

SERVICES AGREEMENT

ROCK GATE CAPITAL, LLC

As-Needed Commercial Driver's License (CDL) Entry-Level Driver Training (RFP 2428)

THIS SERVICES AGREEMENT ("Agreement") is made and entered into on this 26 day of MARCH, 2025, by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and ROCK GATE CAPITAL, LLC, an Illinois limited liability company authorized to do business in California, doing business as 160 Driving Academy ("Contractor").

1. **Scope of Services.** Contractor shall furnish all labor, materials and equipment for and perform the work of As-Needed Commercial Driver's License (CDL) Entry-Level Driver Training (RFP 2428) ("Services"). Contractor shall perform the Services in accordance with the provisions and requirements of the Scope of Services attached hereto as Exhibit "A" and incorporated herein by reference.

2. **Term.** This Agreement shall be in effect through June 30, 2028, unless otherwise terminated pursuant to the provisions herein. The term may be extended for two (2) additional one-year extensions, upon mutual written agreement of the parties.

3. **Compensation.** City shall pay Contractor for the performance of the Services during the initial three-year term of this Agreement a Contract Price not to exceed One Hundred Thousand Dollars (\$100,000.00) a year, and not to exceed Three Hundred Thousand Dollars (\$300,000.00), with the option for two one-year extensions, in an amount not-to-exceed One Hundred Thousand Dollars (\$100,000.00) a year, for a total contract amount not to exceed of Five Hundred Thousand Dollars (\$500,000.00) if options are exercised, unless an increase is agreed to by the parties in writing. City shall pay Contractor for Services performed to City's satisfaction on a monthly basis in accordance with the provisions of the Compensation Schedule attached hereto as Exhibit "B," and incorporated herein by this reference.

4. **General Compliance with Laws.** Contractor shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Contractor, or in any way affect the performance of Services by Contractor pursuant to this Agreement. Contractor shall at all times observe and comply with all such laws, ordinances and regulations, and shall be solely responsible for any failure to comply with all applicable laws, ordinances and regulations.

5. **Business Tax Certificate.** As a condition of this Agreement, Contractor shall secure a business tax certificate to operate in the City of Riverside pursuant to Chapter 5.04 of the Riverside Municipal Code, and shall also secure any other licenses or permits which may be required.

6. **Business Tax and Penalties.** Contractor acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which is owed, or

which becomes owed, by Contractor to City, City reserves the right to withhold and offset said amounts from any payments, refunds or reimbursements owed by City to Contractor under the Agreement. Notice of such withholding and offset shall promptly be given to Contractor by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

7. **Personnel.** Contractor shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. The key personnel are listed in Exhibit "C," attached hereto and incorporated herein by reference. Contractor shall furnish qualified personnel to perform the Services.

8. **Assignment and Subcontracting.** Neither party shall assign any right, interest, or obligation in or under this Agreement to any other entity without prior written consent of the other party. In any event, no assignment shall be made unless the assignee expressly assumes the obligations of assignor under this Agreement, in a writing satisfactory to the parties. Contractor acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Contractor shall not subcontract any portion of the work required by this Agreement without prior written approval by the responsible City Contract Administrator. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement, including without limitation, the insurance obligations set forth in Section 11. The Contractor acknowledges and agrees that the City is an intended beneficiary of any work performed by any subcontractor for purposes of establishing a duty of care between any subcontractor and the City.

9. **Independent Contractor.** In the performance of this Agreement, Contractor, and Contractor's employees, subcontractors and agents, shall act in an independent capacity as independent contractors, and not as officers or employees of the City of Riverside. Contractor acknowledges and agrees that the City has no obligation to pay or withhold state or federal taxes or to provide workers' compensation or unemployment insurance to Contractor, or to Contractor's employees, subcontractors and agents. Contractor, as an independent contractor, shall be responsible for any and all taxes that apply to Contractor as an employer.

10. **Indemnification.** Contractor shall indemnify and hold harmless the City, and the City's employees, officers, managers, agents and council members from any liability, claim, damage or action whatsoever, arising out of the sole negligence or willful misconduct of Contractor, its officers, employees, subcontractors, agents or including but not limited to property damage, bodily injury, or death. Contractor shall defend, at its sole cost and expense, including but not limited to attorney fees, cost of investigation, defense and settlement or awards, the City and the City's employees, officers, managers, agents and council members in any such action or claim. With respect to any action or claim subject to indemnification herein by Contractor, Contractor shall, at its sole cost, have the right to use counsel of its own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of City; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes Contractor's indemnification of City. Contractor's obligations hereunder shall be satisfied when Contractor has provided to City the appropriate form of dismissal (or similar document) relieving

the City from any liability for the action or claim involved. The specified insurance limits required in this Agreement shall in no way limit or circumscribe Contractor's obligations to indemnify and hold harmless the City.

