



**Local Agency Formation Commission of Napa County**  
Subdivision of the State of California

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*We Manage Local Government Boundaries, Evaluate Municipal Services, and Protect Agriculture*

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**Agenda Item 5d (Consent/Action)**

**TO:** Local Agency Formation Commission

**PREPARED BY:** Brendon Freeman, Executive Officer

**MEETING DATE:** February 3, 2020

**SUBJECT:** Proposed Amendment to Contract with Policy Consulting Associates, LLC

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**RECOMMENDATION**

It is recommended the Commission approve the proposed Amendment No. 1 to the consulting services contract with Policy Consulting Associates, LLC (hereinafter "PCA"), included as Attachment One. The amendment would extend the term of the existing contract through December 31, 2020.

**BACKGROUND AND SUMMARY**

PCA began providing the Commission with consulting services on November 15, 2018. Under the existing contract, included as Attachment Two, PCA is preparing the Commission's scheduled Countywide Water and Wastewater Municipal Service Review. The contract specifies a maximum payment amount of \$169,875. The term of the contract expires on February 29, 2020.

A draft Countywide Water and Wastewater Municipal Service Review is expected to be circulated to the public in March 2020, and presented to the Commission at its April 6, 2020, and May 4, 2020, meetings. A final report is expected to be presented to the Commission for adoption as early as its June 1, 2020, meeting. However, staff believes an additional six months may be necessary to complete the project in the event significant revisions to the report are requested by the Commission.

With this in mind, staff recommends the Commission approve an amendment that would extend the term of the contract through December 31, 2020.

**ATTACHMENTS**

- 1) Proposed Amendment No. 1 to Contract with PCA
- 2) Current Contract with PCA

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Kenneth Leary, Vice Chair  
Councilmember, City of American Canyon

Margie Mohler, Commissioner  
Councilmember, Town of Yountville

Scott Sedgley, Alternate Commissioner  
Councilmember, City of Napa

Brad Wagenknecht, Commissioner  
County of Napa Supervisor, 1st District

Diane Dillon, Commissioner  
County of Napa Supervisor, 3rd District

Ryan Gregory, Alternate Commissioner  
County of Napa Supervisor, 2nd District

Gregory Rodeno, Chair  
Representative of the General Public

Eve Kahn, Alternate Commissioner  
Representative of the General Public

Brendon Freeman  
Executive Officer

**AMENDMENT NO. 1 TO  
PROFESSIONAL SERVICES AGREEMENT NO. 190170D  
BETWEEN THE LOCAL AGENCY FORMATION COMMISSION OF NAPA COUNTY  
AND POLICY CONSULTING ASSOCIATES LLP**

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This Amendment No. 1 to the Professional Services Agreement No. 190170D (“Agreement”) between the Local Agency Formation Commission of Napa County, a political subdivision of the State of California (hereinafter “LAFCO”), and Policy Consulting Associates LLP (hereinafter “PCA”), a Nevada limited liability company, shall be effective February 3, 2020.

WHEREAS, LAFCO entered into the Agreement on November 15, 2018, for PCA to provide consulting services to LAFCO to prepare a Countywide Water and Wastewater Municipal Service Review;

WHEREAS, the parties now wish to enter into this Amendment No. 1 to extend the term of the Agreement.

NOW, THEREFORE, the parties agree as follows:

1. Term of the Agreement.

Paragraph 1. Term of the Agreement, is hereby amended to extend the term of the Agreement through December 31, 2020. All other provisions of Paragraph 1 of the Agreement shall remain in full force and effect.

2. Except as expressly amended herein, all terms and conditions of the Agreement as amended by Amendment No. 1 shall remain in full force and effect.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS AMENDMENT AS OF THE DATE HEREIN ABOVE APPEARING.

**POLICY CONSULTING ASSOCIATES LLP**

**LAFCO OF NAPA COUNTY**

By: \_\_\_\_\_  
Jennifer Stephenson  
Principal

By: \_\_\_\_\_  
Gregory Rodeno  
LAFCO Chair

By: \_\_\_\_\_  
Brendon Freeman  
LAFCO Executive Officer

**AGREEMENT NO. 190170D**

**PROFESSIONAL SERVICES AGREEMENT**

**THIS AGREEMENT** is made and entered into as of this 15th day of November, 2018, by and between the Local Agency Formation Commission of Napa LAFCO, a political subdivision of the State of California, hereinafter referred to as "LAFCO", and Policy Consulting Associates, LLC, a Nevada limited liability company, hereinafter referred to as CONTRACTOR.

**RECITALS**

**WHEREAS**, LAFCO wishes to obtain specialized services in order to conduct a countywide review of water and wastewater services in Napa County ; and

**WHEREAS**, CONTRACTOR represents that it is qualified and willing to provide such specialized services to LAFCO under the terms and conditions set forth herein.

