

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

HINDERLITER, DE LLAMAS & ASSOCIATES

Local Tax Support Services

THIS PROFESSIONAL CONSULTANT SERVICES AGREEMENT (“Agreement”) is made and entered into this _____ day of _____, 2023 (“Effective Date”), by and between the CITY OF RIVERSIDE, a California charter city and municipal corporation (“City”), and HINDERLITER, DE LLAMAS & ASSOCIATES, a California corporation (“Consultant”).

1. **Scope of Services.** City agrees to retain and does hereby retain Consultant and Consultant agrees to provide the services more particularly described in Exhibit “A,” “Scope of Services” (“Services”), attached hereto and incorporated herein by reference, in conjunction with Local Tax Support Services (“Project”).

2. **Term.** This Agreement shall be effective on the date first written above and shall remain in effect until one (1) year from the executed date above, unless otherwise terminated pursuant to the provisions herein. The term of this Agreement may be extended by the mutual written consent of the parties for up to one (1) additional one-year (annual) term. All such extensions shall be made in writing and approved by the parties.

3. **Compensation/Payment.** Consultant shall perform the Services under this Agreement for the total sum not to exceed Three Hundred Forty Thousand Dollars and Zero Cents (\$340,000.00) plus a certain percentage of revenues received as a result of the service, payable in accordance with the terms set forth in Exhibit “B.” Said payment 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 4 hereof.

4. **Notices.** Any notices required to be given, hereunder shall be in writing and shall be personally served or given by mail. Any notice given by mail shall be deemed given when deposited in the United States Mail, certified and postage prepaid, addressed to the party to be served as follows:

To City

Finance Department
City of Riverside
Attn: Daniel Sanchez
3900 Main Street
Riverside, CA 92522

To Consultant

Hinderliter, de Llamas & Associates
Attn: Robert Gray/George Bonnin
120 South College Blvd., Suite 200
Brea, CA 92821

5. **Prevailing Wage.** If applicable, Consultant and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq.

of the California Labor Code and implemented by Resolution No. 13346 of the City Council of the City of Riverside. The Director's determination is available on-line at www.dir.ca.gov/dlsr/DPreWageDetermination.htm and is referred to and made a part hereof; the wage rates therein ascertained, determined, and specified are referred to and made a part hereof as though fully set forth herein.

6. **Contract Administration.** A designee of the City will be appointed in writing by the City Manager or Department Director to administer this Agreement on behalf of City and shall be referred to herein as Contract Administrator.

7. **Standard of Performance.** While performing the Services, Consultant shall exercise the reasonable professional care and skill customarily exercised by reputable members of Consultant's profession practicing in the Metropolitan Southern California Area and shall use reasonable diligence and best judgment while exercising its professional skill and expertise.

8. **Personnel.** Consultant shall furnish all personnel necessary to perform the Services and shall be responsible for their performance and compensation. Consultant recognizes that the qualifications and experience of the personnel to be used are vital to professional and timely completion of the Services. The key personnel listed in Exhibit "C" attached hereto and incorporated herein by this reference and assigned to perform portions of the Services shall remain assigned through completion of the Services, unless otherwise mutually agreed by the parties in writing, or caused by hardship or resignation in which case substitutes shall be subject to City approval.

9. **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. Consultant acknowledges that any assignment may, at the City's sole discretion, require City Manager and/or City Council approval. Consultant 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 12. The Consultant 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.

10. **Independent Contractor.** In the performance of this Agreement, Consultant, and Consultant'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. Consultant 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 Consultant, or to Consultant's employees, subcontractors and agents. Consultant, as an independent contractor, shall be responsible for any and all taxes that apply to Consultant as an employer.

11. Indemnification.

11.1 **Design Professional Defined.** For purposes of this Agreement, “Design Professional” includes the following:

- A. An individual licensed as an architect pursuant to Chapter 3 (commencing with Section 5500) of Division 3 of the Business and Professions Code, and a business entity offering architectural services in accordance with that chapter.
- B. An individual licensed as a landscape architect pursuant to Chapter 3.5 (commencing with Section 5615) of Division 3 of the Business and Professions Code, and a business entity offering landscape architectural services in accordance with that chapter.
- C. An individual registered as a professional engineer pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, and a business entity offering professional engineering services in accordance with that chapter.
- D. An individual licensed as a professional land surveyor pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code, and a business entity offering professional land surveying services in accordance with that chapter.

