

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is entered into this ____ day of _____ 2018, between the CITY OF STOCKTON, a municipal corporation ("City"), and Matrix Consulting Group, a California Corporation whose address is 201 San Antonio Circle, Suite 148, Mountain View, CA 94040 and telephone number is (650) 858-0507, ("Consultant").

RECITALS

A. Consultant is qualified to and experienced in facilitating collaboration, teamwork and strategic planning efforts for the purposes specified in this Agreement.

B. City finds it necessary and advisable to use the services of the Consultant for the purposes provided in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions in this Agreement, City and Consultant agree as follows:

1. **Consultant's Services.** Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in **Exhibit A.** Consultant shall provide said services at that time, place and in the manner specified in **Exhibit A.**

2. **City Assistance, Facilities, Equipment and Clerical Support.** Except as set forth in Exhibit A. Consultant shall, at its sole cost and expense, furnish all facilities and equipment that may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in Exhibit A. according to the terms and conditions set forth in Exhibit A.

3. **Term.** This Agreement shall commence on the date written above and shall expire on September 30, 2019; provided, however the parties may agree to change either the commencement or expiration date.

4. **Compensation.** City shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in **Exhibit A.** The payments shall be made on a monthly basis upon receipt and approval of Consultant's invoice. Total compensation for services and reimbursement for costs shall not exceed \$ 75,000.

a. Invoices submitted by Consultant to City must contain a brief description of work performed, time used and City reference number. Payment shall be made within thirty (30) days of receipt of Consultant's invoice and approved by City.

b. Upon completion of work and acceptance by City, Consultant shall have sixty (60) days in which to submit final invoicing for payment. An extension may

be granted by City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Consultant fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.

5. **Sufficiency of Consultant's Work.** All reports, drawings, designs, plan review comments and work product of Consultant shall be adequate and sufficient to meet the purposes for which they are prepared.

6. **Ownership of Work.** All reports, drawings, designs, plan review comments, work product, and all other documents completed or partially completed by Consultant in the performance of this Agreement shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Consultant agrees to execute any additional documents that may be necessary to evidence such assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the City, the Consultant shall replace them at its own expense. Consultant shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.

7. **Changes.** City may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

8. **Consultant's Status.** In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of City.

9. **Termination for Convenience of City.** The City may terminate this Agreement at any time by mailing a notice in writing to Consultant. The Agreement shall then be deemed terminated and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received.

10. **Non-Assignability.** The Consultant shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Consultant shall be solely responsible for reimbursing subcontractors.

11. **Indemnity and Hold Harmless.** Consultant shall defend, indemnify, and hold harmless, the City and its officers, agents and employees from and against all claims, losses, damage, injury, and liability for damages arising from, or alleged to have arisen

from, errors, omissions, negligent or wrongful acts of the Consultant in the performance of its services under this Agreement, regardless of whether the City has reviewed or approved the work or services which has given rise to the claim, loss, damage, injury or liability for damages. This indemnification shall extend for a reasonable period of time after completion of the project as well as during the period of actual performance of services under this Agreement. The City's acceptance of the insurance certificates required under this Agreement does not relieve the Consultant from its obligation under this paragraph.

12. **Insurance.** During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached **Exhibit B** and shall otherwise comply with the other provisions of **Exhibit B.**

13. **Notices.** All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:

Consultant: Richard Brady
President
201 San Antonio Cir., Ste. 148
Mountain View, CA 94040

City: City Manager
City of Stockton
425 N. El Dorado Street
Stockton, CA 95202

14. **Conformance to Applicable Laws.** Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

15. **Licenses, Certifications and Permits.** Prior to the City's execution of this Agreement and prior to the Consultant's engaging in any operation or activity set forth in this Agreement, Consultant shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

16. **Records and Audits.** Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit.

17. **Confidentiality.** Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information or conclusions.

18. **Conflicts of Interest.** Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the City. Consultant and its principals do not have any financial interest

in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant's services under this Agreement. If such an interest arises, Consultant will immediately notify the City.

19. **Waiver.** In the event either City or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

20. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch or, where applicable, in the federal District Court of California, Eastern District, Sacramento Division.

21. **No Personal Liability.** No official or employee of City shall be personally liable to Consultant in the event of any default or breach by the City or for any amount due Consultant.

22. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

23. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

THIS AGREEMENT executed the date and year first above written.