11. Insurance.

11.1 General Provisions. Prior to the City's execution of this Agreement, Contractor shall provide satisfactory evidence of, and shall thereafter maintain during the term of this Agreement, such insurance policies and coverages in the types, limits, forms and ratings required herein. The rating and required insurance policies and coverages may be modified in writing by the City's Risk Manager or City Attorney, or a designee, unless such modification is prohibited by law.

11.1.1 Limitations. These minimum amounts of coverage shall not constitute any limitation or cap on Contractor's indemnification obligations under Section 10 hereof.

11.1.2 Ratings. Any insurance policy or coverage provided by Contractor or subcontractors as required by this Agreement shall be deemed inadequate and a material breach of this Agreement, unless such policy or coverage is issued by insurance companies authorized to transact insurance business in the State of California with a policy holder's rating of A or higher and a Financial Class of VII or higher.

11.1.3 Cancellation. The policies shall not be canceled unless thirty (30) days' prior written notification of intended cancellation has been given to City by certified or registered mail, postage prepaid.

11.1.4 Adequacy. The City, its officers, employees and agents make no representation that the types or limits of insurance specified to be carried by Contractor pursuant to this Agreement are adequate to protect Contractor. If Contractor believes that any required insurance coverage is inadequate, Contractor will obtain such additional insurance coverage as Contractor deems adequate, at Contractor's sole expense.

11.2 Workers' Compensation Insurance. By executing this Agreement, Contractor certifies that Contractor is aware of and will comply with Section 3700 of the Labor Code of the State of California requiring every employer to be insured against liability for workers' compensation, or to undertake self-insurance before commencing any of the work. Contractor shall carry the insurance or provide for self-insurance required by California law to protect said Contractor from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Contractor shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Contractor is self-insured for such coverage, or 2) a certified statement that Contractor has no employees, and acknowledging that if Contractor does employ any person, the necessary certificate of insurance will immediately be filed with City. Any certificate filed with City shall provide that City will be given ten (10) days' prior written notice before modification or cancellation thereof.

11.3 Commercial General Liability and Automobile Insurance. Prior to City's execution of this Agreement, Contractor shall obtain, and shall thereafter maintain during the term

of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Contractor against damages for personal injury, including accidental death, as well as from claims for property damage, which may arise from or which may concern operations by anyone directly or indirectly employed by, connected with, or acting for or on behalf of Contractor. The City, and its officers, employees and agents, shall be named as additional insureds under the Contractor's insurance policies.

11.3.1 Contractor's commercial general liability insurance policy shall cover both bodily injury (including death) and property damage (including, but not limited to, premises operations liability, products-completed operations liability, independent contractor's liability, personal injury liability, and contractual liability) in an amount not less than \$1,000,000 per occurrence and a general aggregate limit in the amount of not less than \$2,000,000.

11.3.2 Contractor's automobile liability policy shall cover both bodily injury and property damage in an amount not less than \$1,000,000 per occurrence and an aggregate limit of not less than \$1,000,000. All of Contractor's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Contractor's performance of this Agreement, which vehicles shall include, but are not limited to, Contractor owned vehicles, Contractor leased vehicles, Contractor's employee vehicles, non-Contractor owned vehicles and hired vehicles.

11.3.3 Prior to City's execution of this Agreement, copies of insurance policies or original certificates along with additional insured endorsements acceptable to the City evidencing the coverage required by this Agreement, for both commercial general and automobile liability insurance, shall be filed with City and shall include the City and its officers, employees and agents, as additional insureds. Said policies shall be in the usual form of commercial general and automobile liability insurance policies, but shall include the following provisions:

It is agreed that the City of Riverside, and its officers, employees and agents, are added as additional insureds under this policy, solely for work done by and on behalf of the named insured for the City of Riverside.

11.3.4 The insurance policy or policies shall also comply with the following provisions:

a. If the policy is written on a claims made basis, the certificate should so specify and the policy must continue in force for one year after completion of the services. The retroactive date of coverage must also be listed.

b. The policy shall specify that the insurance provided by Contractor will be considered primary and not contributory to any other insurance available to the City and Endorsement No. CG 20010413 shall be provided to the City.

