto. All CONSULTANT invoices must be approved by the CITY MANAGER prior to payment.
- B. CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the CITY MANAGER. CONSULTANT shall be compensated for any additional services in the amounts and in the manner as agreed to by CITY MANAGER and CONSULTANT at the time CITY'S written authorization is given to CONSULTANT for the performance of said services. The CITY MANAGER may approve additional work with the additional authorization of the Council.
- C. CONSULTANT will submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non- disputed fees. If the CITY disputes any of CONSULTANT's fees, it shall give written notice to CONSULTANT within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this AGREEMENT shall be made within forty-five (45) days of receipt of an invoice therefore.

6. **SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE:**

- A. The CITY may at any time, for any reason, with or without cause, suspend or terminate this AGREEMENT or any portion hereof, by serving upon the CONSULTANT at least ten (10) days prior written notice. Upon receipt of said notice, CONSULTANT shall immediately cease all work under this AGREEMENT, unless the notice provides otherwise. If the CITY suspends or

terminates a portion of this AGREEMENT such suspension or termination shall not make void or invalidate the remainder of this AGREEMENT.

- B. In the event this AGREEMENT is terminated pursuant to this Section, the CITY shall pay to CONSULTANT the actual value of the hours worked by CONSULTANT at the rates set forth in Appendix B, its employees and contractors, up to that point. Upon termination of the AGREEMENT pursuant to this Section, the CONSULTANT will submit an invoice to the CITY pursuant to Section 5.

7. OWNERSHIP OF DOCUMENTS:

- A. CONSULTANT shall maintain complete and accurate records with respect to costs, expenses, receipts, and other such information required by CITY that relate to the performance of services under this AGREEMENT. CONSULTANT shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. CONSULTANT shall provide free access to the representatives of CITY or its designee at reasonable times to such books and records, shall permit CITY to make transcripts or copies therefrom as necessary, and shall allow inspection of all work, data, documents, proceedings, and activities related to this AGREEMENT. Such records, together with supporting documents, shall be maintained for a period of three (1) year after receipt of final payment.
- B. Upon completion of, or in the event of termination or suspension of this AGREEMENT, all original documents, notes, and other documents prepared in the course of providing the services to be performed pursuant to this AGREEMENT shall become the sole property of the CITY and may be used, reused, or otherwise disposed of by the CITY without the permission of the CONSULTANT. CITY acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

8. INDEMNITY FOR PROFESSIONAL LIABILITY

- A. When the law establishes a professional standard of care for CONSULTANT's services, to the fullest extent permitted by law, CONSULTANT shall indemnify, protect, defend, and hold harmless CITY and any and all of its officials, employees, and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs, caused in whole or in part by any negligent or wrongful act, error or omission of CONSULTANT, its officers, agents, employees or sub-consultants (or any agency or individual that CONSULTANT shall bear the legal liability thereof) in the performance of professional services under this AGREEMENT.

9. **INSURANCE:** CONSULTANT shall maintain prior to the beginning of and for the duration of this AGREEMENT insurance coverage as specified in Exhibit C attached to and part of this AGREEMENT.
10. **INDEPENDENT CONSULTANT:** CONSULTANT is and shall at all times remain as to the CITY a wholly independent consultant and/or independent contractor. The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times.

A. AVOIDANCE OF CONFLICT OF INTEREST

CONSULTANT may represent, perform services for, and be employed by additional individuals or entities, in CONSULTANT'S sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with CITY'S business or interfere with the timely performance and completion of CONSULTANT'S services under this AGREEMENT.

CONSULTANT shall comply with all conflict of interest laws and regulations including, without limitation, the CITY'S Conflict of Interest Code (on file in the CITY Clerk's Office). All officers, employees and/or agents of CONSULTANT who will be working on behalf of the CITY pursuant to this AGREEMENT may be required to file Statements of Economic Interest. Therefore, it is incumbent upon the CONSULTANT or Consulting Firm to notify the CITY of any staff changes relating to this AGREEMENT.

In accomplishing the scope of services of this AGREEMENT, CONSULTANT(S) will be performing a specialized or general service for the CITY, and there is substantial likelihood that the CONSULTANTS work product will be presented, either written or orally for the purpose of influencing a governmental decision. As a result, the following CONSULTANT(S) shall be subject to the CITY'S Conflict of Interest Code.

