

AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

THIS AGREEMENT (hereafter Agreement) is made by and between the County of Santa Barbara, a political subdivision of the State of California (hereafter COUNTY) and MGT of America, Inc. hereafter CONTRACTOR) wherein CONTRACTOR agrees to provide and COUNTY agrees to accept the services specified herein.

WHEREAS, the County routinely seeks to determine and manage its costs incurred by its various departments and programs through careful study and analysis; and,

WHEREAS, the County also uses this analysis for the development of fees and charges for services provided to the public and other municipalities utilizing an activity-based costing methodology; and,

WHEREAS, the County, through the Public Health Department Environmental Health Agency chooses to contract with MGT of America to provide this activity based costing study to be used in the review of fees and charges.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the parties agree as follows:

1. DESIGNATED REPRESENTATIVE

Suzanne Jacobson at phone number (805) 681-5183 is the representative of COUNTY and will administer this Agreement for and on behalf of COUNTY. J. Bradley Burgess, Vice President at phone number (916) 443-3411 X1001 is the authorized representative for CONTRACTOR. Changes in designated representatives shall be made only after advance written notice to the other party.

2. NOTICES

Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by personal delivery or facsimile, or with postage prepaid by first class mail, registered or certified mail, or express courier service, as follows:

To COUNTY: Stacy Covarrubias
 Santa Barbara County Public Health Department
 300 N. San Antonio Road
 Santa Barbara, CA 93110
 Phone (805) 681-5378
 Fax (805) 681-5126

To CONTRACTOR: Erin Payton
 MGT of America, Inc.
 2251 Harvard Street, Suite 134
 Sacramento, CA 95815
 Phone (503) 358-3808
 Fax (916) 443-1766

or at such other address or to such other person that the parties may from time to time designate in accordance with this Notices section. If sent by first class mail, notices and consents under this section shall be deemed to be received five (5) days following their deposit in the U.S. mail. This Notices section shall not be construed as meaning that either party agrees to service of process except as required by applicable law.

3. SCOPE OF SERVICES

CONTRACTOR agrees to provide services to COUNTY, with the contract amount not to exceed \$34,225 in accordance with EXHIBIT A attached hereto and incorporated herein by reference.

4. TERM

CONTRACTOR shall commence performance on November 1, 2015 and end performance upon completion, but no later than June 30, 2016 unless otherwise directed by COUNTY or unless earlier terminated.

5. COMPENSATION OF CONTRACTOR

In full consideration for CONTRACTOR's services, CONTRACTOR shall be paid for performance under this Agreement in accordance with the terms of EXHIBIT A (MGT of America Proposal) attached hereto and incorporated herein by reference. Billing shall be made by invoice, which shall include the contract number assigned by COUNTY and which is delivered to the address given in Section 2 NOTICES above following completion of the increments identified on EXHIBIT A. Unless otherwise specified on EXHIBIT A, payment shall be net thirty (30) days from presentation of invoice.

6. INDEPENDENT CONTRACTOR

It is mutually understood and agreed that CONTRACTOR (including any and all of its officers, agents, and employees), shall perform all of its services under this Agreement as an independent contractor as to COUNTY and not as an officer, agent, servant, employee, joint venturer, partner, or associate of COUNTY. Furthermore, COUNTY shall have no right to control, supervise, or direct the manner or method by which CONTRACTOR shall perform its work and function. However, COUNTY shall retain the right to administer this Agreement so as to verify that CONTRACTOR is performing its obligations in accordance with the terms and conditions hereof. CONTRACTOR understands and acknowledges that it shall not be entitled to any of the benefits of a COUNTY employee, including but not limited to vacation, sick leave, administrative leave, health insurance, disability insurance, retirement, unemployment insurance, workers' compensation and protection of tenure. CONTRACTOR shall be solely liable and responsible for providing to, or on behalf of, its employees all legally-required employee benefits. In addition, CONTRACTOR shall be solely responsible and save COUNTY harmless from all matters relating to payment of CONTRACTOR's employees, including compliance with Social Security withholding and all other regulations governing such matters. It is acknowledged that during the term of this Agreement, CONTRACTOR may be providing services to others unrelated to the COUNTY or to this Agreement.

7. STANDARD OF PERFORMANCE

CONTRACTOR represents that it has the skills, expertise, and licenses/permits necessary to perform the services required under this Agreement. Accordingly, CONTRACTOR shall perform all such services in the manner and according to the standards observed by a competent practitioner of the same profession in which CONTRACTOR is engaged. All products of whatsoever nature, which CONTRACTOR delivers to COUNTY pursuant to this Agreement, shall be prepared in a first class and workmanlike manner and shall conform to the standards of quality normally observed by a person practicing in CONTRACTOR's profession. CONTRACTOR shall correct or revise any errors or omissions, at COUNTY'S request without additional compensation. Permits and/or licenses shall be obtained and maintained by CONTRACTOR without additional compensation.

