

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into this 1st day of July, 2021, by and between the City of Merced, a California Charter Municipal Corporation, whose address of record is 678 West 18th Street, Merced, California 95340, (hereinafter referred to as "City") and Phase II Systems, a California corporation, doing business as "Public Agency Retirement Services" and "PARS", whose address of record is 4350 Von Karman Ave. Suite 100, Newport Beach, CA 92660-2043 (hereinafter referred to as "Consultant").

WHEREAS, City has adopted the PARS Public Agencies Post Employment Benefits Trust for the purpose of pre-funding pension obligation and/or OPEB obligations ("Plan"), and is desirous of retaining PARS as Trust Administrator to the Trust, to provide administrative services; and,

WHEREAS, Consultant represents that it possesses the professional skills to provide the requisite Trust Administration services.

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter recited, hereby agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall furnish the following services: Consultant shall provide the services pertaining to the Plan as described in Exhibit "A" attached hereto.

No additional services shall be performed by Consultant unless approved in advance in writing by the City, stating the dollar value of the services, the method of payment, and any adjustment in contract time. All such services are to be coordinated with City and the results of the work shall be monitored by the Finance Officer of the City or her designee. However, the means by which the work is accomplished shall be the sole responsibility of the Consultant.

2. **TIME OF PERFORMANCE.** All of the work outlined in the Scope of Services shall be completed in a timely manner.

3. **CONFIDENTIALITY.** Without the City's prior written consent, Consultant shall not disclose any information relating to the Plan except to duly authorized officials of the City, subject to applicable law, and to parties retained by Consultant to perform the services required by this Agreement. City shall not disclose any information relating to the Plan to individuals not employed by City

without the prior written consent of Consultant, except as such disclosures may be required by applicable law.

4. **COMPENSATION AND METHOD OF PAYMENT.** Consultant will be paid for performance of its services as described in the exhibit attached hereto as Exhibit "1B". Payment by the City to the Consultant for actual services rendered under this Agreement will be remitted directly from Plan assets unless the City chooses to make payment directly to Consultant. In the event that the City chooses to make payment directly to Consultant, it shall be the responsibility of City to remit payment directly to Consultant within thirty (30) days of receipt of Consultant's invoice.

5. **INFORMATION TO BE FURNISHED TO CONSULTANT.** Consultant will provide its services contingent upon City providing Consultant with the information specified in the exhibit attached hereto as Exhibit "1C" ("Data"). It shall be the responsibility of City to certify the accuracy, content and completeness of the Data, and to provide the Data to Consultant in a manner that allows for a reasonable amount of time for Consultant's services to be performed. Unless specified in Exhibit 1A, Consultant shall have no duty to question Data received from the City, to compute contributions made to the Plan, to determine or inquire whether contributions are adequate to meet and discharge liabilities under the Plan, or to determine or inquire whether contributions made to the Plan are in compliance with the Plan or applicable law. In the event that the City fails to provide Data in a complete, accurate and timely manner and pursuant to the specifications in Exhibit 1C, Consultant reserves the right to terminate this Agreement upon no less than ninety (90) days written notice to the City.

6. **RECORDS.** It is understood and agreed that all plans, studies, specifications, data magnetically or otherwise recorded on computer or computer diskettes, records, files, reports, etc., in possession of the Consultant relating to the matters covered by this Agreement shall be the property of the City, and Consultant hereby agrees to deliver the same to the City upon termination of the Agreement. It is understood and agreed that the documents and other materials including but not limited to those set forth hereinabove, prepared pursuant to this Agreement are prepared specifically for the City and are not necessarily suitable for any future or other use.

7. **CONSULTANT'S BOOKS AND RECORDS.** Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for

services or expenditures and disbursements charged to the City for a minimum of five (5) years, or for any longer period required by law, from the date of final payment to the Consultant to this Agreement. Any records or documents required to be maintained shall be made available for inspection, audit and/or copying at any time during regular business hours, upon oral or written request of the City.

8. **INDEPENDENT CONTRACTOR.** It is expressly understood that Consultant is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Consultant shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should Consultant desire any insurance protection, the Consultant is to acquire same at its expense.

