

**CITY OF RICHMOND
STANDARD CONTRACT**

Department:	City Project Manager:
City Project Manager E-mail:	City Project Manager Phone No:
Vendor No:	Contract No:
Description of Services:	

The parties to this STANDARD CONTRACT do mutually agree and promise as follows:

1. **Parties.** The parties to this Contract are the City of Richmond, a municipal corporation (“the City”), and the following named Contractor:

Contractor Name: _____

Street Address: _____

City, State, Zip Code: _____

Contact Person: _____

Telephone: _____

Email: _____

Business License No: _____

A California corporation, limited liability corporation general partnership,
 limited partnership, individual, non-profit corporation, individual dba as [specify:] _____
 other [specify:] _____

2. **Term.** The effective date of this Contract is _____ and terminates _____ unless terminated earlier as set forth herein.

3. **Payment Limit.** City’s total payments to Contractor under this Contract shall not exceed \$_____ (“Contract Payment Limit”) unless a Contract Amendment has been approved by the City Council or City Manager. If this amount includes a contingency, Contractor acknowledges that any use of such contingency shall be for work beyond the original scope of services and requires prior written authorization by the City. If noted below, Compensation for work done under this Contract, shall not exceed as follows:

FY _____ total compensation shall not exceed \$_____

FY _____ total compensation shall not exceed \$_____

FY _____ total compensation shall not exceed \$_____

4. **Contractor’s Obligations.** Contractor agrees to perform all work at its own cost and expense, to furnish all labor, tools, equipment, materials, except as otherwise specified, in accordance with the Service Plan set forth in Exhibit A, attached hereto and incorporated herein.

5. **City Obligations.** City shall make payments to the Contractor in accordance with the Payment Provisions set forth in Exhibit B, attached hereto and incorporated herein.

6. Authorized Representatives and Notices. This Contract is subject to the Authorized Representatives and Notices Provisions (Exhibit C), attached hereto and incorporated herein.
7. General Conditions. This Contract is subject to the General Conditions (Exhibit D), which are attached hereto and incorporated herein.
8. Special Conditions. This Contract is subject to the Special Conditions (Exhibit E) (if any), which are attached hereto and incorporated herein.
9. Insurance Provisions. This Contract is subject to the Insurance Provisions (Exhibit F), which are attached hereto and incorporated herein.
10. Sanctuary City Compliance Statement. This Contract is subject to the Sanctuary City Compliance Statement (Exhibit G), which is attached hereto and incorporated herein.
11. Signatures. These signatures attest the parties' agreement hereto:

CITY OF RICHMOND,
a municipal corporation

[BUSINESS NAME]

(* The Corporation Chairperson of the Board, President, or Vice President should sign below)

By: _____

By: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

I hereby certify that this Contract has been approved by City Council or the City Manager.

(* The Corporation Chief Financial Officer or Assistant Treasurer, or Secretary or Assistant Secretary should sign below)

By: _____

By: _____

City Clerk

Title: _____

Date Signed: _____

Approved as to form:

By: _____

City Attorney

(NOTE: Pursuant to California Corporations Code Section 313, if Contractor is a corporation or nonprofit organization, this Contract (1) must be signed by (a) the Chairperson of the Board, President, or Vice-President and (b) the Chief Financial Officer or Assistant Treasurer, or Secretary or Assistant Secretary)

LIST OF ATTACHMENTS:

Service Plan	Exhibit A
Payment Provisions	Exhibit B
Authorized Representatives and Notices	Exhibit C
General Conditions	Exhibit D
Special Conditions	Exhibit E
Insurance Provisions	Exhibit F
Sanctuary City Compliance Statement	Exhibit G

Contract No: _____

For the Contract between the City of
Richmond and

EXHIBIT A
SERVICE PLAN

Contractor shall, to the satisfaction of the Project Manager (set forth in Exhibit B), perform the following services and be compensated as outlined below [or attach service plan if necessary]:

TECHNICAL APPROACH AND METHODOLOGY

The Halleman Group Owner's Advisory Philosophy

The Halleman Group (THG) takes a disciplined and methodical approach to developing a procurement process, RFP, and subsequent service agreement. We advocate taking sufficient time up front to flesh out the project's key points and ensure all stakeholders are aligned on the ultimate goals and objectives, the process structure, and the selection criteria. The effort upfront, task 2 of your RFP, is critical to ensure an efficient and effective use of time. THG, with over 4 decades of experience, believes that water and wastewater O&M service contracts should be recognized as partnerships in which both parties are engaged in shared goals and fully understand the desired outcome. In this section of the proposal, we have detailed our approach to serving the city and the level of detail we will maintain to ensure a professionally managed process that will result in a partnership between the City and the contract operator.

Specific Question From the RFP

- 1. Approach to developing a performance-based operator contract.** In water and wastewater outsourcing, there are two primary types of contracts, prescriptive and performance-based. THG will most often suggest a performance-based contract, as most owners prefer this approach. THG will develop, with the City, its desired objectives and, from these, produce performance metrics. These metrics can then be aligned with contractual requirements to ensure the City receives the level of service it desires.

THG suggests crafting an RFP that clearly describes the desired outcome and allows the industry to “propose” their approach, not the City defining how the service is provided, but more so what service is provided. Typically, firms propose innovative ideas during the procurement process, as contractors are quite skilled if you let them show their abilities. That said, THG also recommended including performance metrics in the RFP that reflect the City's desired outcomes. These metrics can be used in various ways. THG suggests that if they are used to inspire innovation and to convey your preferences regarding the level of service, they should include both a reward and a damages component. For example, if the City establishes a kWh/MG utilization benchmark in the RFP and the Contractor falls below the metric, they should be rewarded. Likewise, if utilization goes over, they are penalized. We do not recommend being overly punitive when establishing performance metrics, as this will discourage contractors' participation and often lead to a poor or strained partnership.

- 2. Risk allocation methodology.** THG advocates developing a balanced risk profile in an

RFP. The guiding principle is that the entity that has the best means of controlling the risk ought to be responsible. As an example, the Contractor ought to be responsible for regulatory compliance, asset maintenance, labor management, facility condition, and safety. The only case in which they may be relieved is if there was an event beyond their control, such as when influent wastewater exceeded the plant's capacity (flow and loading). As a utility owner, you still have risks and responsibilities. For example, the City's responsibility is to ensure capital upgrades are made. In the event of uncontrollable or unforeseen circumstances, the owner should take responsibility, or, at a minimum, share it with the Contractor.

In the initial workshop, we will discuss these situations to harmonize our thinking to ensure the RFP reflects the City's desires and opinions, with the insights from THG providing guidance. THG will be there to serve the City with the best advice it can offer, honed over 40 years of outsourcing utilities.