12. **Termination.** City shall have the right to terminate any or all of Contractor's Services and work covered by this Agreement at any time upon thirty (30) calendar days' written notice to Contractor. In the event of such termination, Contractor shall submit Contractor's final

written statement of the amount of services provided as of the date of such termination for payment by the City.

Notwithstanding the foregoing, the City may terminate Contractor's performance of this Agreement upon five (5) calendar days' written notice if:

- (1) Contractor fails to promptly begin performance of the Services;
- (2) Contractor fails to perform the Services;
- (3) Contractor discontinues performance of the Services;
- (4) Contractor fails to make payment to employees in accordance with applicable law;
- (5) Contractor disregards laws, ordinances, or rules, regulations, or orders of a public authority having jurisdiction;
- (6) Contractor otherwise is guilty of breach of a provision of this Agreement;
- (7) Contractor becomes insolvent, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors and fails to provide City with adequate assurances of Contractor's ability to satisfy its contractual obligations.
- (8) A receiver, trustee, or other judicial officer shall not have any right, title, or interest in or to this Agreement. Upon that person's appointment, City has, at its option and sole discretion, the right to immediately cancel the Agreement and declare it null and void.

13. **Non-Discrimination.** During Contractor's performance of this Agreement, Contractor shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical disability, mental disability, medical condition including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, gender, gender identity, genetic information, gender expression, sex or sexual orientation, military and veteran status, in the selection and retention of employees and subcontractors and the procurement of materials and equipment, except as provided in Section 12940 of the California Government Code. Further, Contractor agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

14. **City's Right to Employ Other Consultants/Contractors.** City reserves the right to employ other Contractors in connection with the Services. If the City is required to employ another contractor to complete Contractor's work, due to the failure of the Contractor to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Contractor.

15. **Conflict of Interest.** Contractor, for itself and on behalf of the individuals listed in Exhibit "C", represents and warrants that by the execution of this Agreement, they have no interest, present or contemplated, affected by the above-described Services. Contractor further warrants that neither Contractor, nor the individuals listed in Exhibit "C" have any real property, business interests or income interests that will be affected by this project or, alternatively, that Contractor will file with the City an affidavit disclosing any such interest.

16. **Solicitation.** Contractor warrants that Contractor has not employed or retained any person or agency to solicit or secure this Agreement, nor has it entered into any agreement or understanding for a commission, percentage, brokerage, or contingent fee to be paid to secure this Agreement. For breach of this warranty, City shall have the right to terminate this Agreement without liability and pay Contractor only for the value of work Contractor has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Contractor the full amount of such commission, percentage, brokerage or commission fee. The remedies specified in this section shall be in addition to and not in lieu of those remedies otherwise specified in this Agreement.

17. **Prevailing Wage.** If applicable, pursuant to Section 1771 of the California Labor Code, Contractors are required to pay the general prevailing rates of per diem wages, overtime and holiday wages as determined by the Director of the Department of Industrial Relations and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination of prevailing wage rates is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm, and is referred to and made a part hereof as though fully set forth herein. Contractor is aware of and stipulates that Contractor will also comply with California Labor Code Sections 1725.5 and 1771.1 requiring all general contractors and subcontractors to be registered with DIR, when applicable. Registration can be accomplished through the DIR website by using this link: <http://www.dir.ca.gov/PublicWorks/PublicWorks.html>.

18. **Notices.** Service of any notices, bills, invoices or other documents required or permitted under this Agreement shall be sufficient if sent by one party to the other by United States mail, postage prepaid and addressed as follows:

To City

Human Resources Department
City of Riverside
Attn: Chuck McDonald
3900 Main Street
Riverside, CA 92522

To Contractor

Rock Gate Capital LLC
Attn: Emily Cavellier
2 North Riverside Plaza, Suite 2100
Chicago, IL 60606

19. **Venue.** Any action at law or in equity brought by either of the parties hereto for the purpose of enforcing a right or rights provided for by this Agreement shall be tried in the Superior Court of California, County of Riverside and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

20. **Waiver.** No action or failure to act by the City shall constitute a waiver of any right or duty afforded City under this Agreement, nor shall any action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically provided in this Agreement or as may be agreed in writing.

21. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, in this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, in this Agreement is declared invalid, unconstitutional, or void for any reason, such provision or part thereof shall be severed from this Agreement and shall not affect any other provision, term, condition, covenant and/or restriction of this Agreement and the remainder of the Agreement shall continue in full force and effect.