B. TOOLS AND INSTRUMENTALITIES

CONSULTANT shall provide all tools and instrumentalities to perform the services under this AGREEMENT.

C. WORKER'S COMPENSATION AND OTHER EMPLOYEE BENEFITS

CITY and CONSULTANT intend and agree that CONSULTANT is an independent contractor of CITY and agree that CONSULTANT and CONSULTANT'S employees and agents have no right to Workers' Compensation and other CITY-sponsored employee benefits. CONSULTANT agrees to provide Workers' Compensation and other employee benefits, where required by law, for CONSULTANT'S employees and agents. CONSULTANT agrees to hold harmless and indemnify CITY for any and all claims arising out of any claim for injury, disability, or death of CONSULTANT and any of CONSULTANT'S employees or agents.

11. OBLIGATIONS OF CITY

A. COOPERATION

CITY agrees to comply with all reasonable requests of CONSULTANT necessary to the performance of CONSULTANT'S duties under this AGREEMENT. CITY employees, agents and officers of the CITY agree to disclose all information relevant to this project to CONSULTANT.

12. TERMINATION

This AGREEMENT shall terminate on XXX, unless earlier extended as set forth in this Section. The CITY, with the agreement of CONSULTANT, is authorized to extend the term of this AGREEMENT beyond the termination date, as needed, under the same terms and conditions as set forth in this AGREEMENT. Any such extension shall be in writing and be an amendment to this AGREEMENT.

13. CONFIDENTIALITY

- A. Confidential Nature of Information. CONSULTANT shall treat all information obtained from the CITY in the performance of this contract as confidential and proprietary to the CITY. CONSULTANT shall treat all records and work product prepared or maintained by CONSULTANT in the performance of this contract as confidential.
- B. Limitation on use and disclosure. CONSULTANT agrees that it will not use any information obtained as a consequence of the performance of work for any purpose other than fulfillment of CONSULTANT'S scope of work. CONSULTANT will not disclose any information prepared for the CITY, or obtained from the CITY or obtained as a consequence of the performance of work to any person other than the CITY, or its own employees, agents or subcontractors who have a need for the information for the performance of work under this contract unless such disclosure is specifically authorized in writing by the CITY.
- C. Survival. CONSULTANT'S obligations under this paragraph shall survive the termination of this contract.

14. MISCELLANEOUS

- A. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this AGREEMENT or by law to be served on or given to any party to this AGREEMENT shall be in writing and delivered or, in lieu of such personal service, when deposited in the United States mail, first class postage prepaid, to the following address for each respective party:

PARTY	ADDRESS
TO: CITY OF SOLVANG	City of Solvang 1644 Oak Street Solvang, CA 93463 Attention: City Clerk

TO: CONSULTANT

B. GOVERNING LAW

This AGREEMENT and all matters relating to this AGREEMENT shall be governed by the laws of the State of California in force at the time, should any need for interpretation of this AGREEMENT or any decision or holding concerning this AGREEMENT arise.

C. BINDING EFFECT

This AGREEMENT shall be binding on and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, but nothing in this Section shall be construed as a consent by CITY to any assignment of this AGREEMENT or any interest in the AGREEMENT.

D. REMEDIES

The remedies set forth in this AGREEMENT shall not be exclusive, but shall be cumulative with, and in addition to, all remedies now or hereafter allowed by law or equity.

E. DUE AUTHORITY

The parties hereby represent that the individuals executing this AGREEMENT are expressly authorized to do so on and in behalf of the parties.

F. OWNERSHIP OF WORK PRODUCT

Upon delivery, the work product, including without limitation, all original reports, writings, recordings, drawings, files, and detailed calculations developed under this contract are the property of the CITY. CONSULTANT agrees that all copyrights, which arise from creation of the work pursuant to this contract, shall be vested in the CITY and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the CITY. CITY acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the CONSULTANT makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

G. INTEGRATION AND MODIFICATION

This contract represents the entire understanding and AGREEMENT of the CITY and CONSULTANT as to those matters contained herein. This AGREEMENT correctly sets forth the obligations of the parties hereto to each other as of the date of this AGREEMENT. All agreements or representations respecting the subject matter of this AGREEMENT not expressly set forth or referred to in this AGREEMENT are null and void. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This contract may not be modified, amended, or altered except in writing signed by the CITY and CONSULTANT.