3. **Strategy for RFP development.** See below for detailed RFP development. THG's strategy is hinged on working closely upfront with the City to extract your position on various topics and educate the City on current market trends, Contractors' viewpoints, and market risks- all to get the best agreement at the most efficient price. As the City will see, we place a large emphasis on the early stage of the RFP/contract development effort. We have found that sorting out the issues and goals, establishing risk sharing, defining the scope of services, performance metrics, etc., early and in full makes the development of an RFP and Contract more efficient.
4. **Evaluation documentation approach.** In the RFP, THG will, along with the City, develop a clear set of goals and objectives to set expectations. These expectations will be defined by a set of criteria clearly articulated in the RFP, against which all Proposers will be measured. We also suggest a selection panel made up of individuals who represent the stakeholders (contracting department, procurement, and sometimes an elected official) and often include at least one person who is known in the industry but does not work for the City as an outside industry expert, typically a neighboring utility manager who has experience with outsourcing. Having an impartial third party involved lends credibility to the process and reduces the risk of protest.

THG will work closely with the city and its selection panel to effectively drive good decision-making. This begins with a workshop with the selection panel before the proposal review. THG will develop a briefing document explaining the RFP and the agreement, as well as tools (templates) for evaluating the proposal. Although we do not want to be voting members of the selection panel, we will be with you every step of the way, answering questions and providing advice when asked. It is important that THG remain neutral and that we ONLY serve the City. The City's RFP calls for two independent evaluators, which is consistent with our approach. Based on our market knowledge, we can recommend independent evaluators with the required experience in these types of procurements.

5. **Protest mitigation.** The best strategy to mitigate a protest is to have a fair, transparent,

and well-documented process. The reality is that there have been very few protests in the industry. When there have been, they have usually been related to poorly managed processes, noncompliance with the procurement process, documentation irregularities, or political interference. To date, TGH has not had any litigation against it or its client as a result of an Owner's Advisory project.

6. **Negotiation strategy framework.** With a well-written RFP and service contract, negotiations are typically straightforward. THG advocates that the RFP include an opportunity for the Contractors to comment on the service contract. This is their opportunity to speak their mind, and it also provides the City with insight into how they will be to negotiate with. As stated previously, working through the deal points and objectives, setting performance metrics, and maintaining a well-documented system will lead to a good contract. This, coupled with allowing the industry to comment on their proposals, will indicate the relative ease of negotiations.
7. **Ensuring a legally defensible RFP process.** This is best done by having a well-documented process, a well-written RFP, and a clear approach to selection, followed by a well-documented selection process. If these guidelines are followed and no outside influence is allowed to affect the selection process and the ultimate contract, the process and the contract will be legally defensible.

Technical Approach

Below, we have outlined our scope of services, which closely follows the RFP scope, with a few additions and one suggested change to the task sequencing. Most notably, developing the draft contract after the RFP is completed. The rationale for this includes:

- The contract cannot be drafted until the scope, commercial terms, payment schedules, asset list, procurement requirements, and related details are clearly defined. These will be best defined in the development of the RFP.
- If the two documents, the contract and the RFP, are not developed sequentially, there is a high likelihood of conflicts between them. This is not to say the contract cannot be developed in advance of the RFP completion, but it must be done in concert with the RFP development.
- It is most efficient to have the RFP and all attachments completed before drafting the contract so that the contract can use the already developed documentation for schedules. This documentation includes an asset list, scope of services, regulatory requirements, payment schedule, and specific contract deliverables, as an example.

Project Management

THG has developed an approach aligned with the one outlined in the RFP to provide its services and is offering it in detail for your consideration. We are also being responsive to the RFP. This approach consists of five clear activities/tasks, similar to the City's RFP, but with nuances that are important for a successful procurement process and final selection.

THG will provide overall project management support throughout the process. This service includes organizing meetings, preparing meeting minutes, and conducting workshops, addressing the City Council, as described in the RFP. This is also the first step in the RFP development strategy and a very important step to ensure that all subsequent steps proceed smoothly. TH will develop a Project Charter (a one-page document that lays out, at a high level, the project and its management) and a Project Management Plan (PMP) that is more detailed and includes how we will manage the project.

Task 1 – Collect and Review Existing Data

This task has two distinct phases: data collection and the establishment of the RFP scope, procurement process, goals and objectives, and contracting requirements. The following describes both of these activities.

Data collection and review of existing data

- **Review of existing documentation** - THG will review the current Operations and Maintenance (O&M) agreement, technical data, and other relevant documentation. THG will also tour the facilities before the facilitated workshop. An initial list of required documentation includes:
 - Existing contract
 - List of assets under management
 - Previous RFPs
 - NPDES and other regulatory documentation
 - Review of operational data
 - Review of current operators' costs and performance

Deliverables:

- 1 The data discovered during the task will be stored in an electronic folder. Note: Many of these documents will be used in the RFP and subsequent agreement. The City will establish a file-sharing site to host this data and be used by the City, THG, and, eventually, potential bidders as they conduct due diligence and prepare their proposals.

City required engagement:

1. Tour facilities
2. Support access to documentation

Establish the scope of the RFP/agreement and procurement process.

Most of this work was done in an on-site meeting/workshop. This initial workshop is very important, and using a tool that THG developed, the City and THG staff will be able to work through many of the details required to develop a well-crafted RFP and subsequent services contract in a relatively short period of time. This process has been used in previous engagements and has resulted in a less stressful, expedited outcome.

THG will prepare a procurement guide document in advance and present it to the workshop participants. We recommend that decision-makers attend the workshop to ensure all relevant perspectives are considered in advance of a procurement. Throughout this process and particularly at the facilitated workshop, THG will provide lessons on risk allocation and the pros and cons of various contracting and risk allocation options. THG believes that a well-balanced contract will result in a smooth procurement process and easier negotiation. In fact, most of our clients spend very little time negotiating the agreement. This is due to the RFP and the draft agreement being well-conceived and to soliciting comments/exceptions from proposers in advance of the proposal.

- **Develop Goals and Objectives.** A well-designed procurement has clearly stated goals and objectives. THG will work with the City to fully develop these and use this information to craft the RFP.
- **Develop the scope of services:** Work with staff to define the scope of services for the RFP. This includes the assets to be managed, the scope of responsibility (labor, power, chemicals, vehicles, maintenance, etc.), reporting requirements, specific contract deliverables, transition requirements, agreement term, and other relevant details. THG will provide the pros and cons of the various options during the facilitated workshop.
- **Identify procurement requirements.** Discuss with City staff, including procurement personnel and possibly legal, any specific requirements to be included in the RFP. Requirements could include, for example, MWBE preferences, local contracting requirements, state certifications, and insurance requirements.
- **Create a matrix of responsibility.** This tool is valuable for clearly defining responsibilities between the City and the contractor. THG will clearly define the scope of responsibility for the Contractor and the responsibilities retained by the City.
- **Discuss and determine the specific procurement process.** Options for procuring O&M services include one-step or multiple-step procurement. THG suggests collaborating with the procurement office to ensure that the RFP and procurement process align with the City's policies.
- **Determine key performance standards and contract-required deliverables.** This is an opportunity to utilize the City's goals and performance standards to develop specific, required deliverables. THG will coach the City on best practices to help achieve all your

objectives. Deliverables could include transition plans, standard operating procedures (SOPs), process control plans, asset management plans, annual CIP, and monthly and annual reports.

