

SERVICES AGREEMENT

THE SAUCE CREATIVE SERVICES CORP

RIVERSIDE ACTIVITY GUIDE

On this ____ day of _____, 2018 ("Effective Date"), the CITY OF RIVERSIDE, a California charter city and municipal corporation ("City"), and THE SAUCE CREATIVE SERVICES CORP, a California corporation ("Company"), mutually agree as follows:

1. **Scope of Services.** Company shall furnish all labor, materials, and equipment for and perform the work of generating the Riverside Activity Guide ("Services"), as set forth in Exhibit "A" attached hereto and incorporated herein.

2. **Term.** This Agreement shall be effective as of the Effective Date and shall be in force and effect for a period of three (3) years thereafter. Parties shall have the right to extend the Term for two (2) additional one-year periods if mutually agreed upon in writing.

3. **Compensation.** Company shall perform the Services under this Agreement for an annual sum not to exceed One Hundred Forty-Five Thousand One Hundred Five Dollars and Thirty-Eight Cents (\$145,105.38), as set forth in Exhibit "B" attached hereto and incorporated herein, plus any change order authority authorized pursuant to Resolution No. 23256, as amended from time to time. Payments shall be made in accordance with City's usual accounting procedures upon receipt and approval of an itemized invoice setting forth the services performed. The invoices shall be delivered to City at the address set forth in Section 18 hereof.

4. **General Compliance with Laws.** Company shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Company, or in any way affect the performance of Services by Company pursuant to this Agreement. Company 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, Company 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.** Company 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 Company to City, City reserves the right to withhold and offset said amounts from any payments, refunds or reimbursements owed by City to Company under the Agreement. Notice of such withholding and offset shall promptly be given to Company 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.** Company 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. Company 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. Company acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Company 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 Company 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, Company, and Company'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. Company 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 Company, or to Company's employees, subcontractors and agents. Company, as an independent contractor, shall be responsible for any and all taxes that apply to Company as an employer.

10. **Indemnification.** Company 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 Company, its officers, employees, subcontractors, agents or including but not limited to property damage, bodily injury, or death. Company 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 Company, Company 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 Company's indemnification of City. Company's obligations hereunder shall be satisfied when Company 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 Company's obligations to indemnify and hold harmless the City.

11. Insurance.

11.1 General Provisions. Prior to the City's execution of this Agreement, Company 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 Company's indemnification obligations under Section 10 hereof.

11.1.2 Ratings. Any insurance policy or coverage provided by Company 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 Company pursuant to this Agreement are adequate to protect Company. If Company believes that any required insurance coverage is inadequate, Company will obtain such additional insurance coverage as Company deems adequate, at Company's sole expense.

11.2 Workers' Compensation Insurance. By executing this Agreement, Company certifies that Company 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. Company shall carry the insurance or provide for self-insurance required by California law to protect said Company from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Company shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Company is self-insured for such coverage, or 2) a certified statement that Company has no employees, and acknowledging that if Company 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, Company shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Company 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 Company.

The City, and its officers, employees and agents, shall be named as additional insureds under the Company's insurance policies.

11.3.1 Company'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 Company'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 Company'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 Company's automobile and/or commercial general liability insurance policies shall cover all vehicles used in connection with Company's performance of this Agreement, which vehicles shall include, but are not limited to, Company owned vehicles, Company leased vehicles, Company's employee vehicles, non-Company 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 Company 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.

11.4 Errors and Omissions Insurance. Prior to City's execution of this Agreement, Company shall obtain, and shall thereafter maintain during the term of this Agreement, errors and omissions professional liability insurance in the minimum amount of \$1,000,000 to protect the City from claims resulting from the Company's activities.

12. **Termination.** City shall have the right to terminate any or all of Company's Services and work covered by this Agreement at any time upon thirty (30) calendar days' written notice to Company. In the event of such termination, Company shall submit Company'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 Company's performance of this Agreement upon five (5) calendar days' written notice if:

- (1) Company fails to promptly begin performance of the Services;
- (2) Company fails to perform the Services;
- (3) Company discontinues performance of the Services;
- (4) Company fails to make payment to employees in accordance with applicable law;
- (5) Company disregards laws, ordinances, or rules, regulations, or orders of a public authority having jurisdiction;
- (6) Company otherwise is guilty of breach of a provision of this Agreement;
- (7) Company becomes insolvent, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors and fails to provide City with adequate assurances of Company'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 Company's performance of this Agreement, Company 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, 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, Company 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 Company's work, due to the failure of the Company to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Company.