CITY OF STOCKTON

CONSULTANT

Kurt Wilson, City Manager

By: _____

Signature

ATTEST:

Richard T. Brady
Richard Brady, President

City Clerk

Title: _____

President

APPROVED AS TO FORM:

*[If Consultant is a corporation
signature(s) must comply with
Corporations Code §313.]*

City Attorney

EXHIBIT A

Insert Scope for Services

2 Management / Method of Operations

This section of our proposal provides the City with a detailed look at our general project approach, proposed work plan, and project schedule.

1 Project Approach

The Matrix Consulting Group works with a wide variety of clients ranging from small towns to major metropolitan cities in over 41 states across the U.S. Every project is unique, and is managed according to the following essential project approaches:

- **Reputation for effective project management:** Our clients value the personal attention, enthusiasm, responsiveness, timely delivery, and expertise provided on their projects. This attention to project management is demonstrated in our work approach, as shown in the detailed work plans provided for each project.
- **Cross-trained project team:** Our project team's background in both financial and management analysis provides them with a unique understanding of the work processes and service level assumptions behind cost and fees for service.
- **Communication with the City:** At the onset of the project, a detailed schedule will be developed outlining key deadlines and deliverables, and regular progress reports will be provided to the City's Project Manager. Our project team is known for its availability to City staff and for providing prompt responses to questions or issues that develop during the project.
- **City staff support:** The Matrix Consulting Group is mindful of the City's current workload and our approach is to work with our clients' staff to minimize project impacts through strong project management, clear expectations of our roles versus staff roles, and careful as well as realistic scheduling.
- **Workshop data gathering approach:** The facilitation of data gathering workshops allows the project team to obtain more accurate time and service level data. It also provides staff with the knowledge needed to explain how results were derived and the assumptions behind the analysis.
- **Excel-based analytical models:** Our technical cost plan and user fee models are based in Microsoft Excel, which provides our clients with the ability to adapt and update them from year to year as their organization changes. Using Excel as the platform for our models eliminates costs and additional training associated with software products and licensing.

These approaches have led to high rates of implementation for all of our project results.

2 Work Plan

The City of Stockton is looking to assess fees and processes associated with Building, Planning, Fire Prevention, Municipal Utilities, and Development Engineering. The focus of this study is to review workflow processes and determine the full cost of providing fee-related services. Cost calculations will be analyzed based on current processes, as well as potential process improvements and efficiencies or technological enhancements. The following tasks provide a detailed look at our proposed work plan for the Development Services Permit Processing Fee Study.

Task 1 | Determine and Review Initial Documentation

The project team will provide the City with a written “Data Collection List” outlining documents and information needed prior to our first onsite visit. This data request typically includes the following items:

- Current Fiscal Year adopted Budget for all relevant Departments and Divisions.
- Most recent completed Fiscal Year revenue reports for all Departments.
- List of all budgeted personnel by Department / Division.
- List of all current fees being charged by the City to be included in the analysis.

Before our first on-site visit, we will review this information to familiarize ourselves with strengths, weaknesses and opportunities for improvement related to the City’s existing fee structure. In addition, we will familiarize ourselves with the budgetary and staffing structures relevant to fees for service.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • List of basic data requirements for the Study 	<ul style="list-style-type: none"> • Basic data requirements for the Study as listed by the Matrix Consulting Group (staffing, salary, budget, etc.)
Estimated Hours: 1 - 2 hours for Finance	

Task 2 | Project Initiation – Establish the City’s Goals and Objectives for the Study, and Identify Trends and Plans Which Impact Cost Recovery Analysis and Policy

To effectively analyze and present the full cost of providing City services, it is important

that the project team develops an understanding of key issues which impact and shape the City's service delivery and cost recovery policies. To develop this perspective and customize the structure of the project, we plan to do the following:

- Conduct an initial meeting with the City's management staff to solidify the exact parameters of the Study.
- Develop a detailed project management plan, including timelines and associated deliverables.
- Conduct discussions regarding the City's current fee structure and any potential changes.
- Identify current cost recovery policies or established subsidies.

As a "user fee" study, the Matrix Consulting Group does not propose to evaluate any fines, taxes, utility rates, or impact fees. Services and activities included in the study are those that are defined specifically by an estimate of staff time.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • On-site meeting with City management involved in or impacted by the Study • Project Management Plan 	<ul style="list-style-type: none"> • Designated project management representative • Approval of work plan as provided by the Matrix Consulting Group
Estimated Hours: 0.5 hours per executive staff member attending the meeting.	

Task 3 | Develop a Schedule of Current and Potential Fees for Service

The scope of this effort will be the fees charged by the City for Building, Planning, Fire Prevention, Municipal Utilities, and Development Engineering. Current, as well as potential fees and charges will be identified and documented. Meetings with each department will identify the areas of greatest potential cost recovery, and structure and expand existing fee schedules for optimum cost recovery and fairness and equitability to the applicant for services.