- **Evaluation criteria.** During the facilitated workshop, THG will present the typical options, and the City will confirm its preference. We will tailor the selection criteria to the City's objectives and preferred needs. Of course, THG will provide its informed guidance and make recommendations.
- **Develop rules of engagement.** Defining the rules of engagement is critical once procurement begins to ensure a professional process free from disputes or protests. Typical issues to be defined:
 - Restrictions regarding speaking with City staff and elected officials.
 - Access to the site(s).
 - Communication with current O&M staff.
 - Specific ways to ask questions and receive answers. For example, in writing only.
 - Treatment of existing staff - if a different contractor is selected.
 - Procurement timeline and steps: RFP issue date, response due date, interviews, selection, negotiation, and start date, for example.

Deliverables

1. Kick-off facilitated workshop- on-site to establish scope, goals, objectives, parameters, contracting requirements, compensation terms, procurement process, etc.
2. Scope of services.
3. Defined assets to manage
4. List any procurement requirements.
5. Identified contract-required deliverables.
6. Rules of engagement and procurement timeline.

Task 2- Develop RFP for System Operator

This is a quick list of topics that will be addressed in the RFP. Some of these are listed in the City's RFP under the System Operator Contract task. These are not legal issues but rather commercial issues, and THG is well-equipped to resolve them before developing the Contract. The legal work will be to create a contract using the commercial terms developed as part of the RFP.

The following describes THG's technical approach in developing the RFP, legal documentation, selection, and post-award services.

- **Development of an RFP.** THG will develop the RFP based on previous tasks and deliverables. The RFP included:
 - Managed assets. Provide a detailed list of all managed assets.
 - Scope of responsibility. Clearly define the financial responsibility of the contractor, what expenses the contractor is responsible for: labor, chemicals, power, biosolids, maintenance and repair, lab, regulatory reporting, etc.
 - Performance expectations. Develop a set of performance criteria and determine whether the City wants to use some of them to develop a reward/damages.
 - Contract deliverables. Often, an owner will want to include a list of additional deliverables in the RFP, such as studies, revisions of existing plans, new plans, or other value-adds they desire.
 - Minimum qualification. THG will develop a set of minimum qualifications based on discussion and industry knowledge of similar systems.
 - Risk allocation. THG advocates for developing a balanced risk profile in an RFP. The guiding principle is that the entity that has the best means of controlling the action ought to be responsible. In the case of uncontrollable or unforeseen circumstances, the owner should take responsibility.
 - Compensation. There are several approaches to compensation, ranging from time-and-materials to fixed-fee. The industry prefers a fixed fee for most utility management contracts. THG promotes having the O&M contractor responsible for all costs they can easily manage, which account for the majority of expenses. THG recommends a few exceptions:
 - A maintenance and repair fund (M&R). Establish a fixed amount in the contract that the Contractor may access, with clear restrictions on expenditures. The philosophy is to encourage maintenance, but not allow asset maintenance to suffer for the sake of profit.
 - Mark-up. There should be little need for markup in a fixed fee contract unless there is “out of scope work” to be done. In that case, you can have the Contractor manage subcontractors or self-perform, but we advocate competitive bidding unless there is an emergency to ensure fair pricing. If the City wants to include capital investment, that will require additional discussion on how best to allow it under a services contract.
 - Establishing transition requirements. The transition from one operator to another is rather commonplace in the industry, but must be handled appropriately. THG suggests that proposers describe how they will conduct an effective transition and use this as one of the key selection criteria. THG doesn’t suggest an owner having two operators on-site managing the facility- there can effectively only be one responsible party. That said, the incoming O&M Contractor can have access to the facility and staff for the transition activities.

- Contract term. This is a City decision based on many internal factors. THG advocates for at least 5 years, and often a base contract of 10 years with renewal options. Ten years is a good starting point, as the contractors will make a significant investment in effort, staffing, and possibly some of their own capital for a ten-year contract. If a longer contract is requested, it could increase risk for the contractors, and as a result, their fees may increase. It is hard to predict future cost increases, and over twenty years, there are diminishing returns on cost efficiency.
- Reporting. The RFP will clearly define the anticipated reporting, which will be discussed with the City in Task 1. At a minimum, there should be a required monthly report, annual report, and annual capital upgrade suggestions. In addition, an overall communications protocol should be established. If the City has no preference, it is good to require proposers to propose their approach and use it as a basis for selection.
- Selection Criteria. Based on the discussion with the City in Task 1, THG will develop selection criteria that reflect the overall goals and objectives, and what it values in a Contractor. This is typically centered around experience, staffing, and management plan, technical approach, transition plan, references, and cost. THG advocates for a best value selection process.
- Staffing. Sometimes an owner will define staffing requirements, and it may have sound rationale. THG suggests allowing the proposer to present their staffing and management plan and using it as a selection criterion. The goal is how they meet environmental regulations, protect assets, and fulfill all obligations under the contract, and how they staff the facility will be revealed in the proposal and evaluated for acceptability.
- Contract modifications. There will be times when the contract will require modification, and these include:
 - Annual cost indexing- THG suggests using the *CPI water and sewer index* as a fair index for annual contract adjustment
 - Flow and loading - THG will establish a baseline for all Contractors to bid against, and should this baseline change by +/- 10%, an adjustment will be warranted based on actual cost impacts, which must be justified to the City.
 - System growth. Should the system grow by 10% in miles of pipe or through other infrastructure or regulatory expansion, an adjustment may be warranted.
 - Change in law. If there is a change in law that affects the O&M Contractors' costs, this is a time to adjust for justifiable expense increases.

Deliverables:

1. Request for Proposal; draft and final

Task 3- Develop System Operator Contract

Starting with a foundation of market-accepted and market-tested precedent for O&M contracting, THG, with its teammate Nossaman LLP playing a primary role, will develop a tailored O&M contract for the City that reflects the City's desired risk allocation, commercial terms, and goals. In developing the contract and assisting the City with its decision-making on key issues, Nossaman maintains comprehensive risk matrices that address many anticipated risks in a project and contract of this nature. As issues are discussed, Nossaman will be in a position to advise the City on options and recommendations for addressing risks and commercial terms, including how similarly situated agencies have handled these risks in the past and lessons learned on what has worked and what has led to later challenges.

One focal point of the contract development effort is integrating the technical requirements and scope of work with the contract and commercial terms. Too often, agencies develop these core elements of a procurement separately. An agency can have the best technical requirements and scope and an innovative, clear contract, but if the two are not aligned, there is a high risk of later claims, disputes, cost overruns, and delays. We pay particular attention to the use of consistent nomenclature, to eliminating risk allocation and commercial provisions from the technical requirements/scope of work (to avoid confusion and potential conflict), and to ensuring consistency across the suite of documents. Given the City's focus on performance-based contracting and a potential incentive/disincentive regime for compliance, the contract and technical requirements/scope must be integrated.

