

**CONSULTANT AGREEMENT BETWEEN THE CITY OF SANTA ANA AND  
STEARNS, CONRAD & SCHMIDT, CONSULTING ENGINEERS, INC. FOR A COST-  
OF-SERVICE STUDY FOR THE SANITATION SERVICES USERS CHARGE**

THIS AGREEMENT is made and entered into on this 1<sup>st</sup> day of August, 2023 by and between Stearns, Conrad & Schmidt, Consulting Engineers, Inc. ("Consultant"), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California ("City").

**RECITALS**

- A. The City desires to retain a Consultant having special skill and knowledge in conducting a cost of service study for the Sanitation Services User Charge ("Sanitation Fee")
- B. Consultant represents that Consultant is able and willing to provide such services to the City.
- C. In undertaking the performance of this Agreement, Consultant represents that it is knowledgeable in its field and that any services performed by Consultant under this Agreement will be performed in compliance with such standards as may reasonably be expected from a professional consulting firm in the field.

**NOW THEREFORE**, in consideration of the mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

**1. SCOPE OF SERVICES**

Consultant shall perform during the term of this Agreement, the tasks and obligations including all labor, materials, tools, equipment, and incidental customary work required to fully and adequately complete the services described and set forth in **Exhibit A**, attached hereto and incorporated by reference.

**2. COMPENSATION**

- a. City agrees to pay, and Consultant agrees to accept as total payment for its services for City, the rates and charges identified in **Exhibit B** and incorporated herein by this reference. The total amount to be expended during the term of this Agreement shall not exceed \$82,875, which includes a contingency amount of \$16, 575.
- b. Payment by City shall be made within forty-five (45) days following receipt of proper invoice evidencing work performed, subject to City accounting procedures. Payment need not be made for work which fails to meet the standards of performance set forth in the Recitals which may reasonably be expected by City.

### 3. TERM

This Agreement shall commence on the date first written above for a **three (3) year term** with the option for the City to grant up to **one (1) two (2)-year** renewal, exercisable by a writing by the City Manager and the City Attorney, unless terminated earlier in accordance with Section 15, below.

### 4. INDEPENDENT CONTRACTOR

Consultant shall, during the entire term of this Agreement, be construed to be an independent Consultant and not an employee of the City. This Agreement is not intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow the City to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject matter of this Agreement; however, the services to be provided by Consultant shall be provided in a manner consistent with all applicable standards and regulations governing such services. Consultant shall pay all salaries and wages, employer's social security taxes, unemployment insurance and similar taxes relating to employees and shall be responsible for all applicable withholding taxes.

### 5. OWNERSHIP OF MATERIALS

All drawings, specifications, reports, notes and data developed pursuant to this Agreement are instruments of service, and as such the original documents and data are and remain the property of Consultant. Consultant grants a non-exclusive, perpetual license to use the deliverables (Documents & Data), identified in **Exhibit A**, to the City, as well as permission to sublicense the Documents & Data to others solely for the purpose of performing obligations related to this Agreement. Consultant shall require all subcontractors to agree in writing that Documents & Data prepared pursuant to this Agreement in their subcontracting agreements grant a non-exclusive, perpetual license to use its deliverables, as well as sublicense such Documents & Data to the City as well as others, solely for the purpose of performing obligations pertaining to or related to this Agreement. Consultant agrees that it has the legal right to license Documents & Data. Consultant makes no representation that it has any legal right to license nor has any obligation as to the accuracy or content of documents or data provided to Consultant by the City.

### 6. INSURANCE

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, his agents, representatives, employees or subcontractors.

#### MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be *at least as broad as*:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including property damage, bodily injury and personal &

advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be between the required occurrence limit.

- **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Consultant has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
- **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease.
- **Professional liability** (errors and omissions) insurance, with a combined single limit of not less than \$1,000,000 per claim with \$2,000,000 in the aggregate.

**If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.**

#### ***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

#### **Other Insurance Provisions**

The general liability policy is to contain, or be endorsed to contain, the following provisions:

1. **The City, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds** with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
2. For any claims related to this contract, the **Consultant's insurance coverage shall be primary** insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, agents, and volunteers.
3. The Insurance Company agrees to **waive all rights of subrogation** against the City, its elected or appointed officers, officials, agents, and employees for losses paid under the terms of any policy which arise from work performed by the Consultant for the City. This provision also applies to the Consultant's Workers' Compensation policy.
4. Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

#### ***Acceptability of Insurers***

Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to the City.