**TERMS**

**NOW, THEREFORE**, LAFCO hereby engages the services of CONTRACTOR, and CONTRACTOR agrees to serve LAFCO in accordance with the terms and conditions set forth herein:

1. **Term of the Agreement.** The term of this Agreement shall commence on the date first above written and shall expire on February 29, 2020, unless terminated earlier in accordance with Paragraphs 9 (Termination for Cause), or 23(a) (Covenant of No Undisclosed Conflict), except that the obligations of the parties under Paragraphs 7 (Insurance) and 8 (Indemnification) shall continue in full force and effect after said expiration date or early termination in relation to acts or omissions occurring prior to such dates during the term of the Agreement, and the obligations of CONTRACTOR to LAFCO shall also continue after said expiration date or early termination in relation to the obligations prescribed by Paragraphs 15 (Confidentiality), 20 (Taxes) and 21 (Access to Records/Retention).
2. **Scope of Services.** CONTRACTOR shall provide LAFCO those services set forth in Exhibit "A", attached hereto and incorporated by reference herein, regarding a Countywide Water and Wastewater Municipal Services Review. CONTRACTOR may use an alternate manner than outlined in Exhibit "A" to meet the project aims and goals at the discretion of the LAFCO Executive Officer. All work performed by CONTRACTOR under this Agreement shall be in accordance with all applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in CONTRACTOR's field of expertise.
3. **Compensation.**
  - (a) **Rates.** In consideration of CONTRACTOR's fulfillment of the promised work, LAFCO shall pay CONTRACTOR at the rates set forth in Exhibit "B", attached hereto and incorporated by reference herein.
  - (b) **Expenses.** Travel and other expenses will be reimbursed by LAFCO upon

submission of an invoice in accordance with Paragraph 4 at the rates and/or in accordance with the policy(s) set forth in Exhibit "B."

(c) Maximum Amount. Notwithstanding subparagraphs (a) and (b), the maximum payments under this Agreement shall be a total of \$169,875 for professional services and related expenses; provided, however, that such amounts shall not be construed as guaranteed sums, and compensation shall be based upon services actually rendered and expenses actually incurred. In no instance shall LAFCO be liable for any payments or costs for work in excess of this amount, nor for any unauthorized or ineligible costs. CONTRACTOR shall be paid at the times and in the manner set forth in this Agreement. The consideration to be paid CONTRACTOR, as provided in this Agreement, shall be in compensation for all of CONTRACTOR's expenses incurred in the performance of work under this Agreement, including travel and expenses, unless otherwise expressly so provided.

#### 4. **Method of Payment.**

(a) Invoices. All payments for compensation and reimbursement for expenses shall be made only upon presentation by CONTRACTOR to LAFCO of an itemized billing invoice in a form acceptable to the LAFCO Executive Officer which indicates, at a minimum, CONTRACTOR's name, address, Social Security or Taxpayer Identification Number, itemization of the hours worked or, where compensation is on a per-task basis, a description of the tasks completed during the billing period, the person(s) actually performing the services and the position(s) held by such person(s), and the approved hourly or task rate. Invoices shall also indicate the number of hours worked by each of CONTRACTOR's personnel and reimbursable costs incurred to the date of such billing since the date of the preceding billing, if any. The invoices shall include documentation of reimbursable expenses and other invoiced items sufficient for LAFCO, in its opinion, to substantiate billings.

(b) CONTRACTOR shall submit invoices not more often than monthly to the Executive Officer. Approved invoices shall be submitted to the Napa County Auditor for payment no later than fifteen (15) calendar days following receipt. CONTRACTOR shall be notified within fifteen (15) calendar days following receipt of its invoice by LAFCO of any circumstances or data identified by LAFCO in CONTRACTOR's written billing which would cause withholding of approval and subsequent payment. LAFCO reserves the right to withhold payment of disputed amounts. LAFCO shall pay CONTRACTOR the amount set forth in Exhibit "C" (Payment), attached hereto and incorporated herein by reference, subject to all the terms and conditions contained herein.

(c) Legal status. So that LAFCO may properly comply with its reporting obligations under federal and state laws pertaining to taxation, if CONTRACTOR is or becomes a corporation during the term of this Agreement, proof that such status is currently recognized by and complies with the laws of both the state of incorporation or organization and the State of California, if different, shall be provided to the LAFCO Executive Officer upon request in a form satisfactory to the LAFCO Executive Officer. Such proof shall include, but need not be limited to, a copy of any annual or other periodic filings or registrations required by the state of origin or California, the current address for service of process on the corporation or limited liability partnership, and the name of any agent designated for service of process by CONTRACTOR within the State of California.

5. **Independent Contractor.** CONTRACTOR shall perform this Agreement as an independent contractor. CONTRACTOR and the officers, agents and employees of

CONTRACTOR are not, and shall not be deemed, LAFCO employees for any purpose, including workers' compensation and employee benefits. CONTRACTOR shall, at CONTRACTOR's own risk and expense, determine the method and manner by which duties imposed on CONTRACTOR by this Agreement shall be performed; provided, however, that LAFCO may monitor the work performed by CONTRACTOR. LAFCO shall not deduct or withhold any amounts whatsoever from the compensation paid to CONTRACTOR, including, but not limited to amounts required to be withheld for state and federal taxes. As between the parties to this Agreement, CONTRACTOR shall be solely responsible for all such payments.

6. **[Reserved.]**

7. **Insurance.** CONTRACTOR shall obtain and maintain in full force and effect throughout the term of this Agreement, and thereafter as to matters occurring during the term of this Agreement, the following insurance coverage:

(a) Workers' Compensation insurance. To the extent required by law during the term of this Agreement, CONTRACTOR shall provide workers' compensation insurance for the performance of any of CONTRACTOR's duties under this Agreement, including but not limited to, coverage for workers' compensation and employer's liability and a waiver of subrogation, and shall provide LAFCO with certification of all such coverages as set forth in subsection (c), below.