Among the other commercial issues that we anticipate will require consideration for a project of this nature include: (i) the condition of the existing facilities and latent defect issues; (ii) utility costs and potential painshare/gainshare provisions; (iii) provisions addressing the implementation of capital projects in the context of an ongoing operating facility; (iv) key performance indicators and the noncompliance regime; (v) how to give the City an effective remedy for a chronic underperformer (where the noncompliance regime may not suffice to ensure proper performance; (vi) commercial availability of insurance and how to handle unavailability; (vii) performance security (bonds, letters of credit, etc.); (viii) the handback condition of the facility/system at expiration and how to ensure that happens through an inspection and handback security regime; (ix) how to ensure that any potential claims or events that might support additional compensation, time and/or relief are raised expeditiously when mitigation may be optimized; (x) potential changes and growth in City influent make-up; (xi) the ever-changing regulatory environment; and (xii) newer issues, such as tariff impacts.

With each of these issues, our team has unparalleled experience advising public agencies. It has crafted balanced, understandable contracts that have protected our agency clients while remaining attractive amid robust procurement competition.

As THG and Nossaman develop the contract, our team anticipates closely collaborating with staff and the City Attorney. To the extent that the City has standard contractual/general provisions that work within the framework of the contract and transaction and reflect the commercial terms and best practices, we will work to incorporate them into the draft contract. In doing so, our team has an eye toward making the post-award contract administration and

implementation phase as streamlined and user-friendly as practicable for City personnel, who will manage the relationship with the contractor over the long haul.

Deliverables:

- Draft and final contract

Task 4- Assistance During the RFP and System Operator Hiring Process

After the RFP is published

THG will support the City in many ways, including:

- Facilitating a pre-proposal conference and developing materials to be presented at the conference. THG encourages a mandatory and in-person pre-proposal meeting followed by a site visit. THG will prepare a presentation and facilitate the meeting, with support from City staff.
- Capturing attendees and recording this information.
- Following the pre-proposal conference, individual companies' "due diligence" site visits must be coordinated with the City and the current operator. The City should expect each firm requesting 6-8 hours on-site with 5-8 staff to review the physical assets. THG can manage the site visits or defer to the City staff.
- Prepare written responses to the proposers' questions and addenda to be issued in response to questions or needed clarifications. THG suggests answering questions as they are submitted, at least once per week, and not waiting to answer all of them after the submission deadline.
- Providing potential proposers access to the established file-sharing site.
- Advising the City on the inclusion of outside independent evaluators who have experience in public contract procurement, preferably in contract operations.

After the proposals are submitted

THG will support the City in this activity, reviewing proposals, participating in oral interviews, providing advice to staff, developing scoring criteria, and creating scoring templates. The advice can include interpreting the competitor's written proposals and oral interviews. THG will not be a voting member of the selection committee, but can serve as a sounding board for the committee members.

THG will develop and coach the selection panel on the following:

- The RFP and evaluation criteria

- THG will develop scoring templates
- Answer technical or procurement process questions
- Support the City in scheduling the interviews
- Conduct reference checks
- Support the City in negotiations
- Develop, on behalf of the selection panel, a recommendation memo
- THG can also develop interview questions and provide insights into the proposals
- An additional service offered is contacting each firm's references and reporting back to the committee on the findings.

Deliverables:

- Selection panel briefing documents
- Evaluation forms
- Meeting minutes
- Selection panel review summary and selection rationale document
- Selection recommendation documentation
- City Council briefing documents and presentation
- Contract compliance tracking tool

Task 5- Post Award Transition Assistance (optional)

There are many activities to consider in the post-award phase of the procurement, many of which are the responsibility of the selected Contractor. With a well-crafted RFP and agreement in place, their responsibilities will be clear. Done properly, it makes for an easily managed contract.

The City has a responsibility to monitor their progress, and this can be done with the support of an outside firm. There is a fine line between monitoring and taking responsibility for the Contractor's actions. THG can support the City in providing assurance that the Contractor is performing to the standard expected and committed to in the contract.

THG suggests that these services be provided on a time-and-materials basis and discussed separately from this Owner's advisory project.

Typical support would include:

- Reviewing the transition plan for completeness
- Setting up reporting requirements: frequency, contents of monthly/annual reports
- Developing a tracker for performance metrics
- Set up invoicing
- Train City staff to effectively manage the contract using the developed tools.
- Monthly and quarterly check-in with the contractor to ensure all commitments are met

PROJECT SCHEDULE

THG has provided, on the following page, a detailed schedule and timeline for our proposed approach. We are confident we can deliver to the City, in July, a formal RFP and contract ready for issuance. In our experience, the City has ample time to select a contractor, negotiate a contract, and have a very successful transition before the end of the current contract. This includes the City's desire and the Contractor's need to have at least a 60-day transition period.

THG is confident that we can deliver the documentation and commit to the meetings described in your RFP and in this proposal. Our confidence is based on our experience delivering similar projects, as we use seasoned staff with vast experience, and a refined project approach.

Critical Path Items/Issues

It has been our experience that there are just a few things that can affect an owner's advisory project schedule, and they are, with explanation:

- **Lack of available documentation.** A properly issued RFP for an O&M services project requires a lot of upfront information for proposers to put together a good proposal. If this information is not assembled upfront, the City will certainly receive many more requests for information. THG uses its keen understanding of procurement processes and industry players' needs to anticipate issues and precisely gather and format the information that proposers will need in advance. This requires that documentation be available in electronic format to facilitate access and dissemination. THG can provide you with a list of documentation at the kickoff meeting, and we can also work with the City and your current contractor to determine what information/data will be available.
- **City Review time.** Many of the tasks require the City to complete reviews and provide comments within short timeframes. These have to be realistic, and the City must be able to adhere to the timeline to ensure the schedule is met.
- **City approvals.** City Council and City Attorney approvals are required. In our experience, elected bodies sometimes do not stay on schedule and, as such, can add significant delay to any process.