H. ADVICE OF COUNSEL

The parties agree that they are aware that they have the right to be advised by counsel with respect to the negotiations, terms, and conditions of this contract, and that the decision of whether or not to seek the advice of counsel with respect to this contract is a decision which is the sole responsibility of each of the parties hereto. This contract shall not be construed in favor or against either party by reason of the extent to which each party participated in the drafting of the contract.

I. INDEPENDENT REVIEW

Each party hereto declares and represents that in entering this contract it has relied and is relying solely upon its own judgment, belief and knowledge of the nature, extent, effect and consequence relating thereto. Each party further declares and represents that this contract is being made without reliance upon any statement or representation not contained herein of any other party, or any representative, agent, or attorney of any other party.

J. ATTORNEY FEES

In the event of any controversy, claim or dispute between the parties hereto, arising out of or relating to this AGREEMENT, or the breach hereof, the prevailing party

shall be entitled, in addition to other such relief as may be granted, to a reasonable sum as and for attorney fees.

K. NO WAIVER

The waiver of any breach by any party of any provision of this AGREEMENT shall not constitute a continuing waiver or a waiver of any subsequent breach of this AGREEMENT.

L. ASSIGNMENT

This AGREEMENT is specifically not assignable by CONSULTANT to any person or entity. Any assignment or attempt to assign by CONSULTANT whether it be voluntary or involuntary, by operation of law or otherwise, is void and is a material breach of this AGREEMENT, giving rise to a right to terminate as set forth in Section 4.03.

M. TIME FOR PERFORMANCE

Except as otherwise expressly provided for in this AGREEMENT, should the performance of any act required by this AGREEMENT to be performed by either party be prevented or delayed by reason by any act of God, strike, lockout, labor trouble, inability to secure materials, or any other cause, except financial inability, which is the fault of the party required to perform the act, the time for performance of the act will be extended for a period of time equivalent to the period of delay and performance of the act during the period of delay will be excused: provided, however, that nothing contained in this Section shall exclude the prompt payment by either party as required by this AGREEMENT of the performance of any act rendered difficult or impossible solely because of the financial condition of the party required to perform the act.

N. SEVERABILITY

Should any provision of this AGREEMENT be held by a court of competent jurisdiction or by a legislative or rulemaking act to be either invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall remain in full force and effect, unimpaired by the holding, legislation or rule.

O. CONSTRUCTION

The parties agree that each has had an opportunity to have their counsel review this AGREEMENT and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this AGREEMENT or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provision to which they relate.

P. AMENDMENTS

Amendments to this AGREEMENT shall be in writing and shall be made only with the mutual written consent of all the parties to this AGREEMENT.

Q. SIGNATURES

The individuals executing this contract represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this contract on the following date.

Consultant:

Date: _____

By: _____
Name and Title

City of Solvang:

Date: _____

By: _____
Mayor or City Manager

APPROVED AS TO FORM:

City Attorney:

Richards, Watson & Gershon

Date: _____

By: _____
Dave Fleishman
Interim City Attorney

ATTACHMENT B

INSURANCE REQUIREMENTS

Prior to the beginning of and throughout the duration of the Work, Consultant will maintain insurance in conformance with the requirements set forth below. Consultant will use existing coverage to comply with these requirements. If that existing coverage does not meet the requirements set forth here, Consultant agrees to amend, supplement or endorse the existing coverage to do so. Consultant acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. Any insurance proceeds available to City in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to City.

Consultant shall provide the following types and amounts of insurance:

Commercial General Liability Insurance using Insurance Services Office “Commercial General Liability” policy form CG 00 01 or the equivalent. Defense costs must be paid in addition to limits. There shall be no cross liability exclusion for claims or suits by one insured against another. Limits are subject to review but in no event less than \$1,000,000 per occurrence.

For employees of RPLG, Workers Compensation on a state-approved policy form providing statutory benefits as required by law with employer’s liability limits no less than \$1,000,000 per accident or disease.