11.2 **Defense Obligation For Design Professional Liability.** Consultant agrees, at its cost and expense, to promptly defend the City, and the City’s employees, officers, managers, agents and council members (collectively the “Parties to be Defended”) from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings to the extent the same arise out of, pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. Consultant will reimburse City for reasonable defense costs for claims arising out of Consultant’s professional negligence based on the percentage of Consultant’s liability. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant’s Services under this Agreement.

11.3 **Indemnity For Design Professional Liability.** When the law establishes a professional standard of care for Consultant’s services, to the fullest extent permitted by law, Consultant shall indemnify, protect and hold harmless the City and the City’s employees, officers, managers, agents, and Council Members (“Indemnified Parties”) from and against any and all claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fines and penalties, liabilities or losses of any kind or nature whatsoever to the extent the same arise out of,

pertain to, or relate to the negligence, recklessness or willful misconduct of Consultant, or anyone employed by or working under the Consultant or for services rendered to the Consultant in the performance of the Agreement, notwithstanding that the City may have benefited from its work or services and whether or not caused in part by the negligence of an Indemnified Party.

11.4 Defense Obligation For Other Than Design Professional Liability.

Consultant agrees, at its cost and expense, to promptly defend the City, and the City's employees, officers, managers, agents and council members (collectively the "Parties to be Defended") from and against any and all claims, allegations, lawsuits, arbitration proceedings, administrative proceedings, regulatory proceedings, or other legal proceedings which arise out of, or relate to, or are in any way connected with: 1) the Services, work, activities, operations, or duties of the Consultant, or of anyone employed by or working under the Consultant, or 2) any breach of the Agreement by the Consultant. This duty to defend shall apply whether or not such claims, allegations, lawsuits or proceedings have merit or are meritless, or which involve claims or allegations that any or all of the Parties to be Defended were actively, passively, or concurrently negligent, or which otherwise assert that the Parties to be Defended are responsible, in whole or in part, for any loss, damage or injury. Consultant agrees to provide this defense immediately upon written notice from the City, and with well qualified, adequately insured and experienced legal counsel acceptable to City. This obligation to defend as set forth herein is binding on the successors, assigns and heirs of Consultant and shall survive the termination of Consultant's Services under this Agreement.

11.5 Indemnity For Other Than Design Professional Liability.

Except as to the sole negligence or willful misconduct of the City, Consultant agrees to indemnify, protect and hold harmless the Indemnified Parties from and against any claim for damage, charge, lawsuit, action, judicial, administrative, regulatory or arbitration proceeding, damage, cost, expense (including counsel and expert fees), judgment, civil fine and penalties, liabilities or losses of any kind or nature whatsoever whether actual, threatened or alleged, which arise out of, pertain to, or relate to, or are a consequence of, or are attributable to, or are in any manner connected with the performance of the Services, work, activities, operations or duties of the Consultant, or anyone employed by or working under the Consultant or for services rendered to Consultant in the performance of this Agreement, notwithstanding that the City may have benefited from its work or services. This indemnification provision shall apply to any acts, omissions, negligence, recklessness, or willful misconduct, whether active or passive, on the part of the Consultant or anyone employed or working under the Consultant.

12. Insurance.

12.1 General Provisions.

Prior to the City's execution of this Agreement, Consultant 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.

12.1.1 **Limitations.** These minimum amounts of coverage shall not constitute any limitation or cap on Consultant's indemnification obligations under Section 11 hereof.

12.1.2 **Ratings.** Any insurance policy or coverage provided by Consultant 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.

12.1.3 **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.

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

12.2 **Workers' Compensation Insurance.** By executing this Agreement, Consultant certifies that Consultant 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. Consultant shall carry the insurance or provide for self-insurance required by California law to protect said Consultant from claims under the Workers' Compensation Act. Prior to City's execution of this Agreement, Consultant shall file with City either 1) a certificate of insurance showing that such insurance is in effect, or that Consultant is self-insured for such coverage, or 2) a certified statement that Consultant has no employees, and acknowledging that if Consultant 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.

12.3 **Commercial General Liability and Automobile Insurance.** Prior to City's execution of this Agreement, Consultant shall obtain, and shall thereafter maintain during the term of this Agreement, commercial general liability insurance and automobile liability insurance as required to insure Consultant 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 Consultant. The City, and its officers, employees and agents, shall be named as additional insureds under the Consultant's insurance policies.

12.3.1 Consultant'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.

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

12.3.3 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.

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

- a. The policy shall be endorsed to waive any right of subrogation against the City and its sub-consultants, employees, officers and agents for services performed under this Agreement.
- b. 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.
- c. The policy shall specify that the insurance provided by Consultant 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.