City of Richmond Owner's Advisor Project Schedule

Task	Activity	April	May	June	July	August	September	October	November	December
1 Project Coordination, Meetings and Management	Meeting agenda									
	Kick-off mtg (virtual)									
	meeting minutes									
2 Collect and Review Existing Data	Summary memo on documents reviewed									
	Workshop (in person)									
	Summary memo of workshop									
	project review mtg									
	Draft of documents to be added to data folder									
City review										
Final summary memo in data room documents										
3 Develop RFP for System Operator Contract	Draft RFP									
	Progress review mtg									
	City Review									
	Final RFP									
4 Develop RFP for System Operator	Council Ad hoc committee review mtg									
	Draft contract									
Project review mtg										
City review										
Final contract submitted										
Certification letter										
Council Ad hoc committee review mtg										
5 Assistance During RFP and Hiring Process	Project review mtg									
	Council mtg prep and meeting									
	Issue RFP									
	Pre-proposal Conference materials									
	Pre-proposal conference									
Responding to Questions										
Selection panel briefing and scoring sheets										
Selection panel briefing and scoring sheets										
Briefing to council										
Negotiations										
6 Post-Award Transition Assistance										

Legend
 Duration
 Meeting
 Deliverable

COST PROPOSAL

The Halleman Group, in association with Nossaman, is pleased to present our cost proposal to the City of Richmond for Owner's Advisory services. These are a combination of technical, commercial, and legal services that we have packaged into a single offering for the City of Richmond and developed in accordance with your RFP.

Not-to-Exceed Amount for Tasks 1-5

The total proposal cost for Tasks 1-5 is \$249,900. (REV via email 4/8/2026)

Invoices will be based on a time and materials basis not to exceed the total fee (REV 4/8/2026).

Separate Pricing for Optional Task 6

The scope of Task 6- Post-award Transition Assistance remains somewhat unclear and will come into focus as we proceed with the procurement. That said, to comply with the RFP, we have budgeted \$20,800, including travel expenses for the post-award transition assistance. We welcome the opportunity to discuss further with the City and offer that this may be best contracted with a not-to-exceed budget, invoiced on a time-and-materials basis.

Breakdown by Task

The cost breakdown for each task is as follows. (REV via email 4/8/2026)

Fee Proposal by Task			
Task	Activity	Value, \$	%, of project
Task 1	Project Coordination, Meeting and Management	\$ 58,600	23%
Task 2	Collect and Review Existing data	\$ 52,500	21%
Task 3	Develop System Operator Contract	\$ 64,600	26%
Task 4	Develop RFP for System Operator	\$ 48,700	19%
Task 5	Assist During RFP and System Operator Hiring	\$ 25,500	10%
Task 6	Post Award Transition Assistance	\$ -	0%
Total*		\$ 249,900	100%

* including expenses

Note: As THG has indicated in the Exceptions to the RFP section of this proposal, we are willing to modify our fee approach in the following ways:

1. We can use the current proposal's fixed fee as a not-to-exceed amount and invoice the city at the hourly rates described herein. This would be a more economical contract methodology for the City.
2. THG would like to modify the payment percentages (%'s) in the RFP to reflect the actual anticipated person-hours and expenses for each task. We have allocated a different level of effort to each task than the City's estimates.
3. THG is willing and advocates that the City enter into two contracts: one with THG for all services described in the proposal, and a separate contract for the development of the Operator Contract. The City can contract directly with a law firm of its choosing, such as Nossaman. As indicated, the legal services are directly serving the City, not THG, and it makes sense to have a direct relationship with your attorney. THG will work seamlessly with the City and its chosen attorney to deliver the Owner's Advisory services. In past assignments, THG has worked with the City's attorney to develop a well-written, defensible, and easily managed O&M agreement.

Hourly Rates for all personnel

Project Staff Hour Rates		
Staff	Role	Hourly Rate, \$/hr
Mark Halleman	Project manager	\$ 300
Bob Siemak	Ast, Project Manager	\$ 300
Corey Boock	Attorney	\$ 875
TBD	Technical Support	\$ 150

(Rev via email 4/8/2026)

Reimbursable Expenses

THG requires reimbursement for reasonable travel expenses, including airfare, hotels, mileage, and meals, as well as any reproduction costs that we may incur. For this proposal, these costs are already included in the fee structure. Should you entertain a time-and-materials approach to the services, we would be transparent about the costs. The total expenses for this project are estimated at \$30,900.

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**EXHIBIT B
PAYMENT PROVISIONS**

1. COMPENSATION TO CONTRACTOR:

- a. Provided Contractor is not in default under this Contract, Contractor shall be compensated in the manner set forth herein.
- b. All payments made pursuant to this Contract shall be subject to the Contract Payment Limit. The Payment Limit includes expenses (phones, photocopying, meals and travel, etc.). Invoices shall be adequately detailed, based on accurate records, and be in a form reasonably satisfactory to the City. Contractor may be required to provide back-up material upon request.
- c. All City vendors receiving new contracts shall sign up to receive electronic payments through the City's Automated Clearinghouse (ACH) payments service/provider.

2. SUBMISSION OF INVOICES:

Contractor shall submit timely invoices by email to Accounts_Payable@ci.richmond.ca.us and/or to the following address:

Attention: City of Richmond Finance/Account Payable
Project Manager: _____
P.O. Box 4046
Richmond, CA 94804

3. All invoices that are submitted by Contractor shall be subject to the approval of the City Project Manager, _____, before payments shall be authorized.
 - a. The City will pay invoice(s) within 45 days after completion of services to the City's satisfaction. The City shall not pay late fees or interest.
 - b. All appropriate permits, certificates, and licenses, including a City business license shall be obtained and maintained for the duration of this Contract before any payment is authorized.
4. All insurance coverage required by this Contract shall be provided by the Contractor before this Contract is executed by the City. The insurance coverage required by this Contract shall be maintained by Contractor for the duration of this Contract and must be in place before any payment is authorized.

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EXHIBIT C
AUTHORIZED REPRESENTATIVES AND NOTICES

1. All required written notices shall be delivered: (i) by hand; or (ii) sent by registered, express, or certified mail, with return receipt requested or with delivery confirmation requested from the U.S. postal service; or (iii) sent by overnight or same day courier service at the party's respective address listed in this Section.
2. Each notice shall be deemed to have been received on the earlier to occur of: actual delivery or the date on which delivery is refused; or three (3) days after notice is deposited in the U.S. mail or with a courier service in the manner described above (Sundays and City holidays excepted).
3. Either party may, at any time, change its notice address (other than to a post office box address) by giving the other party three (3) days prior written notice of the new address.
4. All notices, demands, requests, or approvals from Contractor to the City shall be addressed to the City at:

City of Richmond

450 Civic Center Plaza

Richmond, CA 94804

Email: _____

5. All notices, demands, requests, or approvals from the City to Contractor shall be addressed to Contractor at:

Attn: _____

Email: _____

**EXHIBIT D
GENERAL CONDITIONS**

1. INDEPENDENT PARTIES:

Contractor hereby declares that Contractor is engaged as an independent business and Contractor agrees to perform the services as an independent contractor. The manner and means of conducting the services and tasks are under the control of Contractor except to the extent they are limited by statute, rule or regulation and the express terms of this Contract. No civil service status or other right of employment will be acquired by virtue of Contractor's services. None of the benefits provided by the City to its employees, including but not limited to unemployment insurance, workers' compensation plans, vacation and sick leave, are available from the City to Contractor, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any compensation due to Contractor. Payments of the above items, if required, are the responsibility of Contractor.