Professional Liability or Errors and Omissions Insurance as appropriate shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the consultant and “Covered Professional Services” as designated in the policy must specifically include work performed under this agreement. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. The policy must “pay on behalf of” the insured and must include a provision establishing the insurer’s duty to defend. The policy retroactive date shall be on or before the effective date of this agreement.

Insurance procured pursuant to these requirements shall be written by insurers that are admitted carriers in the state of California and with an A.M. Bests rating of A- or better and a minimum financial size VII.

General conditions pertaining to provision of insurance coverage by Consultant. Consultant and City agree to the following with respect to insurance provided by Consultant:

1. No liability insurance coverage provided to comply with this Agreement shall prohibit Consultant, or Consultant’s employees, or agents, from waiving the right of subrogation prior to a loss. Consultant agrees to waive subrogation rights against City regardless of the applicability of any insurance proceeds, and to require all contractors and subcontractors to do likewise.
2. All insurance coverage and limits provided by Contractor and available or applicable to this agreement are intended to apply to the full extent of the policies. Nothing contained in this

Agreement or any other agreement relating to the City or its operations limits the application of such insurance coverage.

3. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.
4. No liability policy shall contain any provision or definition that would serve to eliminate so-called "third party action over" claims, including any exclusion for bodily injury to an employee of the insured or of any contractor or subcontractor.
5. All coverage types and limits required are subject to approval, modification and additional requirements by the City, as the need arises. Consultant shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect City's protection without City's prior written consent.
6. Proof of compliance with these insurance requirements, consisting of certificates of insurance evidencing all of the coverages required and an additional insured endorsement to Consultant's general liability policy, shall be delivered to City at or prior to the execution of this Agreement. 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, City has the right, 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 City shall be charged to and promptly paid by Consultant or deducted from sums due Consultant, at City option.
7. Certificate(s) are to reflect that the insurer will provide 30 days notice to City of any cancellation of coverage. Consultant agrees to require its insurer to modify such certificates to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, or that any party will "endeavor" (as opposed to being required) to comply with the requirements of the certificate.
8. It is acknowledged by the parties of this agreement that all insurance coverage required to be provided by Consultant or any subcontractor, is intended to apply first and on a primary, non-contributing basis in relation to any other insurance or self-insurance available to City.
9. Consultant agrees to ensure that subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with subcontractors and others engaged in the project will be submitted to City for review.
10. Consultant agrees not to self-insure or to use any self-insured retentions or deductibles on any portion of the insurance required herein and further agrees that it will not allow any contractor,

subcontractor, Architect, Engineer or other entity or person in any way involved in the performance of work on the project contemplated by this agreement to self-insure its obligations to City. If Consultant's existing coverage includes a deductible or self-insured retention, the deductible or self-insured retention must be declared to the City. At that time the City shall review options with the Consultant, which may include reduction or elimination of the deductible or self-insured retention, substitution of other coverage, or other solutions.

11. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City will negotiate additional compensation proportional to the increased benefit to City.
12. For purposes of applying insurance coverage only, this Agreement will be deemed to have been executed immediately upon any party hereto taking any steps that can be deemed to be in furtherance of or towards performance of this Agreement.
13. Consultant acknowledges and agrees that any actual or alleged failure on the part of City to inform Consultant of non-compliance with any insurance requirement in no way imposes any additional obligations on City nor does it waive any rights hereunder in this or any other regard.
14. Consultant will renew the required coverage annually as long as City, or its employees or agents face an exposure from operations of any type pursuant to this agreement. This obligation applies whether or not the agreement is canceled or terminated for any reason. Termination of this obligation is not effective until City executes a written statement to that effect.
15. Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Proof that such coverage has been ordered shall be submitted prior to expiration. A coverage binder or letter from Consultant's insurance agent to this effect is acceptable. A certificate of insurance and/or additional insured endorsement as required in these specifications applicable to the renewing or new coverage must be provided to City within five days of the expiration of the coverages.
16. The provisions of any workers' compensation or similar act will not limit the obligations of Consultant under this agreement. Consultant expressly agrees not to use any statutory immunity defenses under such laws with respect to City, its employees, officials and agents.
17. Requirements of specific coverage features or limits contained in this section are not intended as limitations on coverage, limits or other requirements nor as a waiver of any coverage normally provided by any given policy. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue, and is not intended by any party or insured to be limiting or all-inclusive.

