

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2018, by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY") and **Management Partners, Inc.**, herein after referred to as "CONTRACTOR".

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Garden Grove COUNCIL AUTHORIZATION, DATED _____.
2. CITY desires to utilize the services of CONTRACTOR to Provide Financial Consulting Assistance for the City of Garden Grove per Attachment A.
3. CONTRACTOR is qualified by virtue of experience, training, education and expertise to accomplish services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term and Termination** The term of the agreement shall be for a period of five months from the date of execution or until services are completed. This agreement may be terminated by the CITY without cause. In such event, the CITY will compensate CONTRACTOR for work performed to date in accordance with proposal which is attached as Attachment A and is hereby incorporated by reference. Contractor is required to present evidence to support performed work.
2. **Services to be Provided.** The services to be performed by CONTRACTOR shall consist of tasks as set forth in the Proposal. The Proposal is attached as Attachment A, and is incorporated herein by reference. The Proposal and this Agreement do not guarantee any specific amount of work.
3. **Compensation.** CONTRACTOR shall be compensated as follows:
 - 3.1 **AMOUNT.** Total Compensation under this agreement shall not exceed (NTE) amount of One Hundred Thousand Dollars (\$100,000.00) payable in arrears and in accordance with proposal in Attachment "A".
 - 3.2 **Payment.** For work under this Agreement, payment shall be made per invoice for work completed. For extra work not a part of this Agreement, a written authorization by CITY will be required, and

payment shall be based on schedule included in Proposal (Attachment A).

- 3.3 Records of Expenses. CONTRACTOR shall keep complete and accurate records of all costs and expenses incidental to services covered by this Agreement. These records will be made available at reasonable times to CITY.
- 3.4 Termination. CITY and CONTRACTOR shall have the right to terminate this agreement, without cause, by giving thirty (30) days written notice of termination. If the Agreement is terminated by CITY, then the provisions of paragraph 3 would apply to that portion of the work completed.

4. Insurance requirements.

- 4.1 COMMENCEMENT OF WORK. CONTRACTOR shall not commence work under this Agreement until all certificates and endorsements have been received and approved by the CITY. All insurance required by this Agreement shall contain a Statement of Obligation on the part of the carrier to notify the CITY of any material change, cancellation, or termination at least thirty (30) days in advance.
- 4.2 WORKERS COMPENSATION INSURANCE. During the duration of this Agreement, CONTRACTOR and all subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable.
- 4.3 INSURANCE AMOUNTS. CONTRACTOR shall maintain the following insurance for the duration of this Agreement:
 - (a) Commercial general liability in an amount of \$1,000,000.00 per occurrence (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
 - (b) Automobile liability in an amount of \$1,000,000.00 combined single limit (**claims made and modified occurrence policies are not acceptable**); Insurance companies must be acceptable to CITY and have a Best's Guide Rating of A-, Class VII or better, as approved by the CITY.
 - (c) Professional liability in an amount not less than \$1,000,000. Insurance companies must be admitted and

licensed in California and have a Best's Guide Rating of A-, Class VII or better, as approved by the City. If the policy is written on a "claims made" basis, the policy shall be continued in full force and effect at all times during the term of the agreement, and for a period of three (3) years from the date of the completion of services provided. In the event of termination, cancellation, or material change in the policy, professional/consultant shall obtain continuing insurance coverage for the prior acts or omissions of professional/consultant during the course of performing services under the term of the agreement. The coverage shall be evidenced either by a new policy evidencing no gap in coverage, or by obtaining separate extended "tail" coverage with the present or new carrier.

An **On-Going and Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

An Additional Insured Endorsement for the policy under section 4.3 (b) shall designate CITY, its officers, officials, employees, agents, and volunteers as additional insureds for automobiles, owned, leased, hired, or borrowed by the CONTRACTOR. CONTRACTOR shall provide to CITY proof of insurance and endorsement forms that conform to CITY's requirements, as approved by the CITY.

For any claims related to this Agreement, CONTRACTOR's insurance coverage shall be primary insurance as respects CITY, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees, agents, and volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.

If CONTRACTOR maintains higher insurance limits than the minimums shown above, CONTRACTOR shall provide coverage for the higher insurance limits otherwise maintained by the CONTRACTOR.

5. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.