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

16. **Solicitation.** Company warrants that Company 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 Company only for the value of work Company has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Company 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. California Labor Code Sections 1725.5 and 1771.1 requiring all general contractors and subcontractors to be registered with DIR. Registration can be accomplished through the DIR website by using this link: <http://www.dir.ca.gov/Public-Works/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

Parks, Recreation and Community
Services Department
City of Riverside
Attn: PRCSO Director
6927 Magnolia Avenue, Second Floor
Riverside, CA 92506

To Company

The Sauce Creative Services Corp

Attn: Sergio Balandran
2600 S. California Avenue
Unit C
Monrovia, CA 91016

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 Company and City.

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

[SIGNATURES ON FOLLOWING PAGE.]

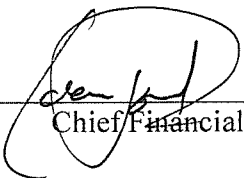
IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF RIVERSIDE, a California
charter city and municipal corporation

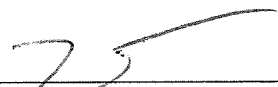
By: _____
City Manager

Attest: _____
City Clerk


Certified as to Availability of Funds

By:  _____
Chief Financial Officer

Approved as to Form:

By:  _____
Lauren Sanchez
Deputy City Attorney

THE SAUCE CREATIVE SERVICES
CORP, a California corporation

By:  _____
Sergio Balandran
[Printed Name]

CEO
[Title]

By: _____

[Printed Name]

[Title]

EXHIBIT "A"

SCOPE OF SERVICES

Scope of Services

1. **DESIGN**

A. ***City Manager's Office Pages (Explore Riverside Pages)***

- 1) Cover wrap 16 pages (Explore Riverside pages), full color print ready files will be supplied by City staff (designed in-house). Files will be given to designer to integrate with Activity Guide portion pages.

B. ***PRCSD Pages (Riverside Activity Guide Pages)***

Cover

- 2) Initial development of up to three (3) full color cover designs for each season. Cover design and theme will likely be carried through to the interior pages as well.

Special Design Pages (total 20-30 pages)

- 3) Development and design of special pages that reflect front cover theme including, but not limited to,
 - Table of contents
 - Facility map
 - Registration information
 - Special events
 - Youth sports
 - 55 and Better
 - Riverside Arts Academy
 - Camps
 - Aquatics
 - Volunteer recruitment
 - Contract Class instructor recruitment
 - Sponsorship
 - Janet Goeske Foundation
 - Capture Riverside Parks Photo Contest
 - Other miscellaneous pages as deemed by PRCSD

Contract Classes Pages (total 30 - 40 pages)

- 4) Text for approximately 30– 40 inside pages will be created via a CSV file created out of the City's registration management software ActiveNet, which will be provided to designer. This data will then be imported into a template developed via Em Software, developer of InData plug-in (for Adobe InDesign). Template and software will be supplied to designer for complete Riverside Activity Guide portion design. Minimal design is required for these pages.

Back Cover

- 5) Development of back cover design of the Explore Riverside portion (City Manager's Office does not design this page) that reflects theme of front cover and has mailing indicia.