2. TIME IS OF THE ESSENCE:

Contractor and the City agree that time is of the essence regarding the performance of this Contract.

3. STANDARD OF CARE:

Contractor agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals or service Contractors, as applicable, in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by the City.

4. IMMIGRATION REFORM AND CONTROL ACT (IRCA):

Contractor assumes all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal, or state rules and regulations. Contractor shall indemnify, defend, and hold the City harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Contractor.

5. NON-DISCRIMINATION:

Consistent with the City's policy and state and federal law that harassment and discrimination are unacceptable conduct, Contractor and its employees, contractors, and agents shall not harass or discriminate against any job applicant, City employee, or any other person on the basis of any kind of any statutorily (federal, state or local) protected class, including but not limited to: race, religious creed, color, national origin, ancestry,

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disability (both mental and physical) including HIV and AIDS, medical condition (e.g. cancer), genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, pregnancy, political affiliation, military and veteran status or legitimate union activities. Contractor agrees that any violation of this provision shall constitute a material breach of this Contract.

6. CITY PROPERTY:

a. Each and every report, draft, work product, map, record, applicable plans, drawings, calculation, data, specification, video, graphic, or any other material or document produced, prepared or caused to be prepared by Contractor pursuant to or in connection with this Contract shall be the exclusive property of the City.

b. Notwithstanding the foregoing, Contractor shall not be obligated to provide to City proprietary software or data which Contractor has developed or had developed for Contractor's own use; provided, however, that Contractor shall, pursuant to Section 11 below, indemnify, defend and hold the City harmless from and against any discovery or Public Records Act request seeking the disclosure of such proprietary software or data.

c. No report, information or other data given to or prepared or assembled by Contractor pursuant to this Contract shall be made available to any individual or organization by Contractor without prior approval of the City Manager or their designee.

d. Contractor shall, at such time and in such form as City Manager or their designee may require, furnish reports concerning the status of services and tasks required under this Contract.

7. RECORDS:

a. Contractor shall maintain complete and accurate records with respect to the services, tasks, work, documents and data in sufficient detail to permit an evaluation of Contractor's performance under the Contract, as well as maintain books and records related to sales, costs, expenses, receipts and other such information required by the City that relate to the performance of the services and tasks under this Contract (collectively the "Records").

b. All Records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Contractor shall provide free access to the Records to the representatives of the City or its designees during regular business hours upon reasonable prior notice. The City has the right to examine and audit the Records, and to make copies or transcripts therefrom as necessary, and to allow inspection of all proceedings and activities related to this Contract. Such Records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained by Contractor for a period of five (5) years after receipt of final payment.

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c. If supplemental examination or audit of the Records is necessary due to concerns raised by the City's preliminary examination or audit of records, and the City's supplemental examination or audit of the records discloses a failure to adhere to appropriate internal financial controls, or other breach of this Contract or failure to act in good faith, then Contractor shall reimburse the City for all reasonable costs and expenses associated with the supplemental examination or audit.

8. PERMITS AND LICENSES:

Contractor, at its sole expense, shall obtain and maintain during the term of this Contract, all appropriate permits, certificates and licenses, including a City business license, required in connection with the performance of the services and tasks hereunder. The failure to obtain such permits and licenses shall be a material breach of this Contract and grounds for immediate termination by City; provided, however, that City may waive the business license requirement in writing under unusual or extraordinary circumstances without necessitating any modification of this Contract to reflect such waiver.

9. TERMINATION:

a. Termination Without Default. Notwithstanding any provision herein to the contrary, the City may, in its sole and absolute discretion and without cause, terminate this Contract at any time prior to completion by Contractor of the project or services hereunder immediately upon transmission of written notice to Contractor as provided in Exhibit C "Authorized Representatives and Notices".

b. Termination in the Event of Default. Should Contractor fail to perform any of its obligations hereunder, within the time and in the manner provided or otherwise violate any of the terms of this Contract, City may immediately terminate this Contract by giving written notice of such termination, stating the reasons for such termination. Contractor shall be compensated as provided in Exhibit B; provided, however, there shall be deducted from such amount the amount of damage, including attorney's fees, expert witness fees and costs, if any, sustained by City by virtue of Contractor's breach of this Contract. Additionally, in the event of such termination, the City may proceed with the work in any reasonable manner it chooses.

10. CONFLICT OF INTEREST:

Contractor acknowledges, represents and warrants that Contractor shall avoid all conflicts of interest (as defined under any federal, state or local statute, rule or regulation, or at common law) with respect to this Contract. Contractor further acknowledges, represents and warrants that no City official or employee has any economic interest, as defined in Title 2, California Code of Regulations §§ 18703.1 through 18703.5, with Contractor that would invalidate this Contract. Contractor acknowledges that in the event that Contractor shall be found by any judicial or administrative body to have any conflict of interest (as defined above) with respect to this Contract, all consideration received under

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this Contract shall be forfeited and returned to City forthwith. This provision shall survive the termination of this Contract for one (1) year.

11. HOLD HARMLESS:

a. To the fullest extent permitted by law, Contractor shall indemnify, defend (with counsel acceptable to the City) and hold harmless the City, its City Council, boards, commissions, officials, employees, agents and volunteers ("Indemnitees") from and against any and all loss, damages, liability, obligations, claims, suits, judgments, costs and expenses whatsoever, including attorney's fees and costs of litigation ("Claims"), arising from or in any manner connected to Contractor's performance of its obligations under this Contract or failure to comply with any of its obligations under this Contract or out of the operations conducted by Contractor even if the City is found to have been negligent. If the Claims filed against Indemnitees allege negligence, recklessness or willful misconduct on the part of Contractor, Contractor shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence, recklessness or willful misconduct is not found on the part of Contractor. Contractor shall not have any obligations to indemnify Indemnitees if the loss or damage is found to have resulted solely from the negligence or the willful misconduct of the City. The defense and indemnification obligations of this Contract are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Contract.

b. This indemnification obligation shall survive this Contract and shall not be limited by any term of any insurance policy required under this Contract; provided however, that if this Contract is for design professional services, this indemnity provision is limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional (as defined in California Civil Code section 2782.8).