12.4 Errors and Omissions Insurance. Prior to City's execution of this Agreement, Consultant 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 Consultant's activities.

12.5 Subcontractors' Insurance. Consultant shall require all of its subcontractors to carry insurance, in an amount sufficient to cover the risk of injury, damage or loss that may be caused by the subcontractors' scope of work and activities provided in furtherance of this Agreement, including, but without limitation, the following coverages: Workers Compensation, Commercial General Liability, Errors and Omissions, and Automobile liability.

Upon City's request, Consultant shall provide City with satisfactory evidence that Subcontractors have obtained insurance policies and coverages required by this section.

13. **Business Tax.** Consultant understands that the Services performed under this Agreement constitutes doing business in the City of Riverside, and Consultant agrees that Consultant will register for and pay a business tax pursuant to Chapter 5.04 of the Riverside Municipal Code and keep such tax certificate current during the term of this Agreement.

14. **Time of Essence.** Time is of the essence for each and every provision of this Agreement.

15. **City's Right to Employ Other Consultants.** City reserves the right to employ other Consultants in connection with the Project. If the City is required to employ another consultant to complete Consultant's work, due to the failure of the Consultant to perform, or due to the breach of any of the provisions of this Agreement, the City reserves the right to seek reimbursement from Consultant.

16. **Accounting Records.** Consultant shall maintain complete and accurate records with respect to costs incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

17. **Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other materials either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant, except as otherwise directed by City's Contract Administrator. Nothing furnished to Consultant which is otherwise known to the Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production, website, or other similar medium without the prior written consent of the City.

18. **Ownership of Documents.** All reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City. Consultant acknowledges the City, as a public agency, has duties and obligations imposed by the California Public Records Act (Government Code sections 7920.000 et seq.). Therefore, Consultant acknowledges and agrees that City shall take any actions which City may deem appropriate at its sole discretion to comply with the California Public Records Act.

19. **Copyrights.** Consultant agrees that any work prepared for City which is eligible for copyright protection in the United States or elsewhere shall be a work made for hire. If any such work is deemed for any reason not to be a work made for hire, Consultant assigns all right,

title and interest in the copyright in such work, and all extensions and renewals thereof, to City, and agrees to provide all assistance reasonably requested by City in the establishment, preservation and enforcement of its copyright in such work, such assistance to be provided at City's expense but without any additional compensation to Consultant. Consultant agrees to waive all moral rights relating to the work developed or produced, including without limitation any and all rights of identification of authorship and any and all rights of approval, restriction or limitation on use or subsequent modifications.

20. **Conflict of Interest.** Consultant, 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, in the Project affected by the above-described Services. Consultant further warrants that neither Consultant, 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 Consultant will file with the City an affidavit disclosing any such interest.

21. **Solicitation.** Consultant warrants that Consultant 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 Consultant only for the value of work Consultant has actually performed, or, in its sole discretion, to deduct from the Agreement price or otherwise recover from Consultant 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.

22. **General Compliance with Laws.** Consultant shall keep fully informed of federal, state and local laws and ordinances and regulations which in any manner affect those employed by Consultant, or in any way affect the performance of services by Consultant pursuant to this Agreement. Consultant 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. Consultant represents and warrants that Consultant has obtained all necessary licenses to perform the Scope of Services and that such licenses are in good standing. Consultant further represents and warrants that the services provided herein shall conform to all ordinances, policies and practices of the City of Riverside.

23. **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 such action or failure to act constitute approval of or acquiescence in any breach thereunder, except as may be specifically, provided in this Agreement or as may be otherwise agreed in writing.

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

25. **Termination.** City, by notifying Consultant in writing, shall have the right to terminate any or all of Consultant's services and work covered by this Agreement at any time. In the event of such termination, Consultant may submit Consultant's final written statement of the amount of Consultant's services as of the date of such termination based upon the ratio that the

work completed bears to the total work required to make the report complete, subject to the City's rights under Sections 15 and 26 hereof. In ascertaining the work actually rendered through the termination date, City shall consider completed work, work in progress and complete and incomplete reports and other documents only after delivered to City.