8. DEBARMENT AND SUSPENSION

CONTRACTOR certifies to COUNTY that it and its employees and principals are not debarred, suspended, or otherwise excluded from or ineligible for, participation in federal, state, or county government contracts. CONTRACTOR certifies that it shall not contract with a subcontractor that is so debarred or suspended.

9. TAXES

CONTRACTOR shall pay all taxes, levies, duties, and assessments of every nature due in connection with any work under this Agreement and shall make any and all payroll deductions required by law. COUNTY shall not be responsible for paying any taxes on CONTRACTOR's behalf, and should COUNTY be required to do so by state, federal, or local taxing agencies, CONTRACTOR agrees to promptly reimburse COUNTY for the full value of such paid taxes plus interest and penalty, if any. These taxes shall include, but not be limited to, the following: FICA (Social Security), unemployment insurance contributions, income tax, disability insurance, and workers' compensation insurance.

10. CONFLICT OF INTEREST

CONTRACTOR covenants that CONTRACTOR presently has no employment or interest and shall not acquire any employment or interest, direct or indirect, including any interest in any business, property, or source of income, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. CONTRACTOR further covenants that in the performance of this Agreement, no person having any such interest shall be employed by CONTRACTOR. COUNTY retains the right to waive a conflict of interest disclosed by CONTRACTOR if COUNTY determines it to be immaterial, and such waiver is only effective if provided by COUNTY to CONTRACTOR in writing.

11. OWNERSHIP OF DOCUMENTS AND INTELLECTUAL PROPERTY

COUNTY shall be the owner of the following items incidental to this Agreement upon production, whether or not completed: all data collected, all documents of any type whatsoever, all photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials, and any material necessary for the practical use of such items, from the time of collection and/or production whether or not performance under this Agreement is completed or terminated prior to completion. CONTRACTOR shall not release any of such items to other parties except after prior written approval of COUNTY.

Unless otherwise specified in Exhibit A, CONTRACTOR hereby assigns to COUNTY all copyright, patent, and other intellectual property and proprietary rights to all data, documents, reports, photos, designs, sound or audiovisual recordings, software code, inventions, technologies, and other materials prepared or provided by CONTRACTOR pursuant to this Agreement (collectively referred to as "Copyrightable Works and Inventions"). COUNTY shall have the unrestricted authority to copy, adapt, perform, display, publish, disclose, distribute, create derivative works from, and otherwise use in whole or in part, any Copyrightable Works and Inventions. CONTRACTOR agrees to take such actions and execute and deliver such documents as may be needed to validate, protect and confirm the rights and assignments provided hereunder. CONTRACTOR warrants that any Copyrightable Works and Inventions and other items provided under this Agreement will not infringe upon any intellectual property or proprietary rights of any third party. CONTRACTOR at its own expense shall defend, indemnify, and hold harmless COUNTY against any claim that any Copyrightable Works or Inventions or other items provided by CONTRACTOR hereunder infringe upon intellectual or other proprietary rights of a third party, and CONTRACTOR shall pay any damages, costs, settlement amounts, and fees (including attorneys' fees) that may be incurred by COUNTY in connection with any such claims. This Ownership of Documents and Intellectual Property provision shall survive expiration or termination of this Agreement.

12. NO PUBLICITY OR ENDORSEMENT

CONTRACTOR shall not use COUNTY's name or logo or any variation of such name or logo in any publicity, advertising or promotional materials. CONTRACTOR shall not use COUNTY's name or logo in any manner that would give the appearance that the COUNTY is endorsing CONTRACTOR. CONTRACTOR shall not in any way contract on behalf of or in the name of COUNTY. CONTRACTOR shall not release any informational pamphlets, notices, press releases, research reports, or similar public notices concerning the COUNTY or its projects, without obtaining the prior written approval of COUNTY.

13. COUNTY PROPERTY AND INFORMATION

All of COUNTY's property, documents, and information provided for CONTRACTOR's use in connection with the services shall remain COUNTY's property, and CONTRACTOR shall return any such items whenever requested by COUNTY and whenever required according to the Termination section of this Agreement. CONTRACTOR may use such items only in connection with providing the services. CONTRACTOR shall not disseminate any COUNTY property, documents, or information without COUNTY's prior written consent.

14. RECORDS, AUDIT, AND REVIEW

CONTRACTOR shall keep such business records pursuant to this Agreement as would be kept by a reasonably prudent practitioner of CONTRACTOR's profession and shall maintain such records for at least four (4) years following the termination of this Agreement. All accounting records shall be kept in accordance with generally accepted accounting principles. COUNTY shall have the right to audit and review all such documents and records at any time during CONTRACTOR's regular business hours or upon reasonable notice. In addition, if this Agreement exceeds ten thousand dollars (\$10,000.00), CONTRACTOR shall be subject to the examination and audit of the California State Auditor, at the request of the COUNTY or as part of any audit of the COUNTY, for a period of three (3) years after final payment under the Agreement (Cal. Govt. Code Section 8546.7). CONTRACTOR shall participate in any audits and reviews, whether by COUNTY or the State, at no charge to COUNTY.