12. LIMITATIONS UPON SUBCONTRACTING AND ASSIGNMENT:

a. This Contract binds the heirs, successors, assigns and representatives of Contractor. The Contractor shall not enter into subcontracts for any work contemplated under this Contract and shall not assign this Contract, nor any portion hereof or monies due or to become due, without the prior written consent of the City Council or its designee.

b. Contractor shall not assign, sublease, hypothecate, or transfer this Contract, or any interest therein, directly or indirectly, by operation of law or otherwise, without prior written consent of the City Manager. Contractor shall submit a written request for consent to transfer to the City Manager at least thirty (30) days in advance of the desired transfer. The City Manager or their designee may consent or reject such request in their sole and absolute discretion. Any attempt to do so without said consent shall be null and void, and any assignee, sublessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for

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money against the City under this Contract may be assigned by Contractor to a bank, trust company or other financial institution without prior written consent.

c. The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Contractor (if applicable), or of the interest of any general partner or joint venturer or syndicate member if Contractor is a partnership or joint-venture or syndicate, which shall result in a change of control of Contractor, shall be deemed an assignment. For this purpose, control shall mean fifty percent or more of the voting power or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

d. Only those persons and/or businesses whose names and resumés are attached to this Contract shall be used in the performance of this Contract. However, if after the start of this Contract, Contractor wishes to use sub-contractors, at no additional costs to the City, then Contractor shall submit a written request for consent to add sub-contractors including the names of the sub-contractors and the reasons for the request to the City Manager at least five (5) days in advance. The City Manager may consent or reject such requests in their sole and absolute discretion.

e. Each sub-contractor shall be required to furnish proof of workers' compensation insurance and shall also be required to carry general, automobile and professional liability insurance (as applicable) in reasonable conformity to the insurance carried by Contractor.

f. In addition, any tasks or services performed by sub-contractors shall be subject to each provision of this Contract. Contractor shall include the following language in their Contract with any sub-contractor: "Sub-Contractors hired by Contractor agree to be bound to Contractor and the City in the same manner and to the same extent as Contractor is bound to the City."

g. The requirements in this Section 12 shall not apply to persons who are merely providing materials, supplies, data or information that Contractor then analyzes and incorporates into its work product.

13. SAFETY:

a. Contractor acknowledges that the City is committed to the highest standards of workplace safety. Contractor will be solely and completely responsible for conditions of all vehicles owned or operated by Contractor, including the safety of all persons and property during performance of the services and tasks under this Contract. Contractor shall assume sole and complete responsibility for the safety of Contractor's employees and any of subcontractor's employees This requirement will apply continuously and not be limited to normal working hours. In addition, Contractor will comply with all safety provisions in conformance with U.S. Department of Labor Occupational Safety and Health Act, any equivalent state law, and all other applicable

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federal, state, county and local laws, ordinances, codes, and any regulations that may be detailed in other parts of the Contract. Where any of these are in conflict, the more stringent requirements will be followed. Contractor's failure to thoroughly familiarize itself with the aforementioned safety provisions will not relieve it from compliance with the obligations and penalties set forth herein.

b. Contractor will immediately notify the City (in no event less than 24 hours) of any incident of death, serious personal injury or substantial property damage that occurs in connection with the performance of this Contract. Contractor will promptly submit to the City a written report of all incidents that occur in connection with this Contract. This report must include the following information: (i) name and address of injured or deceased person(s); (ii) name and address of Contractor's employee(s) involved in the incident; (iii) name and address of Contractor's liability insurance carrier; (iv) a detailed description of the incident; and (v) a police report.

c. Contractor acknowledges that the City shall have the right to impose, at the City's sole discretion, requirements that it deems are necessary to protect the health and safety of the City employees, residents, and visitors. Contractor agrees to comply with all such requirements, including, but not limited to, mandatory vaccinations, the use of personal protective equipment (e.g. masks), physical distancing, and health screenings. Contractor also agrees to make available to the City, at the City's request, records to demonstrate Contractor's compliance with this Section.

14. INSURANCE:

Insurance requirements are set forth in Exhibit F to this Contract. Contractor shall abide by the insurance requirements set forth in said Exhibit F.

15. COMPLIANCE WITH ALL APPLICABLE LAWS:

a. During the term of this Contract, Contractor shall keep fully informed of all existing and future state and federal laws and all municipal ordinances and regulations of the City of Richmond which affect the manner in which the services or tasks are to be performed by Contractor, as well as all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. Contractor shall comply with all applicable laws, state and federal and all ordinances, rules and regulations enacted or issued by the City. Compliance under this provision includes compliance with all provisions of the Richmond Municipal Code ("Municipal Code"), including Chapters 2.50, 2.52, 2.56, and 2.60, if applicable.

b. Contractor acknowledges that under § 2.60.070 of the Municipal Code ("Living Wage Ordinance"), Contractor is required to provide the City with documents and information verifying its compliance with the Living Wage Ordinance. Contractor shall notify each of its affected employees with regards to the wages that are required to be paid pursuant to the Living Wage Ordinance as prescribed in § 2.60.070 of the Municipal Code.

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c. Contractor shall comply with § 2.28.030 of the Municipal Code, obligating every Contractor or sub-Contractor under an agreement or sub-agreement with the City for public works, goods or services to refrain from discriminatory employment or practices on the basis of race, color, sex, sexual orientation, religious creed, national origin or ancestry of any employee, any applicant for employment or any potential sub-contractor.

d. Contractor acknowledges that the City's Drug Free Workplace Policy, Violence in the Workplace Policy and the Policy Against Workplace Harassment, are available on the City's website at <http://www.ci.richmond.ca.us/workplacepolicies>. Contractor agrees to abide by the terms and conditions of said policies.

16. INTEGRATED CONTRACT:

The Recitals and exhibits are a material part of this Contract and are expressly incorporated herein. This Contract represents the full and complete understanding of every kind or nature whatsoever between the parties hereto, and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Contract will be effective only by written execution signed by both the City and Contractor.

17. CONFLICTING PROVISIONS:

In the event of a conflict between these General Conditions and those of any Exhibit or attachment hereto, these General Conditions shall prevail; provided, however, that any Special Condition as set forth in Exhibit E shall prevail over these General Conditions. In the event of a conflict between the terms and conditions of any two or more Exhibits or attachments hereto, those prepared by City shall prevail over those prepared by the Contractor, and the terms and conditions preferred by the City shall prevail over those preferred by the Contractor.

18. FORCE MAJEURE:

Neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such an obligation is prevented or delayed by reason of acts of God, strikes, boycotts, lock-outs, inability to procure materials not related to the price thereof, failure of power, restrictive governmental laws and regulations enacted after the date of this Contract, riots, civil unrest, acts of terrorism, insurrection, war, declaration of a state or national emergency or other reasons of a like nature not within the reasonable control of such party.

19. CONFLICT OF LAW:

This Contract shall be interpreted under, and enforced by the laws of the State of

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California without regard to any choice of law rules which may direct the application of laws of another jurisdiction. The Contract and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Contract (or the successors of those authorities). Any suits brought pursuant to this Contract shall be filed with the courts of the County of Contra Costa, State of California.

20. CLAIMS:

Any claim by Contractor against City hereunder shall be subject to Government Code §§ 800 et seq. The claims presentation provisions of said Act are hereby modified such that the presentation of all claims hereunder to the City shall be waived if not made within six months after accrual of the cause of action.

21. INTERPRETATION:

This Contract shall be interpreted as if drafted by both parties.