25.1 Other than as stated below, City shall give Consultant thirty (30) days' prior written notice prior to termination.

25.2 City may terminate this Agreement upon fifteen (15) days' written notice to Consultant, in the event:

25.2.1 Consultant substantially fails to perform or materially breaches the Agreement; or

25.2.2 City decides to abandon or postpone the Project.

26. **Offsets.** Consultant acknowledges and agrees that with respect to any business tax or penalties thereon, utility charges, invoiced fee or other debt which Consultant owes or may owe to the City, City reserves the right to withhold and offset said amounts from payments or refunds or reimbursements owed by City to Consultant. Notice of such withholding and offset, shall promptly be given to Consultant by City in writing. In the event of a dispute as to the amount owed or whether such amount is owed to the City, City will hold such disputed amount until either the appropriate appeal process has been completed or until the dispute has been resolved.

27. **Successors and Assigns.** This Agreement shall be binding upon City and its successors and assigns, and upon Consultant and its permitted successors and assigns, and shall not be assigned by Consultant, either in whole or in part, except as otherwise provided in paragraph 9 of this Agreement.

28. **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, County of Riverside, State of California, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county. In the event either party hereto shall bring suit to enforce any term of this Agreement or to recover any damages for and on account of the breach of any term or condition of this Agreement, it is mutually agreed that each party will bear their own attorney's fees and costs.

29. **Nondiscrimination.** During Consultant's performance of this Agreement, Consultant 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, sex, genetic information, gender, gender identity, gender expression, 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, Consultant agrees to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

30. **Severability.** Each provision, term, condition, covenant and/or restriction, in whole and in part, of this Agreement shall be considered severable. In the event any provision, term, condition, covenant and/or restriction, in whole and/or in part, of 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.

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

32. **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.

33. **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.

34. **Interpretation.** City and Consultant 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.

34.1 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.

34.2 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.

34.3 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.

35. **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 THE FOLLOWING PAGE]

IN WITNESS WHEREOF, City and Consultant have caused this Agreement to be duly executed the day and year first above written.

CITY OF RIVERSIDE, a California charter city and municipal corporation

HINDERLITER, DE LLAMAS & ASSOCIATES, a California corporation

By: _____
City Manager

By:  _____
Andrew Nickerson (Oct 3, 2023 15:46 CDT)

Print Name: R.Andrew Nickerson

Title: President/CEO

Attest: _____
City Clerk

and

By: *Richard Park* _____

Print Name: Richard Park

Title: CFO

Certified as to Availability of Funds:

By:  _____
Chief Financial Officer

Approved as to Form:

By: *Susan Wilson* _____
Susan Wilson (Oct 4, 2023 13:23 PDT)
Assistant City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

The following provision is hereby added to the Scope of Services:

“Notwithstanding anything to the contrary, in no event will Consultant be responsible for:

1. Client monies not collected by Consultant;
2. The issuance, non-issuance or revocation of any registration, license, permit, or exemption.”

Section 18 of the Agreement is hereby as amended to provide that:

“All Completed reports, maps, drawings and other contract deliverables prepared under this Agreement by Consultant shall be and remain the property of City. Consultant shall not release to others information furnished by City without prior express written approval of City.”

EXHIBIT A: SCOPE OF SERVICE

1. Business Tax Operations Management

- 1.1. **Tax Registration Database Management-** HdL will transfer the City's existing databases as they relate to business tax into HdL's Internal administration tools. HdL will maintain the data and provide copies of data or reports at the City's request. City will not be required to use or maintain any software in house for managing the business license registry.
- 1.2. **Renewal Processing -** HdL will send active business license accounts a renewal notice within 60 days of the renewal period end date. Accounts will receive all applicable forms necessary to complete the renewal process.
- 1.3. **New Account Processing--;** City will process any new business license applications, both those submitted in person at City Hall and those received online.
- 1.4. **Payment Posting/Processing-** HdL will process all payments received for renewals or balance dues, both those submitted by mail and online. City will process all payments received in person at City Hall. Ucnese accounts will be updated with payment information.
- 1.5. **Business Support Center -** HdL will provide a call center IVR (interactive voice response), which will receive business license support calls and direct them to appropriate personnel. Renewal and payment inquiries will be directed to HdL, while inquiries related to new accounts, field enforcement activities, or other escalated matters will be directed to City. Businesses will have access to HdL license specialists Monday through Friday, 8:00am to 5:00pm Pacific, via phone, mail, e-mail, fax, and the Business Support Center On-line.
- 1.6. **On-Line Filing & Payment Processing -** HdL will provide an online filing/payments website which allows businesses to conveniently complete their transaction online.

2. Business Tax Compliance Services - HdL will collaborate with City staff to ensure a level playing field for the business community while maximizing revenues to the City. Discovery services will be conducted to identify and register businesses which are subject to ilcensure or taxation. Audit services will identify under reported tax liabilities. Collections Services will collect known debt from businesses that did not pay in full during the registration or renewal process. The scope of work to be performed will be mutually agreed upon by HdL and City prior to implementation.