(b) Liability insurance. CONTRACTOR shall obtain and maintain in full force and effect during the term of this Agreement the following liability insurance coverages, issued by a company admitted to do business in California and having an A.M. Best rating of A:VII or better or equivalent self-insurance:

(1) General Liability. Commercial general liability [CGL] insurance coverage (personal injury and property damage) of not less than ONE MILLION DOLLARS (\$1,000,000) combined single limit per occurrence, covering liability or claims for any personal injury, including death, to any person and/or damage to the property of any person arising from the acts or omissions of CONTRACTOR or any officer, agent, or employee of CONTRACTOR under this Agreement. If the coverage includes an aggregate limit, the aggregate limit shall be no less than twice the per occurrence limit.

(2) Professional Liability/Errors and Omissions. Professional liability [or errors and omissions] insurance for all activities of CONTRACTOR arising out of or in connection with this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) per claim.

(3) Comprehensive Automobile Liability Insurance. Comprehensive automobile liability insurance (Bodily Injury and Property Damage) on owned, hired, leased and non-owned vehicles used in conjunction with CONTRACTOR's business of not less than FIVE HUNDRED THOUSAND DOLLARS (\$500,000) combined single limit per occurrence.

(c) Certificates. All insurance coverages referenced in 7(a) and (b), above, shall be evidenced by one or more certificates of coverage or, with the consent of LAFCO's Risk Manager, demonstrated by other evidence of coverage acceptable to LAFCO's Risk Manager, which shall be filed by CONTRACTOR with LAFCO's Executive Officer prior to commencement of performance of any of CONTRACTOR's duties. Such certificate(s) shall (1) reference this Agreement by its LAFCO number or title;(2) shall provide that LAFCO shall be given no less than thirty (30) days prior written notice of any non-renewal, cancellation, other termination, or material change, except that only ten (10) days prior written notice shall be required where the cause of non-renewal or cancellation is non-payment of premium; and (3)

shall provide that the inclusion of more than one insured shall not operate to impair the rights of one insured against another insured, the coverage afforded applying as though separate policies had been issued to each insured, but the inclusion of more than one insured shall not operate to increase the limits of the company's liability.

(d) For the commercial general liability insurance coverage referenced in 7(b)(1) and the comprehensive automobile liability insurance coverage referenced in 7(b)(3), CONTRACTOR shall also file with the evidence of coverage, an endorsement from the insurance provider naming LAFCO, its officers, employees, agents and volunteers as additional insureds and waiving subrogation. The certificate or other evidence of coverage shall also provide that if the same policy applies to activities of CONTRACTOR not covered by this Agreement then the limits in the applicable certificate relating to the additional insured coverage of LAFCO shall pertain only to liability for activities of CONTRACTOR under this Agreement, and that the insurance provided is primary coverage to LAFCO with respect to any insurance or self-insurance programs maintained by LAFCO. The additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94. Upon request by LAFCO's Risk Manager, CONTRACTOR shall provide or arrange for the insurer to provide within thirty (30) days of the request, certified copies of the actual insurance policies or relevant portions thereof.

(e) Deductibles/Retentions. Any deductibles or self-insured retentions shall be declared to, and be subject to approval by, LAFCO's Risk Manager, which approval shall not be denied unless the LAFCO's Risk Manager determines that the deductibles or self-insured retentions are unreasonably large in relation to compensation payable under this Agreement and the risks of liability associated with the activities required of CONTRACTOR by this Agreement. At the option of and upon request by LAFCO's Risk Manager, if the Risk Manager determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects LAFCO, its officers, employees, agents and volunteers, or CONTRACTOR shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense expenses.

## **8. Hold Harmless/Defense/Indemnification.**

(a) In General. To the full extent permitted by law, CONTRACTOR shall hold harmless, defend at its own expense, and indemnify LAFCO and the officers, agents, employees and volunteers of LAFCO from any and all liability, claims, losses, damages or expenses, including reasonable attorney's fees, arising from all acts or omissions of CONTRACTOR or its officers, agents, employees, volunteers, contractors and subcontractors in rendering services under this Agreement, including any patent or copyright infringements, but excluding, however, such liability, claims, losses, damages or expenses arising from the sole negligence or willful acts of LAFCO or its officers, agents, employees, volunteers, or other contractors or their subcontractors. Each party shall notify the other party immediately in writing of any claim or damage related to activities performed under this Agreement. The parties shall cooperate with each other in the investigation and disposition of any claim arising out of the activities under this Agreement, providing that nothing shall require either party to disclose any documents, records or communications that are protected under peer review privilege, attorney-client privilege, or attorney work product privilege.

(b) Employee Character and Fitness. CONTRACTOR accepts responsibility for determining and approving the character and fitness of its employees (including volunteers, agents or representatives) to provide the services required of CONTRACTOR under this Agreement, including completion of a satisfactory criminal/background check and periodic rechecks to the extent permitted by law. Notwithstanding anything to the contrary in this Paragraph, CONTRACTOR shall hold LAFCO and its officers, agents and employees harmless from any liability for injuries or damages resulting from a breach of this provision or CONTRACTOR's actions in this regard.

**9. Termination.**

(a) LAFCO shall have the right to terminate this Agreement for any reason, with or without cause, at any time, by giving CONTRACTOR fifteen (15) days written notice. The notice shall be deemed served and effective for all purposes on the date it is deposited in the U.S. mail, certified, return receipt requested, addressed to CONTRACTOR at the address indicated in Section 13.

(b) If LAFCO issues a notice of termination:

(1) Contractor shall immediately cease rendering services pursuant to this Agreement.