At this time, the project team will request volume statistics to be used for staff utilization and cost/revenue comparisons later in the analysis.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> On-site meeting to discuss and revise fee structures for each department Thorough review of existing documentation and analyses that support the Department's current fee structure and operations 	<ul style="list-style-type: none"> Participation in discussion of existing and proposed fee items for the analysis Review, comment, and approval of fee structure report prepared by the Matrix Consulting Group
Estimated Hours: 3 hours per department	

Task 4 | Document and Evaluate Existing Processes

The project team would meet with Departmental staff to document and evaluate the current processes in place for development services. These processes would primarily relate to intra-departmental and inter-departmental during the permitting process. The project team would outline the basic process steps including the different departments that the specific permit is routed and identify opportunities to streamline or more proactively manage the development and construction process. The following outlines the typical issues reviewed for development services activities:

The effectiveness with which the City's information systems are utilized for plan check and inspection services and opportunities to enhance the existing systems to share information.

The reasons for delay in processing of submittals or inspections based on sampling of cases.

The application process and submittal requirements, including the ability to submit electronically.

The number of hand-offs between staff and the potential to cross-train staff

The number of departments / divisions involved in a specific review.

The effective utilization of the Permit Center services.

The issues above and other issues will be utilized to document existing permit processes, as well as develop recommended process maps. The project team will utilize these process maps to conduct the time estimate workshops with staff and discuss the different time estimates for each step in the process, based on both current and recommended processes.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Current maps for development processes Recommended Process Maps for basic development process 	<ul style="list-style-type: none"> Attendance at interviews
Estimated Hours: Approximately 2-8 hours for the specific development-related staff involved in major processes.	

Task 5 | Conduct Time and Activity Data Gathering Workshops

The project team will conduct workshops to gather time and activity estimates for each service included in the study, interviewing key personnel from each department and analyzing the various activities being performed within it that are both revenue and non-revenue generating. The flowchart below shows an example of the steps involved in processing a permit and the staff and time associated with each step.

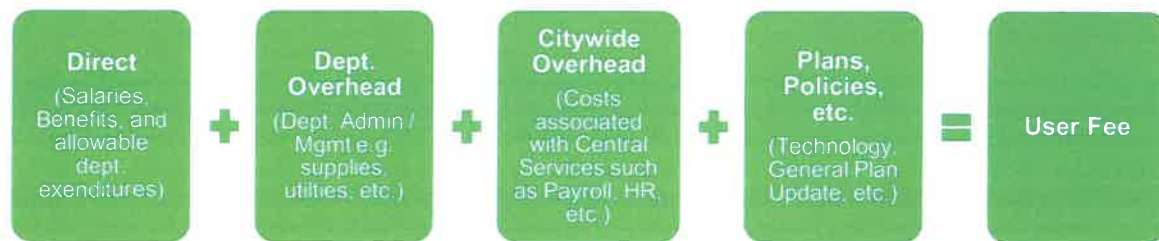


As the flowchart above shows, basic process steps in application / permit processing will be documented and provided in the Departmental detail for each department represented in the study.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Facilitation of two-days of meetings related to available net hour calculations, documentation of service levels 1 - 2 iterations of review to achieve a defensible and reasonable allocation of staff time to fee and non-fee activities 	<ul style="list-style-type: none"> Attendance at workshop meetings Provision of follow up data or discussion as needed
Estimated Hours: 3 - 7 hours per department	

Task 6 | Perform a Total Cost Analysis

The Matrix Consulting Group's costing model is built based on the City's operations, budget detail and intended uses for the results. This method is a customized approach, specific to each jurisdiction, for cost analysis of user fee services. This costing method uses time and annual activity level data to establish the cost of providing services on both a unit and annual level. Once the time spent for a fee activity is determined for each individual or position, the team uses its fee and rate software to apply applicable City costs to the calculation of the full cost of providing each service. The following chart describes the typical costs considered as applicable to fees.