### ***Verification of Coverage***

Consultant shall furnish the City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to City before work begins. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications, at any time.

### ***Special Events Coverage for Contractors***

Special events coverage is available for an additional fee to provide the liability insurance required by this agreement. Consultant can obtain additional information and cost from the City.

### ***Subcontractors***

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.

### ***Special or Low Risk Activities***

City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. The City reserves the right to modify or waive insurance requirements for certain low risk recreational activities.

## **7. INDEMNIFICATION**

Consultant agrees to defend, and shall indemnify and hold harmless the City, its officers, agents, employees, contractors, special counsel, and representatives from liability for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Contractor, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the services described in section 1 of this Agreement. This indemnity and hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this Section or by reason of the terms of, or effects, arising from this Agreement. The Consultant further agrees to indemnify, hold harmless, and pay all costs for the defense of the City, including fees and costs for special counsel to be selected by the City, regarding any action by a third party challenging the validity of this Agreement, or asserting that personal injury, damages, just compensation, restitution, judicial or equitable relief due to personal or property rights arises by reason of the terms of, or effects arising from this Agreement. City may make all reasonable decisions with respect to its representation in any legal proceeding. Notwithstanding the foregoing, to the extent Contractor's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor.

## **8. INTELLECTUAL PROPERTY INDEMNIFICATION**

Consultant shall defend and indemnify the City, its officers, agents, representatives, and employees against any and all liability, including costs, for infringement of any United States'

letters patent, trademark, or copyright infringement, including costs, contained in the Documents & Data provided by Consultant to the City pursuant to his Agreement.

## **9. RECORDS**

Consultant shall keep records and invoices in connection with the work to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any services, expenditures, and disbursements charged to the City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of the City to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement during regular business hours. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

## **10. CONFIDENTIALITY**

Consultant shall not disclose, or permit disclosure of any information designated by the City as confidential, except to its employees and other consultants who need such information in order to properly execute the services of this Agreement. This provision shall not apply to information which: (1) has been published and is in the public domain, (2) has been provided to Consultant by third parties who have the legal right to possess and disclose the information, (3) was in the possession of Consultant prior to the disclosure of such information to Consultant by the City, (4) is required by law or any governmental agency to be disclosed, or (5) would require disclosure to comply with the ethical obligations of Consultant to protect the public.

## **11. CONFLICT OF INTEREST CLAUSE**

Consultant covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

## **12. NON-DISCRIMINATION**

Provider shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, gender identity, gender expression, gender, medical conditions, genetic information, or military and veteran status, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, teaching, training, utilization, promotion, termination or other employment related activities or any services provided under this Agreement. Provider affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

### **13. EXCLUSIVITY AND AMENDMENT**

This Agreement represents the complete and exclusive statement between the City and Contractor, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of Contractor. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in addition to, the terms and conditions hereof, shall not bind or obligate Consultant or the City. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein.

### **14. ASSIGNMENT**

Inasmuch as this Agreement is intended to secure the specialized services of Contractor, Consultant may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the City and any such assignment, transfer, delegation or subcontract without the City's prior written consent shall be considered null and void. Nothing in this Agreement shall be construed to limit the City's ability to have any of the services which are the subject to this Agreement performed by City personnel or by other Contractors retained by City.

### **15. TERMINATION**

This Agreement may be terminated by the City upon thirty (30) days written notice of termination. In such event, Consultant shall be entitled to receive and the City shall pay Consultant compensation for all services performed by Consultant prior to receipt of such notice of termination, subject to the following conditions:

- a. As a condition of such payment, the Executive Director may require Consultant to deliver to the City all work product(s) completed as of such date, and in such case have a perpetual license to use the Documents & Data consistent with Section 5 of this Agreement.
- b. Payment need not be made for work which fails to meet the standard of performance specified in the Recitals of this Agreement.

### **16. WAIVER**

No waiver of breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure or right, or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

## **17. JURISDICTION - VENUE**

This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

## **18. PROFESSIONAL LICENSES**

Consultant shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Santa Ana and all other governmental agencies. Consultant shall notify the City immediately and in writing of its inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.