If federal, state or COUNTY audit exceptions are made relating to this Agreement, CONTRACTOR shall reimburse all costs incurred by federal, state, and/or COUNTY governments associated with defending against the audit exceptions or performing any audits or follow-up audits, including but not limited to: audit fees, court costs, attorneys' fees based upon a reasonable hourly amount for attorneys in the community, travel costs, penalty assessments and all other costs of whatever nature. Immediately upon notification from COUNTY, CONTRACTOR shall reimburse the amount of the audit exceptions and any other related costs directly to COUNTY as specified by COUNTY in the notification.

15. INDEMNIFICATION AND INSURANCE

CONTRACTOR agrees to the indemnification and insurance provisions as set forth in EXHIBIT B attached hereto and incorporated herein by reference.

16. NONDISCRIMINATION

COUNTY hereby notifies CONTRACTOR that COUNTY's Unlawful Discrimination Ordinance (Article XIII of Chapter 2 of the Santa Barbara County Code) applies to this Agreement and is incorporated herein by this reference with the same force and effect as if the ordinance were specifically set out herein and CONTRACTOR agrees to comply with said ordinance.

17. NONEXCLUSIVE AGREEMENT

CONTRACTOR understands that this is not an exclusive Agreement and that COUNTY shall have the right to negotiate with and enter into contracts with others providing the same or similar services as those provided by CONTRACTOR as the COUNTY desires.

18. NON-ASSIGNMENT

CONTRACTOR shall not assign, transfer or subcontract this Agreement or any of its rights or obligations under this Agreement without the prior written consent of COUNTY and any attempt to so assign, subcontract or transfer without such consent shall be void and without legal effect and shall constitute grounds for termination.

19. TERMINATION

- A. **By COUNTY.** COUNTY may, by written notice to CONTRACTOR, terminate this Agreement in whole or in part at any time, whether for COUNTY's convenience, for nonappropriation of funds, or because of the failure of CONTRACTOR to fulfill the obligations herein.
1. **For Convenience.** COUNTY may terminate this Agreement in whole or in part upon thirty (30) days written notice. During the thirty (30) day period; CONTRACTOR shall, as directed by COUNTY, wind down and cease its services as quickly and efficiently as reasonably possible, without performing unnecessary services or activities and by minimizing negative effects on COUNTY from such winding down and cessation of services.
 2. **For Nonappropriation of Funds.** Notwithstanding any other provision of this Agreement, in the event that no funds or insufficient funds are appropriated or budgeted by federal, state or COUNTY governments, or funds are not otherwise available for payments in the fiscal year(s) covered by the term of this Agreement, then COUNTY will notify CONTRACTOR of such occurrence and COUNTY may terminate or suspend this Agreement in whole or in part, with or without a prior notice period. Subsequent to termination of this Agreement under this provision, COUNTY shall have no obligation to make payments with regard to the remainder of the term.
 3. **For Cause.** Should CONTRACTOR default in the performance of this Agreement or materially breach any of its provisions, COUNTY may, at COUNTY's sole option, terminate or suspend this Agreement in whole or in part by written notice. Upon receipt of notice, CONTRACTOR shall immediately discontinue all services affected (unless the notice directs otherwise) and notify COUNTY as to the status of its performance. The date of termination shall be the date the notice is received by CONTRACTOR, unless the notice directs otherwise.
- B. **By CONTRACTOR.** Should COUNTY fail to pay CONTRACTOR all or any part of the payment set forth in EXHIBIT A, CONTRACTOR may, at CONTRACTOR's option terminate this Agreement if such failure is not remedied by COUNTY within thirty (30) days of written notice to COUNTY of such late payment.
- C. Upon termination, CONTRACTOR shall deliver to COUNTY all data, estimates, graphs, summaries, reports, and all other property, records, documents or papers as may have been accumulated or produced by CONTRACTOR in performing this Agreement, whether completed or in process, except such items as COUNTY may, by written permission, permit CONTRACTOR to retain. Notwithstanding any other payment provision of this Agreement, COUNTY shall pay CONTRACTOR for satisfactory services performed to the date of termination to include a prorated amount of compensation due hereunder less payments, if any, previously made. In no event shall CONTRACTOR be paid an amount in excess of the full price under this Agreement nor for profit on unperformed portions of service. CONTRACTOR shall furnish to COUNTY such financial information as in the judgment of COUNTY is

necessary to determine the reasonable value of the services rendered by CONTRACTOR. In the event of a dispute as to the reasonable value of the services rendered by CONTRACTOR, the decision of COUNTY shall be final. The foregoing is cumulative and shall not affect any right or remedy which COUNTY may have in law or equity.