Resulting costs are presented on a unit and annual level, and are compared to the existing fee schedule and revenue reports. The City will obtain information about cost recovery surpluses and deficits on both a detailed (per unit) and global (annualized) level, as well as an understanding of cost components for each service.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Detailed documentation of current charges versus the actual cost of providing services from both a cost per unit and annual cost perspective 	<ul style="list-style-type: none"> Provision of follow up data or discussion as needed
Estimated Hours: 1 - 3 hours per department	

Task 7 | Analysis of Recoverable Revenue

Utilizing each department's billing statistics, receivables, and workload data, the project team will analyze potential and actual recoverable revenue. This will help the City understand how workload volume impacts revenue and cost subsidies. While potential revenue can be identified, recoverable revenue is dependent upon the following factors:

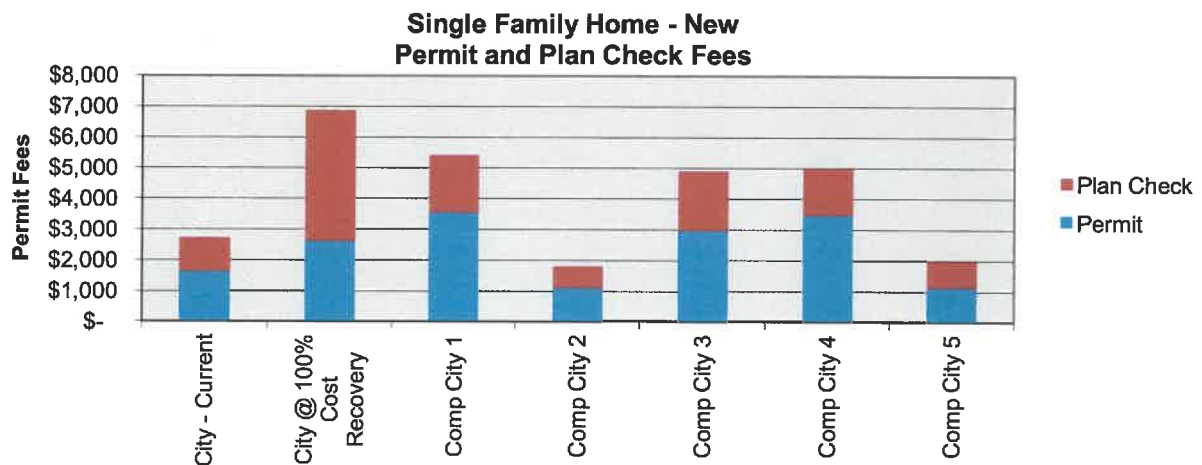
- Current policies and legal restrictions, which limit the City's ability to increase fees and thereby revenue recovery.
- Economic and revenue impacts of proposed and recommended fee levels and methodologies, including compliance with policies and fee affordability for small projects and applications.

These factors influence the actual recoverable revenue of a department and directly influence the self-sustainability of a department / division. City staff can use this information to shape or alter current or future City policies on cost recovery.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • Discussion of internal and external policies limiting fee increases • Analysis of potential and actual recoverable revenue 	<ul style="list-style-type: none"> • Provide documentation regarding current City policies • Attendance at meetings related to discussion of revenue results
Estimated Hours: 2 - 4 hours per department	

Task 8 | Conduct a Market Rate Survey to Similar Jurisdictions

The project team will work with the Department to identify cities in San Joaquin County (or elsewhere in the Central Valley) targeted for the fee comparison survey. We will also develop the survey tools and select the most appropriate fee items for benchmarks. Then, we will administer the survey, collect comparative data, conduct the comparison, and document the results. The following graph provides an example of how comparative survey results for Building Fees would be presented:



Market surveys do not provide adequate or objective information about the relationship of a jurisdiction's costs to its fees, therefore, it is recommended that information contained in the market comparison of fees be used as a secondary decision-making tool, rather than as a tool for establishing price points for services.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • Survey of fees in similar jurisdictions • Written comparative summary of the results 	<ul style="list-style-type: none"> • Review of proposed jurisdictions and list of comparable fees to be included in the survey
Estimated Hours: 1 hour per division or program	

Task 9 | Review / Revise the Fee Study Results with Departments and City Management

Because the analysis of fees for service is based on estimates and information provided by City staff, it is extremely important that all participants are comfortable with our methodology and with the data they have provided. Once the departments agree that the analysis reflects the reasonable costs of providing services, City management will have an opportunity to review the results.

The project team will address implementation strategies that consider both policy issues and goals for optimum cost recovery. While it is generally desirable to eliminate any subsidies, discussions regarding the feasibility of raising fees based on political climate, legal restrictions, and social and economic consequences must occur.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> • Approval of analytical results at the Department and City management levels • Formulation of cost recovery recommendations and associated revenue impacts 	<ul style="list-style-type: none"> • Review of final analytical model documentation • Attendance at meetings related to discussion of results and economic policy implications • Follow up data or discussion as needed
Estimated Hours: 1 - 3 hours per department	

Task 10 | Prepare a Final User Fee Study

Upon conclusion of the fee study, we will prepare a detailed report that summarizes the results of each of the previous work tasks described above. This report will include the following:

- A succinct executive summary discussing the study, the methodology, and the results.
- A narrative describing the services included in the study, as well as any revenue enhancement and operational recommendations specific to your organization and based on our extensive experience with hundreds of jurisdictions, as well as key decision-making points to be considered.
- Appendices that compare existing and potential cost recovery on a unit and annual basis by department.