## **19. NOTICE**

Any notice, tender, demand, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by fax or other telegraphic communication in the manner provided in this Section, to the following persons:

To City:

Clerk of the City Council  
City of Santa Ana  
20 Civic Center Plaza (M-30)  
P.O. Box 1988  
Santa Ana, CA 92702-1988  
Fax: 714- 647-6956

With courtesy copies to:

Executive Director, Public Works Agency  
City of Santa Ana  
20 Civic Center Plaza (M-xx)  
P.O. Box 1988  
Santa Ana, California 92702

To Contractor:

Vita Quinn  
MBA Director of Management Services  
Stearns, Conrad & Schmidt, Consulting Engineers, Inc.  
4683 Chabot Drive, Suite 200  
Pleasanton, CA 94588

A party may change its address by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address. If sent by mail, communication shall be effective or deemed to have been given three (3) days after it has been deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by fax, communication shall be effective or deemed to have been given twenty-four (24) hours after the time set forth on the transmission report issued by the transmitting facsimile machine, addressed as set forth above. For purposes of calculating these time frames, weekends, federal, state, County or City holidays shall be excluded.

## **20. MISCELLANEOUS PROVISIONS**

- a. Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify City fully, including reasonable costs and attorney's fees, for any injuries or damages to City in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.
- b. All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement.

*[Space left intentionally blank]*

*[Signatures on the following page]*



IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

**ATTEST:**

**CITY OF SANTA ANA**

\_\_\_\_\_  
Jennifer L. Hall  
City Clerk

\_\_\_\_\_  
Kristine Ridge  
City Manager

**APPROVED AS TO FORM:**

SONIA R. CARVALHO  
City Attorney

**CONSULTANT:**

By: Jose Montoya  
Jose Montoya  
Assistant City Attorney

Carlo Lebron  
~~Vita Quinn~~  
~~MBA Director of Management Services~~  
Carlo Lebron  
Senior Vice President

**RECOMMENDED FOR APPROVAL:**

\_\_\_\_\_  
Nabil Saba, P.E.  
Executive Director  
Public Works Agency

## **EXHIBIT A**



## CITY OF SANTA ANA

### EXHIBIT I

### SCOPE OF SERVICES

Contractor shall perform services as set forth below.

#### **I. SCOPE OF SERVICE:**

The City of Santa Ana is a full-service city with a population of over 335,000, encompassing 27 square miles. Santa Ana is the second largest city in Orange County, the eleventh largest in the state, and the 57th largest in the nation. Incorporated in 1886, Santa Ana has long been the County's government powerbase and serves as the County seat. With a total budget of \$760.2 million, Santa Ana provides public safety, quality-of-life programming, and general & utility services to its residents and business community. The Sanitation Services Users Charge (Sanitation Fee/Sanitation Enterprise) as defined in the Santa Ana Municipal Code Chapter [18 Article XII](#) is 1% of the total budget providing two services: Environmental Sanitation/Weed Abatement and Roadway Cleaning/Street Sweeping. Sanitation services are provided through a combination of city employees and private contractors. The approved Sanitation Enterprise budget for Fiscal Year 2022-23 is \$7.6 million.

The City maintains 400 miles of public right-of-way by removing hazardous material, vegetation, industrial emissions, and litter. The Sanitation Enterprise support efforts to help ensure an equitable approach to cleaning debris and pollutants along curbed streets, helping prevent contamination of local waters and damaging aquatic life and marine ecosystems.

#### **II. DESCRIPTION OF WORK:**

Consultant shall prepare a cost of service study and make recommendations for implementing a rate in compliance with California Proposition 218 requirements (anticipated implementation date January 2024). The goals of the study are to:

- A. Propose sanitation rates in accordance with California Constitution (Prop 218), and all applicable laws, that are fair, objective and fiscally appropriate for Santa Ana, covering a ten (10) year study period, including, but not limited to:
  1. Ongoing operations and service enhancements;
  2. A prudent reserve program for operating;
  3. Capital replacement and emergencies; and
  4. Identification of customer life-line programs.
- B. Evaluate existing department operations and budgets, identify the current level of service, and estimate the future level of service.
- C. Evaluate existing department operations and budgets with non-prevailing wage contractor (street sweeping contract) requirement(s) and identify minimum service levels that will be feasible given the recent enactment of prevailing wage (street sweeping contract).
- D. Minimize rate impacts to customers to the greatest extent possible.
- E. Identify existing and potential funding mechanisms to finance department operations and capital improvements.