20. SECTION HEADINGS

The headings of the several sections, and any Table of Contents appended hereto, shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof.

21. SEVERABILITY

If any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions hereof, and such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. REMEDIES NOT EXCLUSIVE

No remedy herein conferred upon or reserved to COUNTY is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

23. TIME IS OF THE ESSENCE

Time is of the essence in this Agreement and each covenant and term is a condition herein.

24. NO WAIVER OF DEFAULT

No delay or omission of COUNTY to exercise any right or power arising upon the occurrence of any event of default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Agreement to COUNTY shall be exercised from time to time and as often as may be deemed expedient in the sole discretion of COUNTY.

25. ENTIRE AGREEMENT AND AMENDMENT

In conjunction with the matters considered herein, this Agreement contains the entire understanding and agreement of the parties and there have been no promises, representations, agreements, warranties or undertakings by any of the parties, either oral or written, of any character or nature hereafter binding except as set forth herein. This Agreement may be altered, amended or modified only by an instrument in writing, executed by the parties to this Agreement and by no other means. Each party waives their future right to claim, contest or assert that this Agreement was modified, canceled, superseded, or changed by any oral agreements, course of conduct, waiver or estoppel.

26. SUCCESSORS AND ASSIGNS

All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.

27. COMPLIANCE WITH LAW

CONTRACTOR shall, at its sole cost and expense, comply with all County, State and Federal ordinances and statutes now in force or which may hereafter be in force with regard to this Agreement. The judgment of any court of competent jurisdiction, or the admission of CONTRACTOR in any action or proceeding against CONTRACTOR, whether COUNTY is a party thereto or not, that CONTRACTOR has violated any such ordinance or statute, shall be conclusive of that fact as between CONTRACTOR and COUNTY.

28. CALIFORNIA LAW AND JURISDICTION

This Agreement shall be governed by the laws of the State of California. Any litigation regarding this Agreement or its contents shall be filed in the County of Santa Barbara, if in state court, or in the federal district court nearest to Santa Barbara County, if in federal court.

29. EXECUTION OF COUNTERPARTS

This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the parties shall preserve undestroyed, shall together constitute one and the same instrument.

30. AUTHORITY

All signatories and parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, CONTRACTOR hereby warrants that it shall not have breached the terms or conditions of any other contract or agreement to which CONTRACTOR is obligated, which breach would have a material effect hereon.

31. SURVIVAL

All provisions of this Agreement which by their nature are intended to survive the termination or expiration of this Agreement shall survive such termination or expiration.

32. PRECEDENCE

In the event of conflict between the provisions contained in the numbered sections of this Agreement and the provisions contained in the Exhibits, the provisions of the Exhibits shall prevail over those in the numbered sections.

33. COURT APPEARANCES.

Upon request, Contractor shall cooperate with County in making available necessary witness for court hearings and trials, including Contractor's staff that have provided treatment to a client referred by County who is the subject of a court proceeding. County shall issue subpoenas for the required witnesses upon request of Contractor.

34. MANDATORY DISCLOSURE.

CONTRACTOR must disclose, in a timely manner, in writing to the COUNTY, any known violations of Federal criminal law involving fraud, bribery, or gratuity violations affecting this Agreement.

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and MGT of America, Inc.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on November 1, 2015 by COUNTY.

ATTEST:

Mona Miyasato
County Executive Officer
Clerk of the Board

By: _____
Deputy Clerk

COUNTY OF SANTA BARBARA:

By: _____
Chair, Board of Supervisors

Date: _____

RECOMMENDED FOR APPROVAL:

Takashi Wada, MD, MPH
Director / Deputy Health Officer

By: _____
Department Head

APPROVED AS TO ACCOUNTING FORM:

Robert W. Geis, CPA
Auditor-Controller

By: _____
Deputy

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

By: _____
Deputy County Counsel

APPROVED AS TO FORM:

Risk Management

By: _____
Risk Management

Agreement for Services of Independent Contractor between the **County of Santa Barbara** and MGT of America, Inc.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on November 1, 2015 by COUNTY.

CONTRACTOR:

MGT of America, Incorporated

By:

Authorized Representative

Name:

Title:

EXHIBIT B

Indemnification and Insurance Requirements

INDEMNIFICATION

CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. CONTRACTOR's indemnification obligation applies to COUNTY's active as well as passive negligence but does not apply to COUNTY's sole negligence or willful misconduct.

NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

INSURANCE

CONTRACTOR shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the CONTRACTOR, his agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the CONTRACTOR'S profession, with limit of no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the

CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – COUNTY, its officers, officials, employees, agents and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the CONTRACTOR's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).
2. **Primary Coverage** – For any claims related to this Agreement, the CONTRACTOR's insurance coverage shall be primary insurance as respects the COUNTY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
4. **Waiver of Subrogation Rights** – CONTRACTOR hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation, but this provision applies regardless of whether or not the COUNTY has received a waiver of subrogation endorsement from the insurer.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
7. **Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not

replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.

9. **Subcontractors** – CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that COUNTY is an additional insured on insurance required from subcontractors.
10. **Claims Made Policies** – If any of the required policies provide coverage on a claims-made basis:
 - i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
 - ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of contract work.
 - iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.
11. **Special Risks or Circumstances** – COUNTY reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.

MGT of America Proposal to Santa Barbara County, California
Public Health Department – Environmental Health Division User Fee Study

Cover Letter

21 August, 2015

Ms. Suzanne Jacobson
Ms. Stacy Covarrubias
Santa Barbara County Public Health
300 North San Antonio Road
Santa Barbara, CA 93110-1316

Dear Ms. Jacobson and Ms. Covarrubias:

We appreciate the opportunity to respond to Santa Barbara County's (County) request for a proposal for a user fee study for the Environmental Health Services Division of the Department of Public Health. We believe our firm, MGT of America, Inc. (MGT), offers the County solutions that will not only meet your specific objectives, but will provide the best overall value to the County. Our projects deliver:

- **Defensible & Transparent Calculation Methodology.** Our user fee models are rigorous, accurate and proven. They are also completely transparent, with services, costs, cost recovery, and subsidies all readily identified and presented in a comprehensive fashion.
- **Intuitive and Powerful Spreadsheet Calculation Models.** MGT uses powerful, user-friendly spreadsheet models to calculate costs. The model is fully customized for each client and will be provided to the County at the completion of the project.
- **Experience, Exceptional Staff & Immediate Availability.** The proposed MGT team has performed over 25 user fee studies over the past five years, and has access to dozens of MGT-prepared studies for comparative purposes. We have recently completed studies for the cities of Oxnard, Santa Monica, La Mesa and Newport Beach, and are currently preparing cost-of-service studies for Santa Barbara County's Planning & Development and Public Works departments. We are recommended by statewide organizations such as CSMFO because we have a long successful history of performing cost allocation plan and user fee studies all over the state. Our proposed project team has immediate availability for this project.

Please contact me if you have any questions or comments about this proposal at 916.595.2646, or at bburgess@mgtamer.com. This proposal is firm and irrevocable for a period of 90 days from the date of this letter. We look forward to hearing from you and being of service to Santa Barbara County.

Sincerely,



J. Bradley Burgess, Vice President

Contact Information

CORPORATE HEADQUARTERS	CALIFORNIA OFFICE
MGT of America, Inc. 3800 Esplanade Way, Suite 210 Tallahassee, Florida, 32311 Phone: 850.386.3191 Fax: 850.385.4501	MGT of America, Inc. 2251 Harvard Street, Suite 134 Sacramento, CA 95815 Phone: 916.443.3411 Fax: 916.443.1766

The primary contact for questions about this proposal is Ms. Erin Payton: ph: 503.358.3808; email: epayton@mgtamer.com.

Scope of Services & Work Plan

Santa Barbara County (County) has requested consulting assistance to prepare a cost analysis of the fee-for-service activities within the Environmental Health Services Division of the Department of Public Health; specifically plan reviews, inspections, and other regulatory services provided within the following program areas:

- Retail Food and Cottage Food
- Body Adornment
- Housing
- Land Development
- Recreational Health
- Septic Systems
- Water Wells, Private Water Systems
- Public Water Systems
- CUPA

These studies are specialties of MGT. As a consulting group, we have delivered more of these analyses to more governmental jurisdictions than all of our current competition combined. Our analysis will allow the County to meet its objectives of having legally defensible user fees, calculations that support full cost recovery of each current and potential user fee, and recommendations for the appropriate fees to be charged for each service.

Goals of a User Fee Study

MGT understands that the County's request for a user fee study includes the following primary goals and objectives:

- Define what it costs to provide various fee-related services.
- Determine whether there are any opportunities to implement new fees, or modify the current fee structure or methodology, e.g. within the Retail Food program.

MGT of America Proposal to Santa Barbara County, California
Public Health Department – Environmental Health Division User Fee Study

- Identify service areas where the County might adjust fees based on the full cost of services and other economic or policy considerations.
- Develop revenue projections based on potential increases (or decreases) to fees.
- Establish cost recovery and subsidy policies.
- Provide the County with a report that identifies the present fees, recommended fees, percentage change, and revenue impacts.