(2) Contractor shall deliver to LAFCO copies of all Writings, whether or not completed, which were prepared by CONTRACTOR, its employees or its subcontractors, if any, pursuant to this Agreement. The term "Writings" shall include, but not be limited to, handwriting, typesetting, computer files and records, drawings, blueprints, printing, photostating, photographs, and every other means of recording upon any tangible thing, any form of communication or representation, including, letters, works, pictures, sounds, symbols computer data, or combinations thereof. Unless otherwise expressly provided in this Agreement, any copyrightable or patentable work created by CONTRACTOR under this Agreement shall be deemed a "work made for hire" for purposes of copyright or patent law and only LAFCO shall be entitled to claim or apply for the copyright or patent thereof.

(3) LAFCO shall pay CONTRACTOR for work actually performed up to the effective date of the notice of termination, subject to the limitations in Section 3, less any compensation to LAFCO for damages suffered as a result of CONTRACTOR's failure to comply with the terms of this Agreement. Such payment shall be in accordance with Section 4. However, if this Agreement is terminated because the work of CONTRACTOR does not meet the terms or standards specified in this Agreement, then LAFCO shall be obligated to compensate CONTRACTOR only for that portion of CONTRACTOR's services which is of benefit to LAFCO. LAFCO may withhold any payments not yet made to CONTRACTOR for purpose of setoff until such time as the exact amount of damages due to LAFCO from CONTRACTOR is determined.

10. **Time.** Time is of the essence in this Agreement.

11. **Campaign Contribution Disclosure.** CONTRACTOR has complied with the campaign contribution disclosure provisions of the California Levine Act (Government Code § 84308) and has completed the Levine Act Disclosure Statement attached hereto as Exhibit "D."

12. **No Waiver.** The waiver by either party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

13. **Notices.** All notices required or authorized by this Agreement shall be in writing and shall be delivered in person or by deposit in the United States mail, by certified mail, postage prepaid, return receipt requested. Any mailed notice, demand, request, consent, approval or communication that either party desires to give the other party shall be addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address. Any notice sent by mail in the manner prescribed by this paragraph shall be deemed to have been received on the date noted on the return receipt or five days following the date of deposit, whichever is earlier.

LAFCO

Brendon Freeman, Executive Officer  
1030 Seminary Street, Suite B  
Napa, CA 94559

CONTRACTOR

Policy Consulting Associates, LLC  
5050 Laguna Blvd #112-711  
Elk Grove, CA 95758

14. **Confidentiality.** Confidential information is defined as all information disclosed to CONTRACTOR which relates to LAFCO's past, present, and future activities, as well as activities under this Agreement. CONTRACTOR shall hold all such information as CONTRACTOR may receive, if any, in trust and confidence, except with the prior written approval of LAFCO, expressed through its Executive Officer. Upon cancellation or expiration of this Agreement, CONTRACTOR shall return to LAFCO all written and descriptive matter which contains any such confidential information, except that CONTRACTOR may retain for its files a copy of CONTRACTOR's work product if such product has been made available to the public by LAFCO.

15. **No Assignments or Subcontracts.**

(a) In general. A consideration of this Agreement is the personal reputation of CONTRACTOR; therefore, CONTRACTOR shall not assign any interest in this Agreement or subcontract any of the services CONTRACTOR is to perform hereunder without the prior written consent of LAFCO, which shall not be unreasonably withheld. The inability of the assignee to provide personnel equivalent in experience, expertise, and numbers to those provided by CONTRACTOR, or to perform any of the remaining services required under this Agreement within the same time frame required of CONTRACTOR shall be deemed to be reasonable grounds for LAFCO to withhold its consent to assignment. For purposes of this subparagraph, the consent of LAFCO may be given by the Executive Officer.

(b) Effect of Change in Status. If CONTRACTOR changes its status during the term of this Agreement from or to that of a corporation, limited liability partnership, limited liability company, general partnership, or sole proprietorship, such change in organizational status shall be viewed as an attempted assignment of this Agreement by CONTRACTOR. Failure of CONTRACTOR to obtain approval of such assignment under this Paragraph shall be viewed as a material breach of this Agreement.

16. **Amendment/Modification.** Except as specifically provided herein, this Agreement may be modified or amended only in writing and with the prior written consent of both parties. In particular, only LAFCO, through its Commission in the form of an amendment of this Agreement, may authorize extra and/or changed work if beyond the scope of services prescribed by Exhibit "A". Failure of CONTRACTOR to secure such authorization in writing in advance of



performing any of the extra or changed work shall constitute a waiver of any and all rights to adjustment in the contract price or contract time and no compensation shall be paid for such extra work.

**17. Interpretation; Venue.**

(a) Interpretation. The headings of the various sections of this Agreement are intended solely for convenience of reference and are not intended to explain, modify, or place any interpretation upon any of the provisions of this Agreement. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

(b) Venue. This Agreement is made in Napa County, California. The venue for any legal action in state court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of Napa, a unified court. The venue for any legal action in federal court filed by either party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California. The appropriate venue for arbitration, mediation or similar legal proceedings under this Agreement shall be Napa County, California; however, nothing in this sentence shall obligate either party to submit to mediation or arbitration any dispute arising under this Agreement.