2. EDITS, FILE PREPARATION, AND PROOFS

- 6) Develop design, look and format of inside 64 pages (Spring and Fall) and inside 72 pages (Summer) for Riverside Activity Guide portion. Includes design of back cover of cover wrap, front cover of Activity Guide portion, as well as all interior pages which are all full color.
- 7) Text for approximately 30 – 40 inside pages will be created via a CSV file created out of the City's registration management software ActiveNet, which will be provided to designer. This data will then be imported into a template developed via Em Software, developer of InData plug-in (for Adobe InDesign). Template and software will be supplied to designer for complete Riverside Activity Guide portion design. Minimal design is required for these pages.
- 8) Some text will be supplied in digital MS Word format document.
- 9) Some Riverside Activity Guide pages may include pre-designed artwork (youth sports, camps, special events, etc.) and will be supplied by City.
- 10) Full color hard copy or electronic proofs to be provided for initial cover design review. One full set of final color proofs to be provided for final review and approval. Includes three rounds of City edits and modifications via Adobe Acrobat.
- 11) Upon final approval, designer to prepare files to prepress specifications as required for printing of Explore Riverside/PRCSD Activity Guide.
- 12) Also to prepare low res digital composite PDF version of guide for use on the internet.
- 13) City will supply photos, however designer may need to research and purchase photos for City.

3. PRINTING

Finished Size – Outside Cover Wrap 7.375" x 10.875" (Trim 1" short of face), inside 8.375" x 10.875"

Pagination and Paper –

- Cover wrap 16 pages, 4/4, 60 lb. CFS#3
- Inside 64 pages (Spring and Fall), Inside 72 pages (Summer), 4/4, 38 lb. CGW#5

Ink – Vegetable or soy based ink

Pre-press – Digital fully formatted PDF files

Binding – Fold, stitch and trim (Saddle stitch on 10.875" edge)

Packaging – Carton and Pallet Convenient

Delivery – FOB deliver to Riverside, CA

Quantity – 118,000

4. MAIL PREPARATION

Quantity: 118,000 for Summer, Fall and Spring

- Preparation for simplified mailing – bundle finished publication to postal requirements, purchase facing slips, and affixing facing slips to bundles.
- 118,000 copies to be delivered to USPS mail house and mailed to zip codes 92501-92509 with overage delivered directly to the PRCSD (6927 Magnolia Ave., Second floor, Riverside, 92506).

5. **FLIPBOOK**

- a. Host the Flipbook electronic version of the Riverside Activity Guide portion only on its own servers or those belonging to a contracted third party for 2 years after being published. The City shall not host the electronic brochure on its servers.
- b. Create hyperlinks for electronic Flipbook version of Riverside Activity Guide portion only. (400 – 700 links depending on edition)
- c. City will provide CSV file with hyperlinks
- d. Perform coding functions to create hyperlinks in originating graphics file so that the hyperlinks appear and function in final composite PDF version of Activity Guide from which an electronic Flipbook version will be created.

Includes:

- Hyperlink cover to PRCSO website
- Hyperlink any cover photos to appropriate pages in the brochure, etc.
- Hyperlink table of contents – hyperlink sections and page numbers
- Hyperlinking of all codes and email addresses, website addresses, etc.
- Page flipping animation
- Navigation functions
- Text search
- Hyperlink functionality
- Zoom levels
- Sharp vector text
- Thumbnail viewing
- Slide show viewing
- Bookmarking and notes
- Print and download functionality as a PDF

EXHIBIT "B"

COMPENSATION

Summer				
Content - 16 Pages for City Manager's Office & 72 pages for PRCSD = 88 Total Pages - 118,000				
Design	Printing	Mail Prep	Flipbook	Total
\$5,400.00	\$45,155.66	\$700.00	\$500.00	\$51,755.66

Spring				
Content - 16 Pages for City Manager's Office & 64 pages for PRCSD - 80 Total Pages - 118,000				
Design	Printing	Mail Prep	Flipbook	Total
\$4,900.00	\$40,574.86	\$700.00	\$500.00	\$46,674.86

Fall				
Content - 16 Pages for City Manager's Office & 64 pages for PRCSD - 80 Total Pages - 118,000				
Design	Printing	Mail Prep	Flipbook	Total
\$4,900.00	\$40,574.86	\$700.00	\$500.00	\$46,674.86

Not included in estimate

Sales Tax about \$100 per year (dependent upon
the # of copies delivered to PRCSD)

TOTAL	\$145,105.38
PRCSD Cost	\$93,743.23
CM Cost	\$51,362.15
TOTAL	\$145,105.38

*Above Compensation is the annual cost of services.

EXHIBIT "C"

KEY PERSONNEL

Sergio Balandran
2600 S. California Street
Suite C
Monrovia, CA 91016
(626) 217-4662
Sergio@thesaucecs.com