In the event Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, protect, defend, and hold harmless the City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

9. **INDEMNITY.** The City shall have no liability to Consultant or any other person, and Consultant shall indemnify, defend, and hold harmless the City from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "Claims"), for which the City may suffer or incur or to which the City may become subject to third parties as a result of or allegedly caused by Consultant's activities or obligations associated with this Agreement. However, Consultant shall not indemnify the City to the extent the Claims result from the City's sole negligence, wrongful or unlawful conduct or omission, including the disbursement or transfer of funds directed in writing by authorized City personnel. The City shall indemnify, defend, and hold harmless Consultant from and against any and all Claims to the extent such Claims result from the City's sole negligence, wrongful or unlawful conduct or omission, including the disbursement or transfer of funds directed in writing by authorized City personnel.

If any action or proceeding is brought against the City or Consultant by reason of any of the matters against which the other party has agreed to indemnify such party as provided above, the indemnifying party, upon notice from the indemnified party, shall defend the indemnified party at the indemnifying party's expense by counsel acceptable to the indemnified party, such acceptance not to be unreasonably withheld, conditioned or delayed. The indemnified party need not have first paid for any of the matters to which it is entitled to indemnification in order to be so indemnified. The provisions of this section shall survive the expiration or earlier termination of this Agreement.

10. **INSURANCE.** During the term of this Agreement, Consultant shall maintain in full force and effect at its own cost and expense, the following insurance coverage:

a. **Workers' Compensation Insurance.** Full workers' compensation insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000) for any one person and as required by law, including Employer's Liability limits of \$1,000,000.00 per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

b. **General Liability.**

- (i) Consultant shall obtain and keep in full force and effect general liability coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001.
- (ii) Consultant shall maintain limits of no less than One Million Dollars (\$1,000,000) per occurrence for bodily injury, personal injury and property damage.
- (iii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Consultant.
- (iv) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

- (v) Consultant warrants and represents that its current commercial general liability policy is an “occurrence” based policy. Consultant shall maintain its “occurrence” based commercial general liability coverage for one (1) year after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least one year after completion of the work. If Consultant changes its commercial general liability policy to a “claims made” based policy, Consultant shall maintain the policy for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

c. Automobile Insurance.

- (i) Consultant shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.
- (ii) The City, its officers, employees, volunteers and agents are to be named as additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Consultant.
- (iii) The policy shall stipulate that this insurance will operate as primary insurance for work performed by Consultant and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

d. Professional Liability Insurance. Consultant shall carry professional liability insurance appropriate to Consultant’s profession in the minimum amount of One Million Dollars (\$1,000,000).

e. Qualifications of Insurer. The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements:

- (i) An insurance carrier admitted or licensed to do business in California and maintaining an agent for service of process within this State; and,
- (ii) An insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

f. Certificate of Insurance. Consultant shall complete and file with the City prior to engaging in any operation or activity set forth in this Agreement, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of this Agreement, without thirty (30) days written notice to City prior to the effective date of such cancellation, except a ten (10) day notice of cancellation for non-payment of premium shall apply.

g. Notwithstanding any language in this Agreement to the contrary, Consultant shall be entitled to be paid pursuant to the terms of this Agreement until Consultant has obtained the insurance required by this Section 10 and provided documentation of said insurance to the City. In addition to any other remedies City may have, City reserves the right to withhold payment if Consultant's insurance policies are not current.

11. ASSIGNABILITY OF AGREEMENT. It is understood and agreed that this Agreement contemplates personal performance by the Consultant and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the express written consent of the City.

12. TERM OF AGREEMENT. This Agreement shall remain in effect for the period beginning July 1, 2021 and ending June 30, 2026. This Agreement may be extended for an additional period of time by City and Consultant only upon both Parties execution of a subsequent writing documenting the terms and conditions of any such extension.

13. **TERMINATION FOR CONVENIENCE OF CITY.** The City may terminate this Agreement any time by mailing a notice in writing to Consultant that the Agreement is terminated. Said Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the phase of work actually completed, based on a pro rata portion of the compensation for said phase satisfactorily completed at the time the notice of termination is received.