**18. Compliance with Laws.** CONTRACTOR shall observe and comply with all applicable Federal, State and local laws, ordinances, and codes. Such laws shall include, but not be limited to, the following, except where prohibited by law:

(a) Non-Discrimination. During the performance of this Agreement, CONTRACTOR and its subcontractors shall not deny the benefits thereof to any person on the basis of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), or political affiliation or belief nor shall they discriminate unlawfully against any employee or applicant for employment because of race, color, ancestry, national origin or ethnic group identification, religion or religious creed, gender or self-identified gender, sexual orientation, marital status, age, mental disability, physical disability or medical condition (including cancer, HIV and AIDS), use of family care leave or political affiliation or belief. CONTRACTOR shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination or harassment. In addition to the foregoing general obligations, CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900, et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations, section 7285.0, et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (sections 11135-11139.5) and any state or local regulations adopted to implement any of the foregoing, as such statutes and regulations may be amended from time to time. To the extent this Agreement subcontracts to CONTRACTOR services or works required of LAFCO by the State of California pursuant to agreement between LAFCO and the State, the applicable regulations of the Fair Employment and Housing Commission implementing Government Code section 12990 (a) through (f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are expressly incorporated into this Agreement by reference and made a part hereof as if set forth in full, and CONTRACTOR and any of its subcontractors shall give written notice of their obligations thereunder to labor organizations with which they have collective bargaining or other agreements.

(b) Documentation of Right to Work. CONTRACTOR agrees to abide by the

requirements of the Immigration and Control Reform Act pertaining to assuring that all newly-hired employees of CONTRACTOR performing any services under this Agreement have a legal right to work in the United States of America, that all required documentation of such right to work is inspected, and that INS Form 1-9 (as it may be amended from time to time) is completed and on file for each employee. CONTRACTOR shall make the required documentation available upon request to LAFCO for inspection.

(c) Americans with Disabilities Act (ADA) of 1990. By signing this Agreement, CONTRACTOR assures LAFCO that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. § 12101, et seq.), which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA, including but not limited to those found within the Code of Federal Regulations, title 49, parts 27, 37, and 38.

(d) Drug-Free Certification. By signing this Agreement, CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code § 8350, et seq.) and will provide a drug-free workplace by taking the following actions:

(1) Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited, and specifying actions to be taken against employees for violations.

(2) Establish a Drug-Free Awareness Program to inform employees about:

- i. The dangers of drug abuse in the workplace;
- ii. The person's or the organization's policy of maintaining a drug-free workplace;
- iii. Any available counseling, rehabilitation, and employee assistance programs; and
- iv. Penalties that may be imposed upon employees for drug abuse violations.

(3) Every employee of CONTRACTOR who works under this Agreement shall:

- i. Receive a copy of CONTRACTOR's Drug-Free Workplace Policy Statement; and
- ii. Agree to abide by the terms of Contractor's Statement as a condition of employment on this Agreement.

(e) Union Organizing: By signing this Agreement, CONTRACTOR hereby acknowledges the applicability of Government Code § 16645 through § 16649 to this Agreement, excluding § 16645.2 and § 16645.7.

(1) CONTRACTOR will not assist, promote, or deter union organizing by employees performing work on this Agreement if such assistance, promotion, or deterrence contains a threat of reprisal or force, or a promise of benefit.

(2) CONTRACTOR will not meet with employees or supervisors on LAFCO or state property if the purpose of the meeting is to assist, promote, or deter union organizing, unless the property is equally available to the general public for meetings.

(3) No funds received from LAFCO under this Agreement shall be used to assist, promote, or deter union organizing.

(f) Inclusion in Subcontracts. To the extent any of the services required of CONTRACTOR under this Agreement are subcontracted to a third party, CONTRACTOR shall include all of the provisions of this Paragraph in all such subcontracts as obligations of the subcontractor.

19. **Taxes.** CONTRACTOR agrees to file federal and state tax returns or applicable withholding documents and to pay all applicable taxes or make all required withholdings on amounts paid pursuant to this Agreement and shall be solely liable and responsible to make such withholdings and/or pay such taxes and other obligations including, without limitation, state and federal income and FICA taxes. CONTRACTOR agrees to indemnify and hold LAFCO harmless from any liability it may incur to the United States or the State of California as a consequence of CONTRACTOR's failure to pay or withhold, when due, all such taxes and obligations. In the event that LAFCO is audited for compliance regarding any withholding or other applicable taxes or amounts, CONTRACTOR agrees to furnish LAFCO with proof of payment of taxes or withholdings on those earnings.

20. **Access to Records/Retention.** LAFCO, any federal or state grantor agency funding all or part of the compensation payable hereunder, the State Controller, the Comptroller General of the United States, or the duly authorized representatives of any of the above, shall have access to any books, documents, papers and records of CONTRACTOR which are directly pertinent to the subject matter of this Agreement for the purpose of making audit, examination, excerpts and transcriptions. Except where longer retention is required by any federal or state law, CONTRACTOR shall maintain all required records for at least seven (7) years after LAFCO makes final payment for any of the work authorized hereunder and all pending matters are closed, whichever is later.

21. **Authority to Contract.** CONTRACTOR and LAFCO each warrant hereby that they are legally permitted and otherwise have the authority to enter into and perform this Agreement.

22. **Conflict of Interest.**

(a) **Covenant of No Undisclosed Conflict.** The parties to the Agreement acknowledge that they are aware of the provisions of Government Code section 1090, et seq., and section 87100, et seq., relating to conflict of interest of public officers and employees. CONTRACTOR hereby covenants that it presently has no interest not disclosed to LAFCO and shall not, during the term of this Agreement, acquire any interest, direct or indirect, which would conflict in any material manner or degree with the performance of its services or confidentiality obligation hereunder, except as such as LAFCO may consent to in writing prior to the acquisition by CONTRACTOR of such conflict. CONTRACTOR further warrants that it is unaware of any financial or economic interest of any public officer or employee of LAFCO relating to this Agreement. CONTRACTOR agrees that if such financial interest does exist at the inception of this Agreement, LAFCO may terminate this Agreement immediately upon giving written notice without further obligation by LAFCO to CONTRACTOR under this Agreement.

