

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made this _____ day of _____, 2020, by the **CITY OF GARDEN GROVE**, a municipal corporation, ("CITY") and **Novak & Normal Inc., dba: The PM Group**, 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 all labor, materials and equipment for the Printing, Mailing and Delivery of the Connections and Parks and Recreation Guide.
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 period of one year from full execution of the agreement, with an option to extend said agreement additional four (4) years, for a total performance period of five (5) years. Option years shall be exercised one (1) year at a time, at the sole option of the CITY. 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 Scope of Work. The Scope of Work is attached as Attachment "A", and is incorporated herein by reference. The Scope of Work 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 Sixty Five Thousand Five Hundred Dollars (\$65,500.00), per year, payable in arrears and in accordance with PROPOSAL PRICING FORM, Attachment "B". All work shall be in accordance with RFP No. S-1259.

- 3.2 Payment For work under this Agreement, payment shall be made per invoice for work completed. Within 45 day of delivery of goods or completion of performance of services, CONTRACTOR must promptly render an invoice to CITY or payment may be significantly delayed. 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 PRICING FORM, Attachment "B". 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 PRICING FORM, Attachment "B. All work shall be in accordance with RFP. No. S-1259.
- 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 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 and provide a Waiver of Subrogation in favor of the City.
- 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.

An **On-Going and Products Completed Operations Additional Insured Endorsement** for the policy under section 4.3 (a) shall designate CITY, it's 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, it's 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 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)
Novak & Normal Inc., dba: The PM Group
Attention: Paul McKinney, President
25 Rancho Circle
Lake Forest, CA 92630
- 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.

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(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"
Novak & Normal Inc., dba: The PM Group

By: _____

Name: PAUL MCKINNEL

Title: PRESIDENT

Date: 1/6/2020

Tax ID No. 33-0827314

Contractor's License: N/A

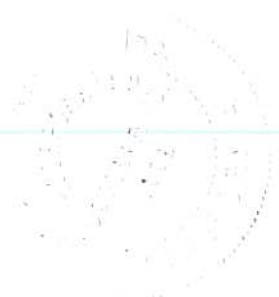
Expiration Date: N/A

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:

James H. Eggert Sr.
Garden Grove City Attorney

1/9/20
Date



ATTACHMENT "A"
SCOPE OF WORK
RFP No. S-1259

Provide all labor, materials and equipment for the Printing, Mailing and Delivery of the Connections and Parks and Recreation Guide

SCOPE

The City is seeking a contract for the generation of proofs, printing, and mailing/delivery of the City's trimester *Connections* and *Parks and Recreation Guide*. These are two separate publications (1. *Connections* 2. *Parks and Recreation Guide*) that are stapled together. All proposals shall include turn-key pricing for all services requested. All quantities are estimated, and the City reserves the right to reasonably increase or decrease these amounts. It is anticipated that any contract awarded will be for one year (3 issues), starting with the summer 2020 publication, with the option of renewing the contract for up to total of five (5) years on an annual basis at the sole option of the City.

PROJECT DESCRIPTION

Design the proofs, print and mail and or deliver as specified, three trimester publications of the City of Garden Grove City News (*Connections*) and the *Parks and Recreation Guide*. The *Connections* = approximately 8 pages; The *Parks and Recreation Guide* = approximately 24 pages text. The *Parks and Recreation Guide* stitches 1/2" above the *Connections*, so there is a "reveal" of the *Parks and Recreation Guide* when both documents are bound together.

SPECIFICATION

The City is seeking two options with the following specifications, for all editions (winter/spring, summer and fall) of the *Connections* and *Garden Grove Parks and Recreation Guide*. Proposers must submit pricing for both OPTIONS 1 and 2 or the proposal may be deemed as non-responsive by the City. The City will select one or both options at its discretion.