18. These insurance requirements are intended to be separate and distinct from any other provision in this agreement and are intended by the parties here to be interpreted as such.
19. The requirements in this Section supersede all other sections and provisions of this Agreement to the extent that any other section or provision conflicts with or impairs the provisions of this Section.
20. Consultant agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Consultant for the cost of additional insurance coverage required by this agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.
21. Consultant agrees to provide immediate notice to City of any claim or loss against Consultant arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

ATTACHMENT C

SCHEDULE OF FEES

Water and Wastewater Related Fees:

Description of Fees	Fee
Meter Downsizing - ¾ inch to 5/8 inch	\$ 269
Meter Downsizing - 1 inch to 5/8 inch	\$ 269
Meter Downsizing - 1 inch to 3/4 inch	\$ 317
Meter Downsizing - 1 ½ inch to 1 inch	\$ 375
Meter Downsizing - Other sizes	T & M
Meter Test (deposit)	\$ 25
Temporary Service-	\$ 100
Temporary water rates-basic connection & removal of service facilities	\$ 100
Temporary water-each additional move of facilities	\$ 15.75
Metered water consumption per 100 cubic feet	\$ 3.26
Bulk water Tankers up to 2,500 gallons	\$ 3.26/ hcf
Bulk water Tankers in excess o 2,500 gallons, per ea. 2,500 gallons	\$ 3.26/ hcf
Private fire protection system standby charge	\$ 2.75/ inch
Water Connection Fees 5/8 inch - ¾ inch	\$ 8,740
Water Connection Fees ¾ inch	\$ 13,109
Water Connection Fees 1 inch	\$ 21,849
Water Connection Fees 1 ½ inch	\$ 43,689

Water Connection Fees 2 inch	\$ 69,916
Water Connection Fees 3 inch	\$ 139,833
Water Connection Fees 4 inch	\$ 218,489
Water Connection Fees 6 inch	\$ 436,978
Wastewater Connection Fees 5/8 inch - ¾ inch	\$ 4,673
Wastewater Connection Fees ¾ inch	\$ 7,010
Wastewater Connection Fees 1 inch	\$ 11,683
Wastewater Connection Fees 1 ½ inch	\$ 23,366
Wastewater Connection Fees 2 inch	\$ 37,386
Wastewater Connection Fees 3 inch	\$ 74,772
Wastewater Connection Fees 4 inch	\$ 116,831
Wastewater Connection Fees 6 inch	\$ 233,661
Reconnection fee-nonpayment	\$ 25
Reconnection fee-failure to address backflow device	\$ 50

Water and Wastewater Rates

MONTHLY WATER RATE SCHEDULE

On a monthly basis, every connection to the Water system will be subject to both a Base Rate and a Quantity Rate, as follows:

Base Rate Per Connection, All Water Connections

Meter Size	2015 (Current)
5/8-Inch	75.43
3/4-Inch	113.15
1-Inch	188.58
1 1/2-Inches	377.17
2-Inches	603.47
3-Inches	1,206.94
4-Inches	1,885.84
6-Inches	3,771.68
8-Inches	6,034.69

Quantity Rate Per 100 Cubic Feet, Single Family Residential Users

Cubic Feet	2015
0 to 1,600	\$3.45

1,601 & above	4.05
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Quantity Rate Per 100 Cubic Feet, All Other Users

Cubic Feet	2015
All	\$3.75

All Water users outside City limits are subject to 1.5 times the above-listed rates.

MONTHLY SEWER RATE SCHEDULE

On a monthly basis, every connection to the Sewer system will be subject to either a Base Rate or a Quantity Rate and Minimum Rate, as follows:

Base Rate Per Dwelling Unit, Residential Sewer Users

User Class	2015
Single Family	\$34.65
Multi-Family	34.65

Quantity Rate Per 100 Cubic Feet of Water Consumption, Commercial and Industrial Users

User Class	2015
Domestic-Strength	\$2.85
High-Strength	7.42

Minimum Rate Per Connection, Commercial and Industrial Users

User Class	2015
All	\$34.65

All Sewer Users outside City limits are subject to 1.5 times the above-listed rates.