## CITY OF SANTA ANA

### **Key issues that will impact the overall study are:**

1. Continuous increase in cost due to current economic climate.
2. Santa Ana's historic effort to tackle the housing crisis is seeing an influx of redevelopment projects, increasing the City's footprint.

### **III. CONTRACTOR REQUIREMENTS & RESPONSIBILITIES**

#### **I. TASK 1 - SANITATION PROGRAM EVALUATION**

##### **A. GENERAL**

The City sweeps approximately 54,000 curb miles; responds to over 15,000 service requests for roadway cleaning annually, 2,000 environmental sanitation/weed abatement violations, and more than 1,600 reports to obstructions in the public right-of-way.

##### **B. CONTENT/TASKS**

1. Consultant shall review and become familiar with the operation and all pertinent historical performance and financial data. Consultant shall review the following at minimum:
  - a. Surrounding municipalities to establish service level;
  - b. Current and recent budgets and Annual Comprehensive Financial Report (ACFR);
  - c. Background information for the operation including existing regulatory requirements, and other contractual requirements and operations;
  - d. Historical revenues, operating expenses, reserve policies (i.e., working capital and renewal and replacement), approved rates and charges, customer information and number of units; and
  - e. Review other pertinent data as necessary.
2. Consultant shall prepare an "Existing Cost of Service Summary" technical memorandum or executive summary of the existing financial condition of the sanitation enterprises. This summary shall identify:
  - a. The cost of service gaps or discrepancies between the existing rate structure(s);
  - b. The projected maintenance, operations and capital spending plans; and
  - c. The effects of current financial/economic climate.

This summary will also identify the strategy the consultant intends to use to close any cost of service gaps identified.

##### **C. DELIVERABLES**

1. Existing Cost of Service Summary
  - a. Digital Copy (PDF)
  - b. Printed Copies (5)



## CITY OF SANTA ANA

### II. TASK 2 - COST OF SERVICE RATE MODEL & SCENARIO DEVELOPMENT

#### A. GENERAL

As part of the work required in preparing a comprehensive cost of service and rate study report, the Consultant may develop various forecasting models, projections, and rate adjustment scenarios for the City's consideration. The cost of service rate model and scenario covers, but is not limited to, all expenses related to Sanitation Services, including Environmental Sanitation, Weed Abatement, Roadway Cleaning, Street Sweeping, and any other costs identified during the process.

#### B. CONTENT/TASKS

Consultant shall perform the following tasks:

1. Classify functional expenses to cost components: capacity (demand) costs (e.g., Environmental Sanitation, Weed Abatement, Roadway Cleaning, Street Sweeping), commodity costs - related to Sanitation Services, customer costs and other direct costs;
2. Classify operating, administrative, operations and maintenance (O&M) expenses, collection/disposal cost, and reserve fund requirements;
3. For each rate scenario, assess the sensitivity of the projected results to changes in certain key variables, including but not limited to, changes in units changes and changes in the cost of the operation.
4. Propose changes to existing or creation of new sanitation fees and surcharges, as are necessary and/or expedient to achieving the goals of the study.
5. The rate design shall continue to support current service level for all customer classes, provide funding for capital replacement while ensuring the ability of the sanitation enterprises to meet fixed and variable cost obligations.

#### C. DELIVERABLES

There are no deliverables for this section. Consultant shall meet and confer with City in regards to the cost of service rate model development and various scenarios prior to preparing report.

### III. TASK 3 - COST OF SERVICE REPORT

#### A. GENERAL

Consultant shall prepare comprehensive cost of service reports which satisfies the City's stated goals in Section II, "Description of Work" above.

**At a minimum the reports shall be comprised of the following:**

1. Executive Summary
2. Introduction/Background including discussions on
  - a. Purpose of study
  - b. Applicable laws and regulatory framework
  - c. Generally accepted rate setting standards
3. Revenue Requirements



## CITY OF SANTA ANA

4. Cost allocation methodology
5. Recommendations
6. California Proposition 218 Compliant Notices
  - a. Prepare rate adjustment notices compliant with Proposition 218 requirements. Notices will be prepared in three languages, English, Spanish and Vietnamese. Notices to be delivered electronically as Microsoft Word document.
  - b. Pass-through adjustment formula and means of establishing pass through adjustments shall be explicitly stated.