The report will be reviewed, revised and finalized with Department and City management.

Project Deliverable - MCG	City Services Required
<ul style="list-style-type: none"> Preparation and approval of the Final City-wide User Fee Study report 5 bound copies, 1 unbound, and 1 electronic version of the final report Detailed back-up documentation for each department included in the study 	<ul style="list-style-type: none"> Review and approval of Final Report drafts
Estimated Hours: 1 hour per reviewer	

Task 11 | Present the Final Report to Key Stakeholders

The presentation of results to City officials and/or stakeholders is critical to the success of the overall engagement. Because the product from the study is often controversial, the objective of this final step is to present a succinct summary that provides decision makers with key information. The Matrix Consulting Group will attend and present the Study to the City Council. Additional meetings can be arranged at cost.

Project Deliverable – MCG	City Services Required
<ul style="list-style-type: none"> Presentation of Study results at a City Council meeting 	<ul style="list-style-type: none"> Preparation of City Staff Report
Estimated Hours: 4 hours per Finance Department or Management staff	

3 Proposed Schedule

While the City is looking to review all fees and services relating to Building, Planning, Fire Prevention, Municipal Utilities, and Development Engineering, it is expected that the study will be completed in two phases. Phase 1 of the study will include Building, Planning and Fire Prevention, with Phase 2 focusing on Municipal Utilities and Development Engineering. Both phases should be completed no later than June 30, 2019.

The Matrix Consulting Group is committed to meeting the City's expected timeline for completion, and would be prepared to accommodate any changes in phase participants, including conducting both phases concurrently.

Exhibit B:
Insurance Requirements for Professional Services

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

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$1,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the **general aggregate limit shall be twice** the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.
3. **Workers' Compensation** insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. ***(Not required if consultant provides written verification it has no employees)***
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant's profession, with limit no less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate. (If Claims-made, see below.)

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

Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

Additional Insured Status

Matrix Consulting Group – Development Permit Services Fee Study

The City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers are to be covered as additional insureds on the CGL policy and AL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Consultant's insurance coverage shall be endorsed as primary insurance as respects the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers.** Any insurance or self-insurance maintained by the City of Stockton, its Mayor, Council, officers, representatives, agents, employees and volunteers shall be excess of the Consultant's insurance and shall not contribute with it. The City of Stockton does not accept endorsements limiting the Consultant's insurance coverage to the sole negligence of the Named Insured.

Notice of Cancellation

Each insurance policy required above shall state that **coverage shall not be canceled, except with notice to the City of Stockton.**

Waiver of Subrogation

Consultant hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Stockton has received a waiver of subrogation endorsement from the insurer.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City of Stockton Risk Services. The City of Stockton may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII if admitted to do business in the State of California; if not admitted to do business in the State of California, insurance is to be placed with insurers with a current A.M. Best's rating of no less than A+:X.

Claims Made Policies

If any of the required policies provide coverage on a claims-made basis:

Matrix Consulting Group – Development Permit Services Fee Study

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. If Claims Made policy form is used, a three (3) year discovery and reporting tail period of coverage is required after completion of work.

Verification of Coverage

Consultant shall furnish the City of Stockton with original certificates and amendatory endorsements required by this clause. All certificates and endorsements are to be received and approved by the City of Stockton Risk Services before work commences. Failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time, for any reason or no reason.

Consultant shall, prior to the commencement of work under this Agreement, provide the City of Stockton with a copy of its Declarations Page and Endorsement Page for each of the required policies.

Certificate Holder Address

Proper address for mailing certificates, endorsements and notices shall be:

- o City of Stockton
- o Attention: Risk Services
- o 425 N El Dorado Street
- o Stockton, CA 95202

City of Stockton Risk Services Phone: 209-937-5037
City of Stockton Risk Services Fax: 209-937-8558

Maintenance of Insurance

If at any time during the life of the Contract or any extension, the Consultant fails to maintain the required insurance in full force and effect, all work under the Contract shall be discontinued immediately. Any failure to maintain the required insurance shall be sufficient cause for the CITY to terminate this Contract.

Subcontractors

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

Special Risks or Circumstances

City of Stockton reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.