22. WARRANTY:

If any product is to be provided to the City as part of this Contract, Contractor warrants as follows: Contractor possesses good title to the product and the right to transfer the product to City; the product shall be delivered to the City free from any security interest or other lien; the product meets any specifications contained herein; the product shall be free from material defects in materials and workmanship under normal use for a period of one (1) year from the date of delivery; and the product shall be fit for its intended purpose(s). Notwithstanding the foregoing, consumable and maintenance items (such as light bulbs and batteries) shall be warranted for a period of one hundred and eighty (180) days from the date of delivery. All repairs during the warranty period shall be promptly performed by Contractor, at Contractor's expense, including shipping.

23. SEVERABILITY:

In the event that any of the provisions or portions or applications thereof of this Contract are held to be unenforceable or invalid by any court of competent jurisdiction, City and Contractor shall negotiate an equitable adjustment in the provisions of the Contract with a view toward effecting the purpose of this Contract, and the validity and enforceability of the remaining provisions or portions or applications thereof, shall not be affected thereby.

24. AUTHORITY:

City warrants and represents that the signatory hereto (the Mayor of the City of Richmond or the City Manager) is duly authorized to enter into and execute this Contract on behalf of City. The party signing on behalf of Contractor warrants and represents that they are duly authorized to enter into and execute this Contract on behalf of Contractor,

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and shall be personally liable to City if they are not duly authorized to enter into and execute this Contract on behalf of Contractor.

25. WAIVER:

The waiver by City of any breach of any term or provision of this Contract shall not be construed as a waiver of any subsequent breach. Inspections or approvals, or statements by any officer, agent or employee of the City relating to the Contractor's performance, or payment therefore, or any combination of these acts, shall not relieve the Contractor's obligation to fulfill this Contract as prescribed; nor shall the City be thereby stopped from bringing any action for damages or enforcement arising from any failure to comply with any of the terms and conditions of this Contract.

26. COUNTERPARTS:

This Contract may be executed in any number of counterparts (including by fax, PDF, DocuSign, or other electronic means), each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

27. SANCTUARY CITY CONTRACTING ORDINANCE (SCCO):

The Richmond Sanctuary City Contracting Ordinance No. 12-18 prohibits the City from granting and or retaining contracts with any person or entity that provides Data Broker or Extreme Vetting services to the U.S. Immigration and Customs Enforcement Division of the United States Department of Homeland Security ("ICE"). Contractor must submit the Sanctuary City Compliance Statement, attached hereto as Exhibit G.

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EXHIBIT E
SPECIAL CONDITIONS

The General Conditions are hereby amended to include the following modifications and/or provisions (if applicable, otherwise please state "NONE"):

**EXHIBIT F
INSURANCE PROVISIONS**

CHECK HERE IF RISK MANAGEMENT HAS APPROVED WAIVING INSURANCE REQUIREMENTS FOR THIS CONTRACT.

1. **CERTIFICATES:** Before the commencement of the terms of this Contract, and during the entire term of this Contract and any extension or modification thereof, Contractor shall furnish the City's Risk Manager with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with coverage requirements set forth by the City and incorporated herein. Such certificates, which do not limit Contractor's indemnification, shall also contain substantially the following statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to the City of Richmond.
Attention: Risk Manager."

Contractor shall maintain in force at all times during the performance of this Contract all appropriate coverage of insurance required by this Contract with an insurance company licensed to offer insurance business in the State of California with a current A.M. Best's rating of no less than A:VII or Standard & Poor's Rating (if rated) of at least BBB unless otherwise acceptable to the City. Contractor shall deliver updated insurance certificates to the City at the address set forth in Exhibit C prior to the expiration of the existing insurance certificate for the duration of the term of Contract. Endorsements naming the City, its City Council, boards, commissions, officials, employees, agents, and volunteers as additional insured shall be submitted with the insurance certificates.

2. **COVERAGE REQUIREMENTS:** The City's insurance requirements depend upon the type of service being provided and/or the provider. The City's insurance requirements will fall into one of the following categories (unless otherwise provided by the City):

Consultants and Contractors – Type 1

Professional Services – Type 2

Environmental Risk/Hazardous Waste Material – Type 3

Lease of City Property – Type 4

Vendors, Suppliers, Small Grant Recipients & Nonprofit Organizations – Type 5

Transportation Providers – Type 6

Professional Services Pyrotechnics – Type 7

Cyber and I.T. Risks – Type 8

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The insurance requirements classification applicable to this Contract shall be attached to this Exhibit F and made a part hereof.

3. FAILURE TO SECURE: If Contractor at any time during the term hereof should fail to secure or maintain the foregoing insurance, the City shall be permitted to obtain such insurance in Contractor's name or as an agent of Contractor and shall be compensated by Contractor for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.
4. SUFFICIENCY OF INSURANCE: The insurance limits required by the City are not represented as being sufficient to protect Contractor. Contractor is advised to consult Contractor's insurance broker to determine adequate coverage for Contractor. The coverage and limits shall be (1) the minimum coverage and limits specified in this Contract; or (2) the broader coverage and maximum limits of the coverage carried by or available to Contractor; whichever is greater.

INSERT INSURANCE REQUIREMENTS CLASSIFICATION APPLICABLE TO THIS CONTRACT: (IF NECESSARY, CONFIRM WITH RISK MANAGER)

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**EXHIBIT G
SANCTUARY CITY COMPLIANCE STATEMENT**

The undersigned, (hereafter "Contractor"), has had an opportunity to review the requirements of City of Richmond Ordinance 12-18 (hereafter "Sanctuary City Contracting Ordinance" or "SCCO"). Contractor understands and agrees that the City may choose with whom it will maintain business relations and may refrain from contracting with any person or entity that provides Data Broker or Extreme Vetting services to the U.S. Immigration and Customs Enforcement Division of the United States Department of Homeland Security ("ICE"). Contractor understands the meaning of the following terms used in the SCCO:

- a. "Data Broker" means either of the following:
 - i. The collection of information, including personal information about consumers, from a wide variety of sources for the purposes of reselling such information to their customers, which include both private-sector business and government agencies;
 - ii. The aggregation of data that was collected for another purpose from that for which it is ultimately used.
- b. "Extreme Vetting" means data mining, threat modeling, predictive risk analysis, or other similar services."

Contractor understands that it is not eligible to receive or retain a City contract if at the time the Contract is executed, or at any time during the term of the Contract, it provides Data Broker or Extreme Vetting services to ICE.

Contractor further understands and agrees that Contractor's failure to comply with the SCCO shall constitute a material default of the Contract and the City Manager may terminate the Contract and bar Contractor from bidding on future contracts with the City for five (5) years from the effective date of the contract termination.

By executing this statement, Contractor certifies that it complies with the requirements of the SCCO and that if at any time during the term of the Contract it ceases to comply, Contractor will promptly notify the City Manager in writing. Any person or entity who knowingly or willingly supplies false information in violation of the SCCO shall be guilty of a misdemeanor and subject to a \$1,000 fine.

Based on the foregoing, the undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Printed Name: _____ **Title:** _____

Signed: _____ **Date:** _____

Business Entity: _____