(b) **Statements of Economic Interest.** CONTRACTOR acknowledges and understands that LAFCO has developed and approved a Conflict of Interest Code as required by state law which requires CONTRACTOR to file with the LAFCO Executive Officer "assuming office", "annual", and "leaving office" Statements of Economic Interest as a "consultant", as defined in section 18701(a)(2) of Title 2 of the California Code of Regulations, unless it has been determined in writing that CONTRACTOR, although holding a "designated" position as a consultant, has been hired to perform a range of duties so limited in scope as to not be required to fully comply with such disclosure obligation.

23. **Non-Solicitation of Employees.** Each party agrees not to solicit for employment the employees of the other party who were directly involved in the performance of the services

hereunder for the term of this Agreement and a period of six (6) months after termination of this Agreement except with the written permission of the other party, except that nothing in this Paragraph shall preclude either party from publishing or otherwise distributing applications and information regarding that party's job openings where such publication or distribution is directed to the public generally.

**24. Ownership; Permission.**

- a. CONTRACTOR agrees that all work products, including but not limited to, notes, designs, drawings, reports, memoranda, and all other tangible personal property produced in the performance of this Agreement, shall be the sole property of LAFCO, provided that CONTRACTOR may retain file copies of said work products. CONTRACTOR shall provide said work products to LAFCO upon request.
- b. CONTRACTOR represents and warrants that: (i) all materials used or work products produced in the performance of this Agreement, including, without limitation, all computer software materials and all written materials, are either owned by or produced by CONTRACTOR or that all required permissions and license agreements have been obtained and paid for by CONTRACTOR; and (ii) LAFCO is free to use, reuse, publish or otherwise deal with all such materials or work products except as otherwise specifically provided in Exhibit "A." CONTRACTOR shall defend, indemnify and hold harmless LAFCO and its directors, officers, employees, and agents from any claim, loss, damage, cost, liability, or expense to the extent of any violation or falsity of the foregoing representation and warranty.
- c. Computer models and spreadsheets previously developed and owned by CONTRACTOR and modified in the performance of this Agreement shall not be the property of LAFCO unless such models and spreadsheets are explicitly and individually listed in a separate agreement for their transfer and use by LAFCO.

**25. Third Party Beneficiaries.** Nothing contained in this Agreement shall be construed to create any rights in third parties and the parties do not intend to create such rights.

**26. Attorney's Fees.** In the event that either party commences legal action of any kind or character to either enforce the provisions of this Agreement or to obtain damages for breach thereof, the prevailing party in such litigation shall be entitled to all costs and reasonable attorney's fees incurred in connection with such action.

**27. Severability.** If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

**28. Entirety of Contract.** This Agreement, including any documents expressly incorporated by reference whether or not attached hereto, constitutes the entire agreement between the parties relating to the subject of this Agreement and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the parties with

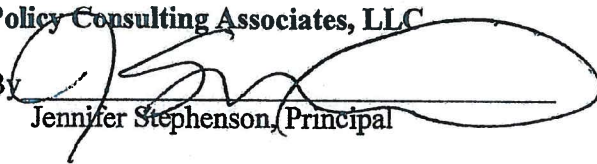
respect to the subject matter hereof.

29. **Counterparts.** This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

**[SIGNATURES ON THE FOLLOWING PAGE]**

IN WITNESS WHEREOF, this Agreement was executed by the parties hereto as of the date first above written.

Policy Consulting Associates, LLC

By   
Jennifer Stephenson, Principal

"CONTRACTOR"


Local Agency Formation Commission of Napa County, a political subdivision of the State of California

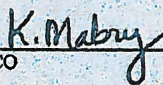
By   
Margie Mohler, Commission Chair

"LAFCO"

ATTEST: Clerk of LAFCO

By: 

APPROVED AS TO FORM  
Commission Counsel  
By:   
Date: 11-20-18

APPROVED BY LAFCO  
Date: 11/20/18  
Processed by:   
Clerk of LAFCO

## EXHIBIT “A”

### Scope of Work

#### TASKS 1&2: DATA COLLECTION AND REVIEW

As previously noted, PCA will review related documents and send out a questionnaire to request additional documents and any other information typically not available in these documents and central data sources. After reviewing the responses and documents, we will contact the agencies by phone or in person to obtain clarification on various topics of concern. Data collection and evaluation will be coordinated with the consultant engaged in the preparation of the Napa Valley Water Resources Study.

We propose to conduct one public workshop at this stage of the process to provide the constituents information about the MSR process and purpose and seek input if appropriate. We also propose to hold a stakeholder meeting\* at the beginning of this stage to inform the agencies under review about the process and what to anticipate and to solicit issues of concern.

Alternatively, a social media site and other forms of internet engagement (e.g., announcements on agency websites, press releases, etc.) will be created if LAFCO agrees that these approaches will be a more effective public outreach tool compared to a public workshop.

**Deliverables and meetings: 1 public workshop\*, 1 stakeholder meeting\***

#### TASK 3: ADMINISTRATIVE DRAFT MSR

Following data analysis, PCA will have identified the key issues requiring focused attention during this MSR effort. This will enable the dedication of prioritized analytical time and detailed investigation on those issues of paramount concern.

Upon completion of data gathering, all the information will be reviewed and analyzed, and compiled together into an MSR. We propose that first agency chapters be sent to the respective agencies for review and input to ensure accuracy of the information. This collaborative approach with the participating agencies will also help reduce the number of potentially contentious comments and avoid surprises before the public review process commences. After ensuring accuracy and finalizing the overview chapter, the MSR will then be sent to LAFCO staff for review.