- 2.1. **Discovery-** Discovery services are designed to identify entities subject to licensure/taxation that are not currently registered or otherwise non-compliant.
 - 2.1.1. **Lead Identification-** Develop a list of entities subject to llcensure/taxation within the City.
 - 2.1.2. **Exception Resolution -** Compare the list to City registration databases to remove properly registered businesses and identify and remove other potential exceptions.
 - 2.1.3. **Compliance Communication Process -** Initiate contact with confirmed entities through a series of City approved communication methods. HdL will make every effort to simplify the process for taxpayers, utilizing a variety of mediums for communication including mail, telephone, email, and web-site access. Potential non-compliant entities are notified of their options to comply or dispute their non-compliant status. HdL offers extended office hours for support via our Business Support Center available to taxpayers 8:00am - 5:00pm Monday- Friday. Unresponsive businesses will be routed to City for escalated compliance efforts.
 - 2.1.4. **Document Submission/ Processing -** Review Taxpayer submissions for completion and accuracy prior to processing. Collect additional documentation such as a home occupation permit and forward to other City departments either as a pre-requisite or as a courtesy for the taxpayer and other departments. All submissions are stored electronically and made available to the City upon request.
 - 2.1.5. **Invoicing-** Once application has been approved, taxpayers are given the opportunity to pay their balances via mail, online, and other methods. HdL will provide Taxpayers continued access to the Business Support Center for any questions or disputes arising from the invoice process.
- 2.2. **Audit -**Audit services are designed to identify businesses that are registered but not properly reporting or paying the correct amounts. Services to be performed may include:
 - 2.2.1. Identify potential underreporting and/or misclassified businesses by comparing City records with HdL business inventories.
 - 2.2.2. Review/audit entities mutually agreed to by City and HdL that are Identified as potential underreporting businesses or other entities requiring review.
 - 2.2.3. Submit audit summaries to City staff and meet with staff to review and discuss further actions.
 - 2.2.4. Educate businesses on proper reporting practices.
 - 2.2.5. Invoice and collect identified deficiencies.
- 2.3. **City Responsibilities**

2.3.1. Data - City will provide its relevant business databases, such as the business license registry (registrations and payments), and any other information necessary for the compliance process or to facilitate HdL's invoicing of services, to HdL according to a schedule acceptable to both HdL and the City. City agrees to provide the data as long as this Agreement is active, and thereafter for so long as HdL's right to invoice for services rendered continues.

2.3.2. City agrees to use reasonable and diligent efforts to collect, or to assist HdL in the collection of, deficiencies identified by HdL pursuant to this Agreement.

3. **Transient Occupancy Tax Operations Management**

3.1. **Tax Registration Database Management** - HdL will transfer the City's existing databases as they relate to Transient Occupancy Tax (TOT) into HdL's internal administration tools. HdL will maintain the data and provide reports to the City as needed.

3.2. **Return Processing** - HdL will process TOT filings within 5 days of submission. Lodging providers will receive all applicable forms necessary to complete the filing process.

3.3. **New Account Processing** - HdL will process any new TOT registrations for lodging establishments that change hand or newly offered properties.

3.4. **Payment Posting / Processing** - HdL will process all payments made for new and existing lodging providers. Accounts will be updated with payment information.

3.5. **Customer Support Center**- HdL will provide lodging providers with multiple support options for registering, filing returns, making payments and for general inquiries. Lodging providers will be able to access one of our tax specialists Monday-Friday 8:00am to 5:00pm Pacific via phone, email, fax, and the online support center.

3.6. **On-Line Filing & Payment Processing**- HdL will provide a website for lodging providers to make payments online.

3.7. **Compliance Monitoring**- HdL will ensure accurate filings of TOT returns by consistently monitoring returns and providing compliance audits as mutually agreed to by the City and HdL.

3.8. **Annual Reporting**- In addition to standard monthly reports, HdL will provide the City with annual analysis reports designed to provide key insights on the lodging provider community and reporting details for each lodging provider.