Description of Deliverables

The final user fee report will represent the County's cost recovery policy related to Environmental Health user fees, including recommendations for current and new fees. The report will include:

- An executive summary of the results of the user fee study.
- Detailed schedules documenting:
 - A description of each service provided.
 - Summarization of full cost composition, present cost recovery, and cost/revenue analysis by program.
 - Summarization of all user fee charges and rate increases for the County and projected current revenues and increases in revenues.
- A final user fee report. The final project will represent the County's cost recovery policy including recommendations for current and new fees.
- Presentation of project results to Public Health personnel, management, project stakeholders.
- Assistance with the presentation of project results to the County's elected officials, if desired.
- Electronic copy of updatable Excel-based user fee models.

User Fee Study Work Plan

The following is a detailed work plan that summarizes the tasks necessary to complete the user fee study.

1. Conduct introductory meetings with relevant personnel.

Meet with county personnel who have responsibility or a high interest in the user fee study. This meeting will refine the specific objectives, requirements, measurements, and schedule of the user fee study, and will establish the overall objectives of the study. We consider this meeting vital to successful project results including acceptance by department directors and officials as well as the County's elected officials.

2. Issue project memorandum.

Based on the outcomes from Task 1, write and issue a memorandum documenting the project scope, time line, activities, participant responsibilities and other related information as necessary.

3. Collect basic financial data.

Collect and compile financial data such as expenditure statements, budgets, and salary reports. We will work with county personnel to develop and gather the needed data in the most efficient way possible. This data will provide the foundation for developing the total costs, direct and indirect, associated with each user fee service identified in Tasks 4 and 5.

4. Catalog all existing user fee activities.

Create an inventory of all the user fee services provided by the Environmental Health Services Division.

5. Identify potential new user fee services.

Using our experience in other jurisdictions and our extensive database of fees, we will create an inventory of potential new user fee services that are currently provided by the Environmental Health Services Division, but have no corresponding current revenue.

6. Issue an inventory memorandum.

Based on the outcomes from Tasks 4 and 5, write and issue a memorandum documenting all user fees within Environmental Health. This inventory will establish the scope of the services to be included in the cost analysis.

7. Develop data gathering workbooks.

Using the financial and staffing information and user fee inventory collected in earlier tasks, MGT will develop data gathering workbooks to be used when interviewing county personnel. MGT will pre-populate our Excel-based user fee model with staffing and budget information, user fee services, and other support or non-fee related functions.

These workbooks are extremely helpful in facilitating discussion about how user fee services are provided, and will also provide the County with a comprehensive view of resource allocation and utilization for Environmental Health services.

8. Interview departments, divisions, sections, or units providing user fee services.

Interview county personnel providing the user fee services identified in Tasks 4 and 5. In these interviews, we will determine the following information related to the user fee services provided:

- A unit of measurement for each user fee service provided, including annual statistics.
- The personnel providing each user fee service.
- The amount of time spent to provide one unit of a user fee service.
- The amount of time spent per year providing all user fee services.

In an individually designed meeting format (individual interviews, group interviews, etc.) we will verify that 100 percent of all time for all department, division, section, or unit personnel is identified and accounted. This extra step ensures that all costs—user fee service related or not—are included in the study.

9. Calculate initial user fee schedules.

Enter data into the firm's user fee calculation model, including data collected from the County's cost allocation plan. We will then calculate the full direct costs and indirect costs of each existing and potential new user fee service.

The user fee schedules created in this task are extremely detailed. Every cost component of the user fee service is identified and supported by detailed, yet clearly and concisely presented calculations.

10. Conduct internal review of the draft fee schedules.

Undertake an internal review process to raise the accuracy of the user fee schedules. This review includes the following steps:

- A formal review by the Project Manager of the study's assumptions and output.
- Compare user fee calculations to prior studies, if available. Variances are identified, researched, understood, and explained to relevant individuals. The comparison and variance analysis between years, which is available to city personnel, raises the accuracy of project results.
- A final review of the user fee model by a project quality assurance consultant. This experienced consultant, although not directly involved in the project, has a fresher perspective of the project than does the lead and project consultants. This perspective incorporates knowledge from dozens of similar projects.

11. Present initial calculations to departments and stakeholders.

Review the initial user fee calculations with personnel from Environmental Health Services.

Although the user fee schedules are fairly detailed, our consultants will spend as much time as requested with county personnel to fully explain the cost components of each user fee service. Our experience in conducting hundreds of these types of reviews helps facilitate this step.

12. Recalculate and review user fee schedules.

Recalculate data as required. Some departments require only one or two drafts and review. Other departments require several drafts and review. Calculations will not be considered final until department, division, section, or unit personnel fully understand the calculations and fully support the final results.

13. Develop recommendations for fee adjustments.

MGT will work with county personnel and stakeholders to review and apply existing policies regarding cost recovery. Recommendations for the creation of or modifications to the County's policies for cost recovery of user fee services will also be considered.