Each agency’s profile will contain a map and a detailed description of the service provider’s background, population, disadvantaged unincorporated communities, governance, accountability practices, management structure, planning efforts, and financial adequacy, as well as a comprehensive description of each service provided, including the total number of service connections for each service, out-of-boundary services, overlapping service providers, collaborative service agreements, infrastructure and related needs, existing and anticipated capacity of the facilities, supply and demand projections, and findings on the degree of service adequacy according to several indicators. Key findings will be summarized in determinations and recommendations.

In preparing the agency description, we propose to incorporate benchmarking against industry standards and a variety of meaningful indicators of infrastructure needs and service adequacy, including, but not limited to the State system evaluation, drinking water quality, supply management, distribution system integrity, ability to replace infrastructure as necessary, and emergency preparedness.

Following data analysis and profile drafting, the consulting team will have identified the key issues requiring focused attention during this MSR effort. This will enable the dedication of prioritized analytical time and detailed investigation on those issues of paramount concern. Drawing upon our experience reviewing water and wastewater services, we will analyze adequacy based on rich statistical resources and sensitivity to the unique conditions under which each service provider operates. In order for the Commissioners and other stakeholders to understand the variety of services, we propose to include a chapter in the report offering an overview of various water and wastewater service providers in the county, their relationships, and benchmarking and comparative analyses. Additionally, incorporated in the Overview chapter will be the description of ways to improve water and wastewater service provision and evaluation of various governance structure alternatives, which in addition to traditional reorganization types will evaluate the need for services outside of current jurisdictional boundaries and SOIs and a possibility of creation of one or more municipal utility districts that would manage water, recycled water and wastewater for multiple jurisdictions. Evaluation of governance structure alternatives will include a summary of advantages and disadvantages; financial analysis of options is not included in the Scope of Work.

At this stage of the process we propose to hold a second stakeholder meeting\* to inform the affected agencies of drafting progress and receive input.

**Deliverables and meetings: Administrative Draft PDF and Word versions. 1 stakeholder meeting\***

**TASK 4: PUBLIC REVIEW DRAFT MSR**

Based on LAFCO comments and edits received on the preliminary administrative draft MSR, PCA will make applicable changes to the document to ensure LAFCO satisfaction and submit the Draft MSR to Napa LAFCO for distribution to the Commission, affected agencies, and the public for review and comment. PCA and BA will present draft findings and recommendations from the MSR at the Commission meeting. Additionally, the consulting team will hold two public workshops\* at this stage of the process to explain the MSR findings and seek public input.

**Deliverables and meetings: Public Review Draft electronic PDF and Word versions. 2 public workshops\*, 1 Commission meeting**

**TASK 5: FINAL DRAFT MSR**

After the conclusion of the public review and comment period, PCA will address each comment received and make appropriate edits to the document satisfactory to LAFCO Staff and Commission. Changes to the document will be tracked and shown in the Final Draft versions of the MSR. The consulting team will present its final findings at the Commission meeting. We also propose to hold one public workshop\* at this stage of the process to conduct public outreach regarding public comments received and how they affected the final findings.

**Deliverables and meetings: Final Draft MSR electronic PDF and Word versions. 1 public workshop\*, 1 Commission meeting**

**TASK 6: REVISED DRAFT FINAL MSR REPORT**

Following the Commission adoption of the MSR, we will provide Napa LAFCO with the Final MSR report for distribution.



**Deliverables and meetings: Final MSR electronic PDF and Word versions.**

**\*Note: Stakeholder and public outreach will be conducted via a combination of face to face meetings, email, webinars, social media, teleconferences, press releases, town hall meetings and web-based town hall meetings, electronic polling, and other forms of personal, video, audio, and web-based forms of engagement.**

**EXHIBIT "B"**

**Rates of Compensation/Expenses**

PCA estimates the cost of preparing the Countywide Water and Wastewater MSR will not exceed \$169,875.

Policy Consulting Associates will submit invoices to LAFCO for services rendered based on the hourly rate of personnel and following each milestone reached.

The current billing rates for key personnel are as follows:

Principal: \$150

Jennifer Stephenson will serve as project co-manager and liaison between PCA and Napa LAFCO. She will meet with agency representatives, perform data analysis, draft MSR chapters, and present findings to the Commission.

Principal: \$150

Oxana Wolfson will be responsible for project management and day-to-day internal coordination of the consulting team members. She will oversee data accumulation, review internal drafts, and tactically guide the development of the project.

Principal: \$225

Richard Berkson will be responsible for the financial portion of the MSR. He will gather, analyze and draft financial data, including information related to revenues and expenditures, financial reserves, infrastructure financing, findings regarding fiscal health and financial adequacy, and recommended improvements.