22. **Amendments.** This Agreement may be modified or amended only by a written agreement and/or change order executed by the Contractor and City.

23. **Authority.** The individuals executing this Agreement and the instruments referenced herein on behalf of Contractor each represent and warrant that they have the legal power, right and actual authority to bind Contractor to the terms and conditions hereof and thereof.

24. **Entire Agreement.** This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement, and supersedes all prior and contemporaneous understandings or agreements of the parties. Neither party has been induced to enter into this Agreement by, and neither party is relying on, any representation or warranty outside those expressly set forth in this Agreement.

25. **Digital and Counterpart Signatures.** Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a “digital signature” is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of “electronic signature” as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

26. **Interpretation.** City and Contractor acknowledge and agree that this Agreement is the product of mutual arms-length negotiations and accordingly, the rule of construction, which provides that the ambiguities in a document shall be construed against the drafter of that document, shall have no application to the interpretation and enforcement of this Agreement.

26.1 Titles and captions are for convenience of reference only and do not define, describe or limit the scope or the intent of the Agreement or any of its terms. Reference to section numbers, are to sections in the Agreement unless expressly stated otherwise.

26.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California in effect at the time of the execution of this Agreement.

26.3 In the event of a conflict between the body of this Agreement and Exhibit "A" - Scope of Services hereto, the terms contained in Exhibit "A" shall be controlling.

27. **Exhibits.** The following exhibits attached hereto are incorporated herein to this Agreement by this reference:

Exhibit "A" - Scope of Services

Exhibit "B" - Compensation

Exhibit "C" - Key Personnel

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF RIVERSIDE,
a California charter city and municipal
corporation

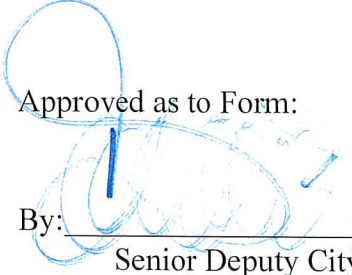
By: _____
City Manager

Attest: _____
City Clerk

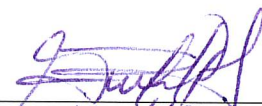
Certified as to Availability of Funds:

By: 
Asst Chief Financial Officer

Approved as to Form:

By: 
Senior Deputy City Attorney

ROCK GATE CAPITAL, LLC,
an Illinois limited liability company
authorized to do business in California, dba
160 Driving Academy

By: 
Print Name: Delkin Gonzalez
Title: CFO

and

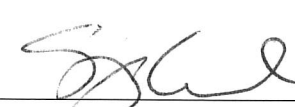
By: 
Print Name: STEVEN GOULD
Title: PRESIDENT

EXHIBIT "A"

SCOPE OF SERVICES



160's Management and Organization

The 160 Driving Academy has over 1,000 employees and is headquartered in Chicago, Illinois. The Company maintains a corporate staff of leaders focused on IT, finance, operations, and federal, state, and local compliance. In addition, each 160 Branch location maintains a local Branch Manager and Instructor Leader who is responsible for all day-to-day activities and student management responsibilities.

The company strives to maintain a 3:1 Student to Instructor ratio, so depending on the demand for the program the number of instructors can fluctuate. Each 160 local Instructor Leader and Branch Manager report to a 160 Regional Leader who has accountability for 10 to 15 Branch locations in the region.

RFP Specifics

Specifically for this RFP, 160 Driving Academy would plan to hold training at our San Bernardino branch. The addresses are:

- Branch: 141 North Arrowhead Ste 3, San Bernardino, CA, 92408
- Yard: 930 South Arrowhead, San Bernardino, CA 92408

160 Driving Academy can, however, perform onsite training services at any City of Riverside location, should there be significant space. If the City decided to pursue this method of training, 160 would travel our instructors and equipment to facilitate cohorts of training for at least three students. We can run these cohorts as volume demands. 160 Driving Academy staff can evaluate the sites to ensure they are viable for onsite training.

160 Driving Academy starts a new cohort every Monday across all schools, ensuring flexible and consistent start dates for our students and partners. Classroom runs Monday – Friday from 8:00am – 4:30pm local time and is comprised of 40 hours of permit preparation and required FMCSA Theory information. Yard training also runs Monday – Friday from 8:00am – 4:30pm local time, and consists of 120 hours of hands-on pre-trip, skills, and yard training. 160 can hold night, weekend, or part-time classes should the demand arise. Further, 160 can facilitate Class A and B training, as well as manual or automatic transmission training.