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County officials will consider many factors when deciding to adopt or modify a user fee policy. These factors could include:

- A desired policy to establish user fees at a level that permits lower income groups to participate in services that they might not otherwise be able to afford.
- A consideration of community-wide benefit versus specific benefit.
- In conjunction with the second point above, the issue of who is the service recipient versus the service driver should also be considered.
- Elasticity of demand increasing the price of some services results in a reduction of demand for those services, and vice versa.
- Public-sector agencies monopoly on providing certain services within its boundaries, such as development-related services.
- Pricing services that encourage or discourage certain behaviors.
- Cost/benefit of establishing a cost recovery system for some services or the cost to collect user fees.

We bring to this project experience from many similar projects that will assist county officials not only to understand the relevant factors involved but also to integrate the factors involved in determining city policies.

14. Prepare final user fee schedules.

Prepare final user fee study summary schedules displaying costs and revenues of each existing and potential user fee service. The user fee summary schedules will include the following information:

- A comprehensive list of all user fees by department.
- Annual volume statistics.
- Current fees charged.
- The full cost of providing each user fee activity.
- The subsidy (or over-recovery) of each fee.
- Recommended adjustments to each fee.
- Potential revenue impacts, on a fee-by-fee basis as well as in total.

15. Prepare and deliver summary of findings.

The user fee study results will be incorporated into a comprehensive management report. This report will include the following sections:

- Study scope and objectives.
- Fiscal results of the analysis and revenue projections for the County.
- The methodology used to calculate the cost of user fee services.
- Summarized user fee schedules for Environmental Health, as described above.

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16. Present results to county officials.

Present, or assist in presenting, the final user fee study results to county officials.

17. Provide copies of documents and materials.

Copies, bound, unbound, and electronic of user fee reports will be provided to the County.

18. Transfer of knowledge and cost of service models.

Provide the final copies of the customized Excel-based cost of service models for future use by the County.

19. Provide continuous guidance, and assistance.

A hallmark of our client-centered approach is our desire to provide guidance, and assistance to all appropriate county officials and personnel on reading, understanding and applying the results of the user fee study, and the associated schedules and calculations.

Project Schedule

The table on the following page outlines the progress of the study. The numbers in the body of the chart represent the week of the month that each task should be completed. The most important considerations are adequate time for review by the County, that the ultimate project deliverables are built on the best data possible, and that the findings and recommendations are rigorous and defensible.

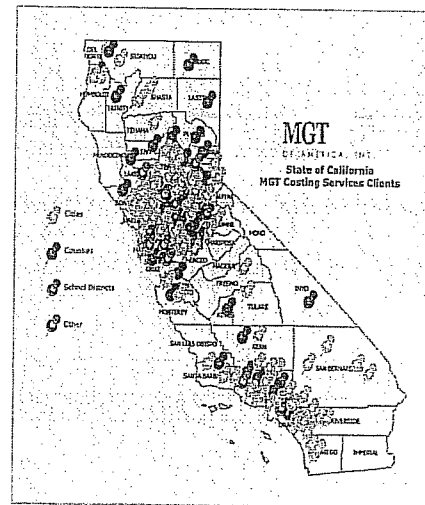
Environmental Health User Fee Timeline	Month 1	Month 2	Month 3	Month 4	On-Going
1. Introductory Meetings	1				
2. Issue Project Memo	1				
3. Collect Core Data					
4. Catalog Existing Fees	2				
5. Identify Potential New Fees	2				
6. Issue Fee Inventory Memo	2				
7. Develop Data Workbooks	2				
8. Department Interviews		1			
9. Prepare Draft Fee Schedules		2			
10. Conduct Internal Review		3			
11. Present Draft Calculations		4			
12. Review/Revise Drafts					
13. Develop Recommendations					
14. Prepare Final Fee Schedules					
15. Prepare Summary of Findings					
16. Present Results					
17. Provide Copies and Materials					
18. Provide Model/Methodology					
19. Provide On-Going Assistance					

Qualifications and Experience of the Firm

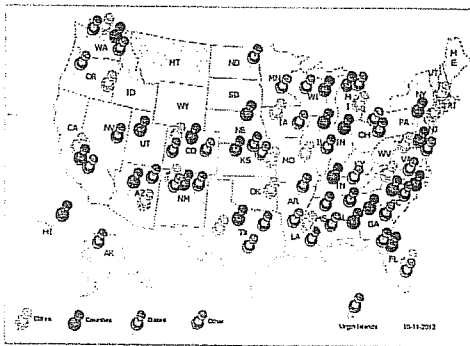
MGT of America, Inc. (MGT) is a private corporation owned by the current and retired partners, principals, and consultants of the firm. The advantage of this ownership structure to our clients is that every member of the firm has a vested interest in the successful completion of every project, for every client. Additionally, this ownership structure creates a mindset that permeates through every MGT owner: we are continuously building a growing, yet stable firm based on trusting long-term relationships, both within our own firm and with all of our clients.