# 2018 Billing Rate Schedule

(Effective January 1, 2018 through December 31, 2018) \*

POSITIONS	LABOR CHARGES (DOLLARS PER HR)
<b>ENGINEERING</b>	
Principal/Vice President	\$285
Engineering/Scientist/Geologist Manager I / II	\$263 / \$274
Principal Engineer/Scientist/Geologist I / II	\$240 / \$254
Senior Engineer/Scientist/Geologist I / II	\$214 / \$225
Associate Engineer/Scientist/Geologist I / II	\$190 / \$203
Engineer/Scientist/Geologist I / II	\$154 / \$178
Engineering Aide	\$87
Administrative I / II / III / IV	\$78 / \$99 / \$119 / \$131
<b>ENGINEERING TECHNOLOGY</b>	
Engineering Tech Manager I / II	\$271 / \$281
Principal Tech Specialist I / II	\$250 / \$260
Senior Tech Specialist I / II	\$229 / \$239
Senior GIS Analyst	\$209
GIS Analyst	\$197
Technical Specialist I / II / III / IV	\$145 / \$166 / \$187 / \$208
CAD Manager	\$166
CAD Designer I / II	\$129 / \$144
<b>CONSTRUCTION MANAGEMENT</b>	
Senior Construction Manager	\$273
Construction Manager I / II / III / IV	\$166 / \$178 / \$190 / \$237
Resident Inspector (Prevailing Wage Groups 4 / 3 / 2 / 1)	\$144 / \$160 / \$178 / \$185
Apprentice Inspector	\$131
CM Administrative I / II	\$71 / \$95

- Hourly rates include Technology and Communication charges such as general and CAD computer, software, telephone, routine in-house copies/prints, postage, miscellaneous supplies, and other incidental project expenses.
- Outside Services such as vendor reproductions, prints, shipping, and major West Yost reproduction efforts, as well as Engineering Supplies, etc. will be billed at actual cost plus 15%.
- Mileage will be billed at the current Federal Rate and Travel will be billed at cost.
- Subconsultants will be billed at actual cost plus 10%.
- Expert witness, research, technical review, analysis, preparation and meetings billed at 150% of standard hourly rates. Expert witness testimony and depositions billed at 200% of standard hourly rates.
- A Finance Charge of 1.5% per month (an Annual Rate of 18%) on the unpaid balance will be added to invoice amounts if not paid within 45 days from the date of the invoice.

\* This schedule is updated annually



## 2018 Billing Rate Schedule (continued)

(Effective January 1, 2018 through December 31, 2018) \*

### Equipment Charges

EQUIPMENT	BILLING RATES
Gas Detector	\$80/day
Hydrant Pressure Gage	\$10/day
Hydrant Pressure Recorder, Standard	\$40/day
Hydrant Pressure Recorder, Impulse (Transient)	\$55/day
Trimble GPS -- Geo 7x	\$220/day
Vehicle	\$10/hour
Water Flow Probe Meter	\$20/day
Water Quality Multimeter	\$185/day
Well Sounder	\$30/day

\* This schedule is updated annually

**EXHIBIT "C"**  
**PAYMENT**

1. Payment Demands.

a. Consultant will submit monthly invoices and will be paid as follows. Cumulative invoices shall not exceed the following cumulative totals:

Month	Cumulative Amount Not To Be Exceeded
November 2018	\$15,900
December 2018	\$40,500
January 2019	\$56,400
February 2019	\$72,300
March 2019	\$88,200
April 2019	\$100,200
May 2019	\$116,550
June 2019	\$128,550
July 2019	\$140,050
August 2019	\$155,900
September 2019	\$163,250
October 2019	\$166,075
November 2019	\$168,075
December 2019	\$169,875

Monthly invoice amounts are not restricted, however their cumulative totals shall not exceed those amounts shown in this paragraph.

b. Consultant shall present LAFCO with a final invoice upon completion of the project. The final invoice shall be subject to the cumulative overall project cap and shall not be subject to task-specific or Study-specific payment limits so long as costs are within the scope of the project.

c. Right to Withhold. LAFCO has the right to withhold payment to Consultant when, in the opinion of LAFCO expressed in writing to Consultant, (a) Consultant's performance, in whole or in part, either has not been carried out or is insufficiently documented, (b) Consultant has neglected, failed or refused to furnish information or to cooperate with any inspection, review or audit of its program, work or records; or (c) Consultant has failed to sufficiently itemize or document its demand(s) for payment.

**EXHIBIT "D"**  
**LEVINE ACT DISCLOSURE STATEMENT**

*(To be completed by all proposers on LAFCO consultant contracts)*

California Government Code § 84308, commonly referred to as the "Levine Act," precludes an Officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the Officer, or received by the Officer on behalf of any other Officer, or on behalf of any candidate for office or on behalf of any committee. The Levine Act also requires disclosure of such contributions by a party to be awarded a specified contract. Please refer to the attachment for the complete statutory language.

Current members of the Napa County LAFCO are:

- |                          |                          |
|--------------------------|--------------------------|
| Gregory Rodeno           | Diane Dillon             |
| Margie Mohler            | Brad Wagenknecht         |
| Scott Sedgley            | Ryan Gregory, Alternate  |
| Kenneth Leary, Alternate | Erik Lawrence, Alternate |

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any LAFCO Commissioner(s) in the 12 months preceding the date of the issuance of this request for proposal or request for qualifications?  YES  NO

If yes, please identify the Commissioner(s): \_\_\_\_\_

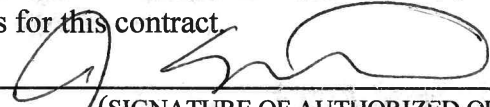
2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any LAFCO Commissioner(s) in the three months following the award of the contract?

YES  NO

If yes, please identify the Commissioner(s): \_\_\_\_\_

Answering yes to either of the two questions above does not preclude LAFCO from awarding a contract to your firm. It does, however, preclude the identified Commissioners from participating in the contract award process for this contract.

11/15/18  
DATE

  
\_\_\_\_\_  
(SIGNATURE OF AUTHORIZED OFFICIAL)  
JENNIFER STEPHENSON, PRINCIPAL  
(TYPE OR WRITE APPROPRIATE NAME, TITLE)  
POLICY CONSULTING ASSOCIATES  
(TYPE OR WRITE NAME OF COMPANY)