OPTION 1 DETAILS (Black and White):

- Spread Size: 16.75 x 10.875
- Finished Size: 8.375 x 10.875
- Stock: 35# HiBrite
- Issue Size: approximately 24 pages plus covers
- *Connections* Cover: 70# Gloss Book, 4/4: Four color process, two sides
- *Parks and Recreation Guide* Cover: 70# Gloss book, #3 Grade; 4/4: Four color process, two sides

- Interior: 35# HiBrite; 1/1 Black throughout
- One digital-printed proof to ensure correct file translation and color accuracy
- File Type: The City will create the document in Adobe InDesign CS2 for PC, and the associated fonts, TIFF, JPEG, and AI/EPS files are included in document as well as the document folder. Files to be delivered to the contractor electronically.
- Finishing: Fold, gather, saddle stitch, trim to final size, Bundle (tie) in 50's/ turn in 25's prepare for carrier walk route mailing, addressed to residential customer (residences only)
- Bulk packed; carton pack desk copies FOB destination freight to two locations included

OPTION 2 DETAILS (Full Color):

- Spread Size: 16.75 x 10.875
- Finished Size: 8.375 x 10.875
- Stock: 35# HiBrite
- Issue Size: approximately 24 pages plus covers
- Connections Cover: 70# Gloss Book, 4/4: Four color process, two sides
- Parks and Recreation Guide Cover: 70# Gloss book, #3 Grade; 4/4: Four color process, two sides
- Interior: 35# HiBrite; 4/4: Four color process throughout
- One digital-printed proof to ensure correct file translation and color accuracy
- File Type: The City will create the document in Adobe InDesign CS2 for PC, and the associated fonts, TIFF, JPEG, and AI/EPS files are included in document as well as the document folder. Files to be delivered to the contractor electronically.
- Finishing: Fold, gather, saddle stitch, trim to final size, Bundle (tie) in 50's/ turn in 25's prepare for carrier walk route mailing, addressed to residential customer (residences only)
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PROOF

Contractor shall submit to the City a hard copy color proof of each publication's final draft, at least five (5) working days prior to printing. DO NOT print without final approval from the City. The City will not be responsible for any printing done without prior approval and all costs associated shall be the responsibility of the contractor.

PRODUCTION

- Winter/Spring- 49,000 copies to be printed, with 1,000 copies to be delivered to Garden Grove City Hall
- Summer- 49,000 copies to be printed, with 1,000 copies to be delivered to Garden Grove City Hall
- Fall- 49,000 copies to be printed, with 1,000 copies delivered to Garden Grove City Hall

MAILING

Contractor to obtain list for carrier route, sort by carrier route, bundle and deliver trayed to the main post office in Garden Grove located at: 10441 Stanford Avenue, Garden Grove, CA 92840 (714) 537-1181.

PRODUCTION SCHEDULE

Contractor shall furnish the City with a production schedule which will assure that each issue is distributed at the times specified by the City. At a minimum, the schedule will include deadline dates for submittal of the InDesign file by the City, final corrections, and distribution. Contractor will not be responsible for delays caused by the City, however the contract will include financial penalties for late distribution which is determined to be the fault of the contractor.

PUBLICATION SCHEDULE

Option 1

The Connections consists of approximately 8 full color pages and The Parks and Recreation Guide consists of an 8 page full color cover plus 20 black and white pages, with the exception of the Summer Issue, which can be approximately 24 pages.

Option 2

The Connections consists of approximately 8 full color pages and The Parks and Recreation Guide consists of an 8 page full color cover plus approximately 20 full color pages, with the exception of the Summer Issue, which can be approximately 24 pages.

The publication schedules are as follows:

Winter/Spring Issue-distributed first week December
Summer Issue-distributed in first week April
Fall Issue Issue-distributed in first August

SAMPLE DOCUMENT:

A PDF sample of the City's Parks and Recreation Guide can be found on the City's website (Planet Bids) where the RFP document is located or you may stop by Garden Grove City Hall (Purchasing Division) for a printed copy.

**RFP NO. S-1259
 ATTACHMENT "B"
 PROPOSAL PRICING FORM**

THIS FORM MUST BE COMPLETED AS OUTLINED BELOW AND RETURNED WITH THE PROPOSAL. PLEASE DO NOT CHANGE THE FORMAT.
The City provides the below numbers as estimated quantities only. Actual numbers could be much higher or lower than the quantities provided below.