14. **CONFORMANCE TO APPLICABLE LAWS.** Consultant shall comply with its standard of care regarding all applicable Federal, State, and municipal laws, rules and ordinances. No discrimination shall be made by Consultant in the employment of persons to work under this contract because of race, color, national origin, ancestry, disability, sex or religion of such person.

Consultant hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act (8 U.S.C.A. 1101 *et seq.*), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Consultant so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any agency or instrumentality of the federal or state government, including the courts, impose sanctions against the City for such use of unauthorized aliens, Consultant hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by the City in connection therewith.

15. **WAIVER.** In the event that either City or Consultant shall at any time or times waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or any other covenant, condition or obligation. Waiver shall not be deemed effective until and unless signed by the waiving party.

16. **INCONSISTENT OR CONFLICTING TERMS IN AGREEMENT AND EXHIBITS.** In the event of any contradiction or inconsistency between any attached document(s) or exhibit(s) incorporated by reference herein and the provisions of the Agreement itself, the terms of the Agreement shall control.

Any exhibit that is attached and incorporated by reference shall be limited to the purposes for which it is attached, as specified in this Agreement. Any contractual terms or conditions contained in such exhibit imposing additional obligations on the City are not binding upon the City unless specifically agreed to

in writing, and initialed by the authorized City representative, as to each additional contractual term or condition.

17. **AMBIGUITIES.** This Agreement has been negotiated at arms' length between persons knowledgeable in the matters dealt with herein. Accordingly, any rule of law, including, but not limited to, Section 1654 of the Civil Code of California, or any other statutes, legal decisions, or common-law principles of similar effect, that would require interpretation of any ambiguities in this Agreement against the party that drafted this Agreement is of no application and is hereby expressly waived.

18. **VENUE.** This Agreement and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this agreement shall be held exclusively in a state court in the County of Merced.

19. **AMENDMENT.** This Agreement shall not be amended, modified, or otherwise changed unless in writing and signed by both parties hereto.

20. **INTEGRATION.** This Agreement constitutes the entire understanding and agreement of the parties and supersedes all previous and/or contemporaneous understanding or agreement between the parties with respect to all or any part of the subject matter hereof.

21. **AUTHORITY TO EXECUTE.** The person or persons executing this Agreement on behalf of the parties hereto warrants and represents that he/she/they has/have the authority to execute this Agreement on behalf of their entity and has/have the authority to bind their party to the performance of its obligations hereunder.

22. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts with each counterpart being deemed an original. No counterpart shall be deemed to be an original or presumed delivered unless and until the counterparts executed by the other parties hereto are in the physical possession of the party or parties seeking enforcement thereof.

23. **NOTICES.** All notices required pursuant to the terms of this Agreement shall be effected by delivery of the notice in person or by depositing the notices in the U.S. mail, registered or certified mail, return receipt requested, postage prepaid and addressed as follows:

To Consultant: PARS
Attention: President
4350 Von Karman Avenue, Suite 100
Newport Beach, CA 92660

To City: City of Merced
Attention: Finance Officer
678 W. 18th Street
Merced, CA 95340

With a copy to: City Attorney's Office
678 W. 18th Street
Merced, CA 95340

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the date first above written.

CITY OF MERCED
A California Charter Municipal
Corporation

BY: Stephanie Dietz
City Manager

ATTEST:
STEPHANIE R. DIETZ, CITY CLERK


BY: [Signature]
Assistant/Deputy City Clerk



APPROVED AS TO FORM:

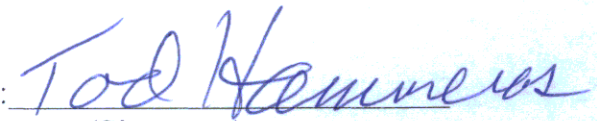
BY: [Signature] 5/17/21
City Attorney Date

301584
ACCOUNT DATA:

BY: 
Verified by Finance Officer

No funds to encumber. WJ 5/28/21
FL 5/28/21

CONSULTANT
PHASE II SYSTEMS,
A California Corporation

BY: 
(Signature)

Tod Hammeras
(Typed Name)