### B. CONTENT/TASKS

Perform a fully allocated sanitation rate study tailored for Santa Ana, including the following:

1. A rate structure based on cost of service sufficient to meet the revenue requirements of the sanitation enterprise;
2. Classify functional expenses to cost components: capacity (demand) costs (e.g., Environmental Sanitation, Weed Abatement, Roadway Cleaning, Street Sweeping), commodity costs - related to Sanitation Services, customer costs and other direct costs;
3. Classify operating, administrative, operations and maintenance (O&M) expenses, collection/disposal cost, and reserve fund requirements;
4. A rate structure that considers and makes provisions for the following factors:
  - a. Current and future cost of providing sanitation services in accordance with established and anticipated standards and regulations.
  - b. A recommended sanitation rate structure that is in compliance with Proposition 218;
5. Provide a comparison of current sanitation rates to comparable surrounding sanitation program;
6. The type and amount of reserves appropriate to the City's sanitation operations taking into consideration reserves for cash flow, catastrophes, infrastructure replacement (proprietary assets) and other appropriate purposes;
7. A comparison of customer groups and cost of service with neighboring municipalities of comparable size, type of treatment, and level of service;
8. A review and analysis of current rate and fee structures. Consultant should recommend changes if appropriate; and
9. Consultant shall assess the recommended rate structures and their impacts on the ability to fund sanitation operations as well as their impact on the City's rate payers;
10. A review of elderly low-income and sanitation rate programs provided by other agencies and propose appropriate elderly low-income sanitation rate for Santa Ana;
11. The benefits of any proposed rate modifications shall be weighed against the financial impacts on the ratepayers. Consultant shall analyze the proposed rates for customer impacts and develop alternative rates modeled to address financial impacts on ratepayers. The analysis shall include:



## CITY OF SANTA ANA

- a. Preparation of typical bill comparisons for each proposed rate structure for representative customer classes using the current rate schedules as a baseline.
- b. Compare customer class and proposed rate structures with neighboring agencies of comparable service area.

### C. DELIVERABLES

Consultant shall deliver at a minimum the following:

1. Final Cost of Service Reports
  - a. Digital Copy (PDF)
  - b. Printed and Bound Copies (15) of each
2. Proposition 218 Compliant Notice
  - a. Digital Copy (PDF and MS Word)
3. Pass-through adjustment calculator
  - a. Digital Copy (MS Excel or similar)

Consultant shall meet with the City to discuss the report's outcome and explain in detail the full parameters and outcomes discussed in the report. In addition, the Consultant shall meet with the City to review a draft copy of the report before submitting the final report.

### IV. PUBLIC MEETINGS & PRESENTATIONS

Consultant shall participate, as requested by City, at both staff and public meetings. Consultant shall expect to make presentations regarding the results of the cost of service study to City executive staff, Mayor and Council and the general public. For purposes of this RFP, Consultant shall be required to attend a minimum six (6) meetings in the range of two (2) – four (4) hours in length in person.

### V. KICKOFF MEETING

Consultant shall attend one (1) contract kick-off meeting at the City's Corporate Yard located at 215 S. Center St., Santa Ana, CA 92703 at which City staff will share contact information, safety and security protocols, and familiarize the Consultant with the City's sites and equipment.

### VI. PROJECT MANAGEMENT & COORDINATION

Consultant shall not proceed with any work without the approval of the City's designated Project Manager. Consultants shall invoice the City on a monthly basis for all work performed during the period. Each invoice shall be accompanied by a summary of tasks performed, results, and progress on long-term tasks (if any).

### VII. MIDTERM REVIEW

The City intends to implement a five-year rate structure as determined appropriate by the results of the cost of service study. Consultant shall perform a midterm review (either at Year 2 or 3 of implementation) of the adopted rate structure, revenues and expenditures, and make recommendations/findings as to the need for any midterm rate adjustments to meet the City's stated goals. The Consultant shall deliver an addendum report to the initial study presenting



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said recommendations. The Consultant will provide an updated Proposition 218 notice if requested by the City.

### VIII. VALUE-ADDED RELATED SERVICES

Consultant may propose additional related services that the City has not specifically identified in this RFP to accomplish the stated goals of this RFP. Value-added related services will be considered by the City and may or may not be incorporated in the Agreement.