Est. Annual Quantity	Unit	Description	PRICE RANGE	EXTENDED COST
OPTION ONE (1)				
150,000 Approximate	Each	8 full color pages for the Connections pages and 8 full color cover pages and 24 black and white for the Parks and Recreation Guide	\$	\$ 48,321
		TAXES AND OTHER FEES (if any)	\$	\$ 4,230*
150,000 Approximate		Sort by Carrier Route and Delivery to Post Office and City as required	N/A	\$ Included
		Obtain List for Carrier Route	N/A	\$ Included
OPTION ONE TOTAL			\$	\$ 52,551*

Est. Annual Quantity	Unit	Description	UNIT PRICE RANGE	EXTENDED COST
OPTION TWO (2)				
150,000 Approximate	Each	8 full color pages for the Connection pages and 32 full color pages for the Parks and Recreation Guide	\$	\$ 53,472
		TAXES AND OTHER FEES (if any)	\$	\$ 4,680*
150,000 Approximate		Sort by Carrier Route and Delivery to Post Office and City as required	N/A	\$ Included
		Obtain List for Carrier Route	N/A	\$ Included
OPTION TWO TOTAL			\$	\$ 58,152*

*See page 13 for sales tax and postage information.

Pricing must be provided for both OPTION ONE (1) AND OPTION (2) since the City may use both options as needed.

For additional taxes/fees listed in this Attachment "B" please provide an itemized list of those costs which include a complete description and cost breakdown for these additional taxes/fees. Please attach additional sheets if needed.

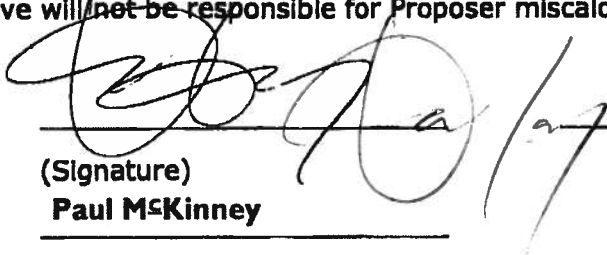
Please list any subcontractors (mailing/distribution centers) that you will be using for this project. All subcontractors are subject to final approval by the City. Contractor is responsible to ensure that all subcontractors carry the proper insurance as per the contract.

1. Mailing services subcontracted through Advantage Mailing

2.

Please check your calculations before submitting your Proposal; the City of Garden Grove will not be responsible for Proposer miscalculations.

BY:



(949) 597-1662

(Signature)

Paul McKinney

Telephone Number

(Type or Print Name)

President

(Title)

paulm@pmgrp.net

(Email Address)

The PM Group

(Company Name)

A WORD ABOUT SALES TAX

For computation purposes, (see page 11), 8.75% sales tax has been included for the entire transaction.

However, if the City determine that *Connections and Parks and Recreation Guide* is considered a “sales message,” 8.75% sales tax is not required on the copies that mail. In this case, sales tax would be required only on the copies that deliver to the City.

Please consult with your tax and accounting experts for the final determination of how *Connections and Parks and Recreation Guide* shall be taxed.

POSTAGE

- **Postage is not included in pricing provided on page 11.**
- **EDDM postage is estimated at approximately \$0.182 each.**
- **Postage to be paid by The City directly to the USPS.**
- **The USPS has indicated there will be a postage increase in January 2020. At this time the amount of the increase is yet to be determined.**



City of Garden Grove Compliance Summary Report

Vendor Number	Vendor Name	AM Best Rating	Insurance Carrier	Policy #	Eff. Date	Exp. Date	Coverage
57500	THE PM GROUP, INC. (NOVAK & NORMAL, INC.)	Compliant					
		A+, XV	Ohio Security Insurance Company	BAS56681390	5/1/2019	5/1/2020	Auto Liability
		A+, XV	West American Insurance Company	BKW56681390	5/1/2019	5/1/2020	General Liability
		A-p, XI	Employers Preferred Insurance Company	EIG152150407	5/1/2019	5/1/2020	Workers Comp

Risk Profile :

Standard (not professional services or construction)

Required Additional Insured :

City of Garden Grove, its officers, officials, agents, employees and volunteers