Its: Chief Financial Officer
(Title)

BY: 
(Signature)

Daniel Johnson
(Typed Name)

Its: President
(Title)

Taxpayer I.D. No. 33-0542454

ADDRESS: 4350 Von Karman #100
Newport Beach, CA 92660

TELEPHONE: (800) 540-6369

FAX: (949) 250-1250

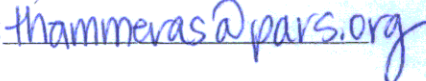
E-MAIL: 

EXHIBIT A
SERVICES

CONSULTANT will provide the following services for the City of Merced Public Agencies Post-Employment Benefits Trust:

1. Plan Installation Services:

- (A) Meeting with appropriate City personnel to discuss plan provisions, implementation timelines, actuarial valuation process, funding strategies, benefit communication strategies, data reporting, and submission requirements for contributions/reimbursements/distributions;
- (B) Providing the necessary analysis and advisory services to finalize these elements of the Plan;
- (C) Providing the documentation needed to establish the Plan to be reviewed and approved by City legal counsel. Resulting final Plan documentation must be approved by the City prior to the commencement of PARS Plan Administration Services outlined in Exhibit 1A, paragraph 2 below.

2. Plan Administration Services:

- (A) Monitoring the receipt of Plan contributions made by the City to the trustee of the CONSULTANT Public Agencies Post-Employment Benefits Trust ("Trustee"), based upon information received from the City and the Trustee;
- (B) Performing periodic accounting of Plan assets, reimbursements/distributions, and investment activity, based upon information received from the City and/or Trustee;
- (C) Coordinating the processing of distribution payments pursuant to authorized direction by the City, and the provisions of the Plan, and, to the extent possible, based upon City-provided Data;
- (D) Coordinating actions with the Trustee as directed by the Plan Administrator within the scope this Agreement;
- (E) Preparing and submitting a monthly report of Plan activity to the City, unless directed by the City otherwise;
- (F) Preparing and submitting an annual report of Plan activity to the City;
- (G) Facilitating actuarial valuation updates and funding modifications for compliance with GASB 45/75, if prefunding OPEB obligations;
- (H) Coordinating periodic audits of the Trust;
- (I) Monitoring Plan and Trust compliance with federal and state laws.

3. CONSULTANT is not licensed to provide and does not offer tax, accounting, legal, investment or actuarial advice.

EXHIBIT B
FEES FOR SERVICES

CONSULTANT will be compensated for performance of Services, as described in Exhibit 1A based upon the following schedule:

An annual asset fee shall be paid from Plan assets based on the following schedule:

<u>For Plan Assets from:</u>			<u>Annual Rate:</u>
\$0	to	\$10,000,000	0.25%
\$10,000,001	to	\$15,000,000	0.20%
\$15,000,001	to	\$50,000,000	0.15%
\$50,000,001	and	above	0.10%

Annual rates are prorated and paid monthly. The annual asset fee shall be calculated by the following formula [Annual rate divided by 12 (months of the year) multiplied by the Plan asset balance at the end of the month]. Trustee and Investment Management Fees are not included.

EXHIBIT C
DATA REQUIREMENTS

CONSULTANT will provide the Services under this Agreement contingent upon receiving the following information:

1. Executed Legal Documents:
 - (A) Certified Resolution
 - (B) Adoption Agreement to the Public Agencies Post-Employment Benefits Trust
 - (C) Trustee Investment Forms

2. Contribution – completed Contribution Transmittal Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) City name
 - (B) Contribution amount
 - (C) Contribution date
 - (D) Contribution method (Check, ACH, Wire)

3. Distribution – completed Payment Reimbursement/Distribution Form signed by the Plan Administrator (or authorized Designee) which contains the following information:
 - (A) City name
 - (B) Payment reimbursement/distribution amount
 - (C) Applicable statement date
 - (D) Copy of applicable premium, claim, statement, warrant, and/or administrative expense evidencing payment
 - (E) Signed certification of reimbursement/distribution from the Plan Administrator (or authorized Designee)

4. Other information pertinent to the Services as reasonably requested by CONSULTANT and Actuarial Provider.