### IX. FEE SCHEDULE

Consultant shall submit a fee schedule in a separate file as described in Section VII.F.3 - **RESPONSE TO RFP – PROPOSAL CONTENTS**.

Fee proposal shall be outlined as follows:

1. Fee for preparing Cost of Service Report (Items I – VI)
2. Fee for performing midterm review (Item VII)
3. Firm's standard hourly fee schedules
4. Optional: Fee for any proposed value-added services, if any (item VIII)

### X. TERMINATION

The City reserves the right to terminate the contract, without penalty, for cause immediately or without cause.


1. This agreement may be terminated without cause by City upon thirty (30) days written notice delivered to the Contractor either personally or by mail. Upon termination, City shall pay to Contractor that portion of compensation specified in the Agreement that is earned and unpaid prior to the effective date of termination.
2. In addition to, or in lieu of, remedies provided in this Agreement or pursuant to law, City shall have the right to withhold all or a portion of Contractor's compensation for contract services if, in the judgment of the Projects Manager or designee, falls below appropriate standards and/or Contractor fails to satisfactorily perform contract services.

### XI. CONTRACTOR OPTION FOR TERMINATION

In the event of nonpayment of undisputed sums by the City, Contractor shall give the City a minimum of thirty (30) working days to cure the alleged breach.



## **EXHIBIT B**



## FEE PROPOSAL

Our services are offered for a fixed fee.

To ensure that the City receives the services it requires at the agreed upon price, we propose to offer our services for a **fixed fee of \$47,700**. The fee includes the scope for all services described in this proposal, in response to the Scope of Services requested, and will be **billed monthly on a percent complete basis**.

| Project Steps                | Fee              |
|------------------------------|------------------|
| Project Initiation           | \$ 1,925         |
| Revenue Sufficiency Analysis | \$ 8,825         |
| Cost to Provide Services     | \$ 8,725         |
| Rate Structure Analysis      | \$ 10,050        |
| Rate Benchmarking            | \$ 2,475         |
| Ordinance/Policy Review      | \$ 6,200         |
| Presentation of Results      | \$ 9,500         |
| <b>Total</b>                 | <b>\$ 47,700</b> |
| Midterm Update               | \$ 18,600        |

Additionally, we have provided the cost for the midterm update. In the event that the City requires any services not detailed in this proposal, work can be completed on an hourly basis using the fees on the next page, or we can provide a separate, fixed fee proposal for those additional services.

## Hourly Rates

### SCS ENGINEERS FEE SCHEDULE

(Effective January 1, 2023 through December 31, 2023)

| Labor Category                        | Rate  |
|---------------------------------------|-------|
| Principal/Business Unit Director..... | \$255 |
| Project Director .....                | \$240 |
| Senior Project Advisor .....          | \$225 |
| Senior Project Manager .....          | \$205 |
| Project Manager II .....              | \$185 |
| Project Manager I .....               | \$175 |
| Project Advisor.....                  | \$165 |
| Senior Project Professional II.....   | \$165 |
| Senior Project Professional I .....   | \$155 |
| Senior Designer .....                 | \$145 |
| Project Professional II .....         | \$140 |
| Project Professional I .....          | \$130 |
| Designer .....                        | \$120 |
| GIS Analyst.....                      | \$120 |
| Staff Professional II.....            | \$117 |
| Staff Professional I.....             | \$110 |
| Senior Superintendent .....           | \$135 |
| Analyst III .....                     | \$115 |
| Analyst II .....                      | \$110 |
| Data Analyst .....                    | \$105 |
| Analyst I .....                       | \$100 |
| Senior Technician .....               | \$110 |
| Associate Staff Professional .....    | \$100 |
| Drafter .....                         | \$95  |
| Technical Associate.....              | \$95  |
| Technician .....                      | \$90  |
| Secretarial/Clerical.....             | \$90  |

#### General Terms:

1. The hourly and reimbursable rates are effective through December 31, 2023. Work performed thereafter is subject to a new Fee Schedule issued for the period beginning January 1, 2024.
2. The above rates include salary, overhead, administration, and profit. Other direct expenses, such as analyses of air, water and soil samples, reproduction, travel, subsistence, subcontractors, computers, and other reimbursable fees, are billed in accordance with the attached reimbursable fee schedule, or at cost plus 15 percent for administration.
3. For special situations, such as expert court testimony, hourly rates for principals of the firm will be on an individually-negotiated basis.