4. **Short-Term Rental Services**

4.1. **Identification and Monitoring**- HdL will compile a list of all actively posted short-term rentals available from a wide array of sources. Lists are compiled and aggregated to accommodate duplicate listings from various sites. During the identification and monitoring process, HdL will:

4.1.1. Scan over 20 different rental sites, including global aggregators like HomeAway/VRBO, Airbnb, Turnkey.com, and Booking.com, national aggregators like Vacasa and Turnkey and small, local property management firms

4.1.2. Match listings to specific parcels using GIS and property tax assessor data

4.1.3. Create comparison reports to determine which properties may already be compliant or registered and paying taxes

4.1.4. Provide visual map of all listings within the City

4.1.5. Record listing details such as start date, various sites linked to, other information necessary for documenting evidence of STR activity

4.1.6. Continually monitor activity to identify and record new listings and closures to ensure accurate real-time identification and monitoring

4.2. **Education, Registration, and Compliance** - Using the list of active STR listings, HdL contacts STR hosts and assists them with information and support in order to become compliant. HdL will:

4.2.1. Validate listing to ensure proper identification and filter out records that may lead to erroneous contacts

4.2.2. Notify non-compliant entities with a series of education-based packets designed to garner compliance

4.2.3. Provide a support center for assistance with general questions, support, and assistance with filing and paying returns

4.2.4. Provide online portal with links to FAQs, education packets, and support for registering, filing returns, and making payments online

4.2.5. Follow up with non-compliant accounts to obtain registration

4.2.6. Work with City to identify additional requirements and ensure collection of data necessary to enforcement procedures

4.3. **Short-Term Rental TOT Administration**- HdL will perform all duties required for the effective ongoing collection of TOT from short-term rental activities in the City. HdL's STR TOT administration service includes:

- 4.3.1. **Tax Registration Database Management-** HdI will transfer the City's existing databases as they relate to TOT/STR into HdI's internal administration tools. HdI will maintain the data and provide reports to the City.
- 4.3.2. **Return Processing-HdL** will process STR filings within 5 days of submission. Accounts will receive all applicable forms necessary to complete the renewal process.
- 4.3.3. **New Account Processing-** HdI will process any new STR registrations for newly offered properties or those which change ownership.
- 4.3.4. **Payment Posting/Processing -** HdI will process all payments made for new and existing lodging providers. Accounts will be updated with payment information and revenues will be remitted to the City.
- 4.3.5. **Customer Support Center-** HdI will provide lodging providers with multiple support options for registering, filing returns, making payments and for general inquiries. A toll free number will be provided to businesses in order to access one of our tax specialists Monday-Friday 8:00am to 5:00pm Pacific Standard Time. Lodging providers will also have access to support via e-mail, fax, and the Support Center On-Line.
- 4.3.6. **On-line Filing and Payment Processing-** With input from the City, HdI hosts a website and domain customized for the City, which taxpayers can use to submit online forms, returns, and payments.
- 4.3.7. **Compliance Monitoring-** HdI will ensure accurate filings of TOT returns by consistently monitoring returns and comparing them with data obtained from the identification phase. This can include listing calendar data, average occupancy, and average room rates.
- 4.3.8. **Annual Reporting -** In addition to standard monthly reports, HdI will continue to provide the City with annual analysis reports designed to provide key insights in the STR lodging provider community and the details on reporting by each lodging provider.

5. Utility Users Tax Services

- 5.1. Establish and maintain database of City utility providers.
- 5.2. Receive and process registrations, tax returns and payments in a timely fashion.
- 5.3. Provide utility providers multiple options for submitting registrations, tax returns, payments, or support requests including via website, email, mail, phone, and fax. Consultant tax specialists will be available for live interactions Monday through Friday, 8:00am to 5:00pm Pacific.
- 5.4. Remit revenue to City no less than monthly.
- 5.5. Provide City staff access to website portal offering utility provider registry inquiry and reporting capabilities.
- 5.6. Monitor monthly returns for significant utility user tax reporters and endeavor to ensure accurate and consistent reporting methodology.
- 5.7. Provide periodic analysis reports presenting trends and key insights on City utility providers.
- 5.8. Monitor and report on legislative and industry events impacting City's utility user taxes.
- 5.9. Recommend utility providers who may warrant an audit and, following City's approval of the audit plan, coordinate the audit.

6. Software Hosting Services

HdI will host the software and data required to support the City's local tax operations, including system upgrades, hardware and software maintenance, database management, and disaster recovery. The City will be responsible for maintaining its workstations and a reliable internet connection. Website functionality will be hosted using a City specific sub-domain on HdI's special purpose hdIgov.com domain.

- 6.1. **City Access -** HdL will provide remote access to HdI's administration software to designated City staff, and will provide ongoing software support as needed to ensure their efficient access to and use of the software. City staff access to the software will be restricted to requests originating from a City supplied list of IP addresses.
- 6.2. **Contractor License Integration -** HdI will provide and maintain a method of syncing contractor business license data from HdL's hosted business registry to the City's Internal SQL Server database. The currently agreed upon method is to utilize a SQL Web Sync service to synchronize the staging_contractor and PP_New_Contractor tables between HdI's and the City's systems. An alternative method may be used if needed, and approved by both HdL and the City in writing.