6. **Non-Discrimination.** CONTRACTOR covenants there shall be no discrimination against any person or group due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.
7. **Independent Contractor.** It is agreed to that CONTRACTOR shall act and be an independent contractor and not an agent or employee of the CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.
8. **Compliance with Law.** CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government. CONTRACTOR shall comply with, and shall be responsible for causing all contractors and subcontractors performing any of the work pursuant to this Agreement to comply with, all applicable federal and state labor standards, including, to the extent applicable, the prevailing wage requirements promulgated by the Director of Industrial Relations of the State of California Department of Labor. The City makes no warranty or representation concerning whether any of the work performed pursuant to this Agreement constitutes public works subject to the prevailing wage requirements.
9. **Notices.** All notices shall be personally delivered or mailed to the below listed address, or to such other addresses as may be designated by written notice. These addresses shall be used for delivery of service of process.
 - a. (Contractor)
 Management Partners, Inc.
 Attention: Gerald E. Newfarmer, President
 1730 Madison Road
 Cincinnati, OH 45206
 - b. (Address of CITY) (with a copy to):
 City of Garden Grove Garden Grove City Attorney
 11222 Acacia Parkway 11222 Acacia Parkway
 Garden Grove, CA 92840 Garden Grove, CA 92840
10. **CONTRACTOR'S PROPOSAL.** This Agreement shall include CONTRACTOR'S proposal or bid which shall be incorporated herein by reference. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.
11. **Licenses, Permits, and Fees.** At its sole expense, CONTRACTOR shall obtain a Garden Grove Business License, all permits, and licenses as may be required by this Agreement.
12. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it

understands the facilities, difficulties, and restrictions of the work under this Agreement. Should Contractor discover any latent or unknown conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY of this and shall not proceed, except at CONTRACTOR'S risk, until written instructions are received from CITY.

13. **Time of Essence.** Time is of the essence in the performance of this Agreement.
14. **Limitations Upon Subcontracting and Assignment.** The experience, knowledge, capability, and reputation of CONTRACTOR, its principals and employees were a substantial inducement for CITY to enter into this Agreement. CONTRACTOR shall not contract with any other entity to perform the services required without written approval of the CITY. This Agreement may not be assigned voluntarily or by operation of law, without the prior written approval of CITY. If CONTRACTOR is permitted to subcontract any part of this Agreement, CONTRACTOR shall be responsible to CITY for the acts and omissions of its subcontractor as it is for persons directly employed. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor and CITY. All persons engaged in the work will be considered employees of CONTRACTOR. CITY will deal directly with and will make all payments to CONTRACTOR.
15. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement and that by executing this Agreement, the parties are formally bound.
16. **Indemnification.** To the fullest extent permitted by law, CONTRACTOR shall defend, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damages of any nature, including interference with use of property, arising out of, or in any way connected with the negligence, recklessness and/or intentional wrongful conduct of CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractors hired by CONTRACTOR in the performance of the Agreement. The only exception to CONTRACTOR'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence, recklessness and/or wrongful conduct of CITY, or any of its elective or appointive boards, officers, agents, or employees.
This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.
17. **Appropriations.** This Agreement is subject to and contingent upon funds being appropriated therefor by the Garden Grove City Council for each fiscal

year covered by the term of this Agreement. If such appropriations are not made, this Agreement shall automatically terminate without penalty to the CITY.

\\ \\ \\

(Agreement Signature Block on Next Page)

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

Date: _____

**"CITY"
CITY OF GARDEN GROVE**

By: _____
City Manager

ATTESTED:

City Clerk

Date: _____

**"CONTRACTOR"
Management Partners, Inc.**

By: _____

Name: _____

Title: _____

Date: _____

Tax ID No. _____

Contractor's License: _____

Expiration Date: _____

If CONTRACTOR is a corporation, a Corporate Resolution and/or Corporate Seal is required. If a partnership, Statement of Partnership must be submitted to CITY.

APPROVED AS TO FORM:

Garden Grove City Attorney

Date

Management Partners



ATTACHMENT "A"

October 1, 2018

Mr. Scott Stiles, City Manager
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92842

Dear Mr. Stiles:

Thank you for the opportunity to submit a proposal to provide financial consulting assistance to the City of Garden Grove. Management Partners has the expertise and skills necessary to provide this assistance and we would be pleased to do so.

About Management Partners

Management Partners was founded in 1994 with a specific mission to help local government leaders improve their service to the public. Since then we have worked with cities, counties, towns, and special districts of all sizes across the United States to help them work more effectively and run more efficiently.

We offer a balance of perspectives with a practitioner's bias and a proven track record of successful consulting engagements. This experience gives us a sensitivity that produces positive outcomes. We are proud to say that as a result of our quality work, many of our clients ask us to complete subsequent assignments.

- » *We Know Local Government.* Our associates have served in local governments, so we have a deep understanding of the operating and political environments in which you work.
- » *We Take a Collaborative Approach.* We consider ourselves part of your team and strive to ensure our work supports your overall corporate strategy and goals.
- » *We Have Extensive Experience.* Each of our more than 80 associates is an expert in one or more service areas, and our firm has assisted hundreds of jurisdictions in 42 states.
- » *We Have Developed Proven Methodologies.* We understand the importance of a holistic approach to improving organizations, using field-tested techniques for each aspect of the work.
- » *Our Work Plan is Tailored to Your Needs.* Each of our projects is individually tailored to our client's unique needs, starting with a careful learning process.
- » *We Take Pride in the Quality of Our Work.* Our internal processes ensure first-rate, complete staff work and adherence to the highest of ethical standards in public service.

- » *We Are Focused on Implementation.* As practitioners, our recommendations make practical sense and are able to be implemented.
- » *We Provide a Full Suite of Services.* Management Partners' services include everything required to support local government leaders, including organization assessments, performance management, process improvement, strategic planning, and financial planning, budgeting and analysis.