EXHIBIT "B"
COMPENSATION

Please see below for pricing for the City of Riverside.

1. Pricing for materials provided to students for Class A (if hard copy) **No cost - included in tuition**
2. Pricing for materials provided to students for Class B (if hard copy) **No cost - included in tuition**
3. Pricing per student for Class A at training facility **\$4,950.00**
4. Pricing per student for Class B at training facility **\$4,000.00**
5. Pricing per student for Class A at City of Riverside Facility **\$4,950.00**
6. Pricing per student For Class B at City of Riverside Facility **\$4,000.00**
7. Pricing per student for Class A On-Line including materials (if available) **No cost - included in tuition**
8. Pricing per student For Class B On-Line including materials (if available) **No cost - included in tuition**
9. Provide Class A vehicle for both skills training and testing. **No cost - included in tuition**
10. Provide Class B vehicle for both skills training and testing. **No cost - included in tuition**
11. Pricing for student to re-take Course if they fail Class A test. **\$45.00**
12. Pricing for student to re-take Course if they fail Class B test. **\$45.00**
13. Pricing to facilitate the scheduling of student for required medical certificate (Optional) **\$75.00**
14. Pricing to facilitate the scheduling of and assistance with application for CDL written test (Optional) **\$98.00**
15. Pricing to facilitate the scheduling of and provide vehicle for CDL skills test (if available). **No cost - included in tuition**
16. Any additional costs associated with this type of training or licensing. **DOT Drug Screen - \$75.00; optional hazmat training: \$200.00**

Disclosures

EXHIBIT "C"
KEY PERSONNEL

Company Personnel

The Company's key leaders include:

Steve Gold, Founder

The 160 Driving Academy was founded by Steve Gold, who among other activities was the Partner-in-Charge of Supply Chain Consulting at KPMG Consulting and was the Chief Supply Chain Officer of the PepsiCo Corporation where he was responsible for the operating strategy of one of the largest transportation and supply chain operations in the Country. After PepsiCo, Steve was an Operating Partner at Stone Tower Capital / Apollo Management, a large-scale Private Equity investment firm, where he focused on investing in asset-based and non-asset-based transportation companies. Steve also sat on numerous private, not-for-profit, and public Board of Directors in the Chicagoland area. Steve founded the 160 Driving Academy as he recognized the acute need for leadership, innovation, and quality training in the CDL education and training industry.

Kevin Coen, Chief Human Resources Officer

Kevin Coen is the Chief Human Resources Officer of the 160 Driving Academy. Kevin previously was the CHRO for Hill-ROM where he focused on the company's supply chain human resource planning, organization, hiring, training and management. Prior to Hill-ROM, Kevin led the supply chain Human Resources organization for the Nestle Corporation.

Dick Pagano, Chief Legal Officer

Dick Pagano is responsible for all legal and compliance activities across the 160 Driving Academy. Among other things, Dick was previously the General Counsel for DeVry Education Group. Prior to DeVry, Dick was the General Counsel to the US Freightways organization.

Please see below for a list and an organizational chart listing our key personnel in this project. Please note, that should 160 Driving Academy operate onsite at any City of Riverside location, we may hire additional instructor and branch coverage as needed to fulfill the requirements of this RFP. All regional, field, and corporate leadership will remain the same. Please note, 160 Driving Academy does not utilize subcontractors.

- **Emily Cavellier:** Director of Customer Success; Chicago, IL – 7 years

- Emily is responsible for all customer activity, partnership management, and community college relationships
- **Karolina Wielgosz:** Director of Operations; Chicago, IL – 8 years
 - Karolina manages all school operations and oversees the regional yard and branch leaders
- **Tim Bandsma:** Regional Branch Leader; West Region – 5 years
 - Tim is the regional branch leader, overseeing Business Development Specialists and daily school operations in the West region
- **Randy Rogers:** Regional Instructor Leader; West Region – 4 years
 - Randy is the regional instructor for the west region, overseeing lead yard instructor and yard operations
- **Lora Gates:** Lead Instructor; San Bernardino California; 4 years
 - Lora is the lead instructor in our San Bernardino branch, and she oversees all yard training and instructors at the yard
- **Maritsa Rios:** Business Development Specialist; San Bernardino, California, 1 Year
 - Maritsa overseeing student recruitment and administration for students in the San Bernardino branch

Organizational Chart