7. Management Support

HdI will support the City's finance and business license teams with data analytics and reporting as needed, extracting and formatting available data while ensuring accuracy.

8. Business License Tax Ordinance/Fee Study (optional)

8.1. **Current Tax Registry Analysis** - HdI will conduct an analysis of the current business license ordinance and the City's tax registration database. Data will be compiled on the number of businesses, current tax revenues received by City, categories, and other related information in order to provide an accurate baseline for current models and the impact of changes.

8.2. **Fee Analysis and Comparative Study** - Using the data compiled from the registration analysis, as well as data compiled from other sources such as neighboring cities, HdI will prepare a report comparing the City model and best practices to those of neighboring cities. The report will assist and provide the City with guidance as to possible positive changes to its current model. The report will also include filing options, sample tax forms, and other tax administration related data/documents.

8.3. **Modified Tax Structure Options** - As a result of the findings of the comparison report, HdI, in conjunction with City staff will draft a series of possible business tax re-structuring options for City consideration. Options may include the proposing of gross receipt-based taxes, employee-based taxes, flat taxes or a hybrid of all mentioned options. HdI will draft potential new and detailed structures to be used in the City's new ordinance. HdI will also review and provide sample ordinance language from neighboring cities "model ordinances". The final report will include, among other things, a complete business license tax structure recommendation along with revenue and cost impacts associated with each proposed model.

9. **Software Reinstatement Service**

In the event the City desires to transition from HdI's operations management service to HdI's software service, HdI will resume providing software services to the City and will deploy the HdI local tax software solution for the City's use. The software will be provided with no license cost to the City using the then-current release of the software, and will be deployed as supported by the current software release and as desired by the City.

EXHIBIT "B"
COMPENSATION

EXHIBIT B - COMPENSATION

1. Business Tax Operations Management Services

1.1. **Compensation** - HdL's compensation for performing business tax operations management services is \$12.60 per processed return/account. Activities at City Hall processed by City staff **will** not incur this fee. City will be invoiced monthly for activity during the prior period, as part of the monthly remittance process which is described further below. For the purpose of compensation calculation, processed return/account means any return which was processed or account which was sent a renewal notice.

1.1.1. **City Staff Activities** - HdL will not be compensated for account activities at City Hall processed by City staff. Renewals processed at City Hall by City staff will generate a \$5.25 credit to the City on that month's remittance.

1.2. **CPI Adjustment** - Fees for operations management services are adjusted at the beginning of each calendar year by the change in the Consumer Price Index-West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each annual adjustment will not be less than two percent (2%) or greater than five percent (5%),

2. Business Tax Compliance Services

2.1. **Discovery**- HdL's fee for performing discovery services shall be a contingency fee of 35% of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.

2.1.1. **City Discovery Discount**- HdL's fee for following up on accounts that are identified and confirmed as non-compliant by the City shall be a contingency fee of 25% of the revenues received as a result of the service. This fee also applies to delinquent business license tax accounts referred by the City as failing to make payment or properly renew an existing license.

2.2. **Audit** - HdL's fee for performing Audit services shall be a contingency fee of 35% of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees.

2.3. **Collection** - HdL will perform collections services upon request by the City. HdL's fee for performing collections services shall be a contingency fee of 25% of the revenues received as a result of the service. This fee applies to monies received for the current tax/license period and any other prior period collected, including monies received for taxes, penalties, interest, and fees. HdL's fee will not apply for collections services which are performed by City or another City vendor.

2.4. Option to **waive tax recovery**-City may, at its discretion, elect to waive or reduce the tax recovery for a business. Should the City elect to waive all or a portion of the deficiency identified by HdL in accordance with the City's municipal code and after HdL was authorized by City to initiate compliance efforts, HdL shall be entitled to compensation in the amount of one half (1/2) of the compensation HdL would have otherwise earned on the waived/reduced amount. Deficiencies which are uncollectable due to insolvency or dissolution of the customer, or for deficiencies which are otherwise incapable of collection (e.g. statute of limitations or other legal defense) shall not be considered a voluntary election to waive by the City, and thus HdL would not be entitled to compensation for these amounts.