Understanding of the Engagement

The City of Garden Grove has need for expert financial consulting and project management assistance from Management Partners. The following scope of work describes the expert consulting services desired from Management Partners.

- » Provide expert advice to city management regarding the finance department.
- » Provide expert assistance and advice in purchasing, the biennial budget, accounting services, revenue services and real property.
- » Provide professional development guidance to finance department staff.
- » Advise directors and managers in other City departments.

The City anticipates needing Management Partners assistance for approximately five months to carry out this scope of work.

Our consultants will determine the method and manner of carrying out the work, including scheduling onsite or off-site hours and determining when other experts from the firm are needed to assist with a project in order to meet project requirements. Matters pertaining to personnel, such as discipline, hiring, or evaluations, are not part of the scope or work, nor are execution of contracts or other written documents obligating the City. All such items will be the responsibility of the City.

Management Partners will provide periodic reports to the City of Garden Grove summarizing the consulting assistance our firm has provided.

Consultants

We have a team of experts available for this engagement. We will assign Bobby Magee as our lead consultant. His qualifications are shown below. Other Management Partners consultants will be assigned on an as needed basis, within the budget specified by the contract, and with authorization by the City. Our commitment is to provide high quality project assistance to the City of Garden Grove.

Our consultants are employed by Management Partners and work for and at the direction of Management Partners. Bobby Magee and all of our consultants report to Andrew Belknap, Regional Vice President of Management Partners. Additionally, our consultants are part of our



overall team and are available for assignments on other engagements, consistent with our responsibility to the City of Garden Grove, at the discretion of Management Partners.

Management Partners provides all insurance (including workers compensation, liability and professional errors and omissions), training and administrative support (including company equipment such as phones and computers) as necessary during the assignment. Our consultants use their Management Partners business cards and email address and will identify themselves as consultants with our firm. A working title for internal communications will be acceptable upon mutual agreement of Management Partners and the City of Garden Grove.

Our consultants will only use City systems and equipment if required to access data and information essential for our consulting engagement. Such instances will be authorized by Andrew Belknap or his designee from Management Partners. The City may provide conference room or office space if needed when our consultants are working onsite. It is important to the City, our consultants and our firm to be clear that we are doing this work for the City as a firm and that our consultants work for Management Partners.

Bobby Magee, Special Advisor

Bobby has 25 years of education and experience in financial services and management with a particular focus on local government procurement. Prior to his recent work as a consulting expert on procurement processes, reviews and systems, he had hands-on experience as a deputy county administrator, department director, purchasing supervisor, and fiscal agent and analyst.

Specific areas of responsibility included budget preparation, labor negotiations, interdepartmental coordination, fleet services, technology system conversions, administrative policies and regulations, and financial reporting. During his career, he directly supervised up to 30 employees. In purchasing, he has expertise in contract negotiations, federal grant requirements, bid processes, requests for proposals, capital project management, emergency management, and policies and procedures.

Some of Bobby's successes include contract negotiations with the City of Stockton for a 13-branch library system in a highly-publicized request for proposals for countywide library operations; contract negotiations between the County of San Joaquin and its seven incorporated cities for the American Recovery and Reinvestment Act Justice Assistance Grant; and serving for almost a year as the interim director of veterans' services. Bobby also led the purchasing function at Foothill Transit through a transition from a contracted private industry employer to a governmental organization. In addition, he successfully developed the retirement system for all Foothill Transit employees during the same transition.

He received both a BA and an MBA in business administration from the University of the Pacific in Stockton, California.



Other Experts

Among our many other consultants who will be available to provide assistance on the engagement are the individuals listed below.

Consultant	Expertise
Andrew Belknap, Regional Vice President	Organization analysis, forecasting, budget strategies
Don Rhoads, Special Advisor	Finance and budgeting
Bob Leland, Special Advisor	Long range forecasting and budgeting
Hossein Golestan, Special Advisor	Finance
Sandra Sato, Special Advisor	Finance
Mandy Brown, Management Advisor	Organization analysis, analytical projects
Rick Rivera, Management Analyst	Analytical projects

Fee Proposal and Term of Engagement

We propose an initial not-to-exceed contract in the amount of \$100,000 which would provide funds for approximately five months of this engagement. Management Partners will provide management consulting services at an hourly rate plus travel expenses. During this engagement, the actual consultant hours will be paid by the City of Garden Grove at a rate of \$140 per hour for our lead consultant, Bobby Magee. This is a discounted rate in recognition of the anticipated length of the engagement. Other consultants will be provided at their regular hourly rates plus travel expenses, ranging from \$85 to \$250 per hour depending on the individual assigned to the project.

Conclusion

We appreciate the opportunity to be of assistance to the City of Garden Grove. Please feel free to contact either Jan Perkins (949-202-8870) or me if you have any questions about this proposal.

Sincerely,



Gerald Newfarmer
President and CEO

Accepted for City of Garden Grove by:

Name: _____

Title: _____

Date: _____