3. Transient Occupancy Tax Operations Management Service

3.1. **Compensation** - HdL's compensation for performing operations management services related to transient occupancy tax for traditional lodging providers is a fixed fee of \$702.00 per year for a quarterly filer and \$787.50 per year for a monthly filer.

3.2. **CPI Adjustment**- Fees for Operations Management Services are adjusted at the beginning of each calendar year by the change in the Consumer Price Index -West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each annual adjustment **will** not be less than two percent (2%) or greater than five percent (5%).

4. **Short-Term Rental Services** -The fee for short-term rental services is 30% of STR generated revenues.

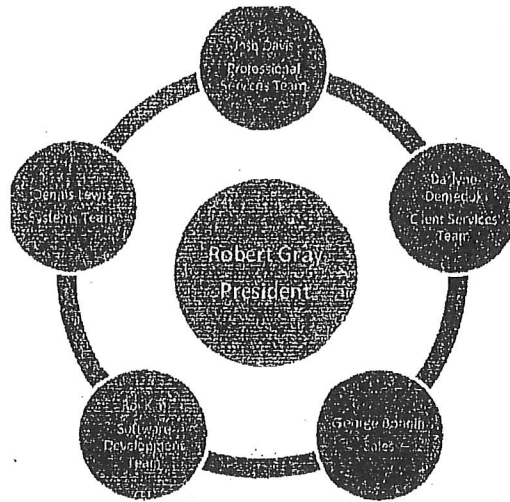
5. Utility Users Tax Services

5.1. **Monthly Service Compensation** - HdL's compensation for utility users tax services is a fee of \$12.60 per processed return/account, and \$1,250.00 per month for the first twelve (12) months of service. After twelve (12) months the monthly fee is \$2,625.00.

5.1.1. **CPI Adjustment** - The utility users tax service fees are adjusted at the beginning of each calendar year by the change in the Consumer Price Index-West Urban (CPI-WU) as reported by the Bureau of Labor Statistics. Each annual adjustment will not be less than two percent (2%) or greater than five percent (5%).

5.2. **Audit Service Compensation** - HdL's fee for utility users tax audit services shall be a contingency fee of 35% of the revenues received as a result of the service including 24 months forward.

Hdl - COMPANY STAFF BIOS/RESUMES



Hdl's key staff has extensive local government experience, having previously held positions in city management, finance, planning, economic development or revenue collection. Hdl's intimate understanding of local government needs coupled with our extensive databases and advanced methodology provides for the most relevant, productive, and responsive revenue solutions, software systems; and customer service.

Robert Gray - President

Mr. Gray serves as President of Hdl Software LLC and has been with the firm since 1996. He has extensive experience in the design, development, implementation and support of software systems for local government. He has played a key role in the design of 8 municipal software systems and approximately 200 successful implementations of those systems. He introduced Hdl's local tax services, which provide tax administration and consulting services to an ever-growing number of municipalities. While leading Hdl Software through a period of significant growth, he has ensured that Hdl maintains its commitment to providing excellent customer service. He also oversees software development and IT for Hinderliter de Llamas. He earned a Bachelor of Science degree in Computer Science and a Master's degree in Business Administration from Azusa Pacific University.

Joshua Davis -Vice President, Director of Professional Services

Mr. Davis has over 20 years of experience with local tax administration, discovery, and audit, and oversees a skilled team which provides the most sophisticated local tax administration services available to California municipalities. Trained in revenue audit and discovery techniques, he is skilled in navigating the complex scenarios and needs often encountered during such services. He also possesses strong technical and business process capabilities which he employs to aid HdI clients in meeting their strategic objectives. Prior to joining HdI, he was employed as a compliance service manager at a government services firm. His reputation amongst municipalities is that of a very capable local taxation expert who will help the municipality achieve their objectives while providing excellent customer service throughout the engagement. Notable projects he has managed include a long term and broad engagement supporting the City of Beverly Hills business tax team and administering business tax for the City of Roseville. All services provided through Mr. Davis's team enable municipalities to administer their tax programs more effectively, through both efficient operations and increased discovery and collection of tax due.

Tony Unger - Project Manager

Tony Unger has over 20 years of experience serving local government. As a project manager, he is responsible for the development and implementation of business license products and services. Working in partnership with Cities for the last two decades, Tony has become very familiar with the business license requirements and procedures that are unique to each jurisdiction and business community. Tony has assisted in multiple areas of business license including; local tax compliance, licensing software, customer service, collections, enforcement, administration, and special projects. Mr. Unger has been an associate member of the California Municipal Revenue & Tax Association (CMRTA) since 1993 and received his BA in Business Administration from California State University, Fresno.