MGT began operations in 1974 as consultants to the public education sector. Over the years, we have expanded our capabilities to provide consulting services in three primary areas: education (K-12 and higher education), criminal justice, and financial analysis to state and local governments. We currently have 93 professionals throughout the country. Our headquarters is in Tallahassee, Florida, with major regional offices in **Sacramento (CA)**, Denver (CO), Austin (TX), and Bay City (MI). Our annual consulting revenue is approximately \$15 million firmwide.

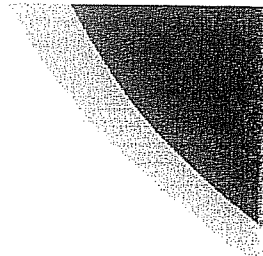
The **Financial Services Division** has been in existence for 14 years. It was significantly augmented in 2007 with the acquisition of Public Resource Management Group, Ltd., whose consultants previously worked for MAXIMUS, and David M. Griffith & Associates (DMG). The map to the left illustrates that MGT's Costing Services practice is especially strong in California.



The United States map below shows MGT's national scope and coverage of our primary costing services product lines. Our Financial Services Division concentrates on cost allocation plans, user fee studies, state mandate cost reimbursement claiming, jail rate analysis, indirect cost rate proposals, and appropriation limitation calculations.



MGT understands jurisdictions like Santa Barbara County. While we do more large-agency user fee studies and cost allocation plans than any other firm, the majority of our clients have populations less than 100,000 residents. Our consultants have direct experience designing new user fee charging formats, which will be a critical knowledge base for this assignment.



Costing Focus & Expertise

The Financial Services Division of MGT traces its roots to David M. Griffith & Associates (DMG). DMG delivered more cost allocation plans to more local governments than any other firm—then or since. It is fair to say that DMG pioneered the cost plan business for local governments on a national scale. Virtually all of the Division's consultants worked for DMG prior to its acquisition by MAXIMUS, Inc. We continue to set the standard for creativity and commitment to our client's goals, qualities that set DMG apart from all competitors. The majority of our Division's consultants have been directly employed in producing cost allocation plans for more than 10 years, with the average of 14 years of direct government consulting experience.

There are 30 full-time cost consultants in the Costing Services Division, 14 of which reside on the West Coast (Sacramento office). We will be staffing this engagement with professionals from our Sacramento office.

Project Team

Mr. Brad Burgess, Vice President. Mr. Burgess is the Executive Vice President of MGT Financial Services. As partner-in-charge, he will be responsible for making sure that this project is staffed properly, ensuring the County's goals and objectives for this study are achieved, and that Santa Barbara County will be unconditionally satisfied with the services received from MGT consultants. Mr. Burgess is pleased to count Santa Barbara County among his long-term SB 90 clients.

Ms. Erin Payton, Director. Ms. Payton has 29 years of experience providing public-sector consulting services. She has a background in local government consulting focusing on cost allocation development, user fee rate calculations, and jail rate studies. She has performed more user fee studies than any other individual consultant in the nation, and has completed more than 200 cost plan and user fee studies for local governments. Prior to joining MGT, she was a senior manager for management consulting firms PRM, Maximus, and DMG. Along with being the project manager for the anticipated engagement, she will also work with Cindy Sconce on the cost analysis for Environmental Health.

Ms. Cindy Sconce, Senior Consultant. Ms. Sconce has over 12 years of professional consulting experience working with local governmental agencies. She has worked with over a hundred agencies including cities, counties and special districts on state mandated cost claiming projects, cost allocation plans, and user fee studies. She has led and managed numerous consulting projects involving project initiation and planning, managing the project's timelines and milestones, collecting and analyzing data as a result of interviews and training sessions, performing quality assurance on deliverables, and project close out. Her high level of organizational skills, strong attention to detail, and her ability to provide exceptional client services makes her a valuable asset to our consulting team.

Ms. Payton and Ms. Sconce are currently preparing a user fee study for Santa Barbara's Planning & Development Services Department and will soon begin a study for the County's Public Works Department.

References

<p>Newport Beach, California</p> <p>Ms. Evelyn Tseng Revenue Manager 3300 Newport Blvd. Newport Beach, CA 92663 949.644.3141 ETseng@newportbeachca.gov</p>	<p>Summary of Work Performed: Prepare a cost of service study, interviewing city staff, data collection, developing the cost of services on a full cost, per-unit basis, comparing the cost of services to the current fee levels, developing and presenting recommendations on potential fee changes to city staff and elected officials. In 2007 Newport Beach hired MGT to perform a citywide cost allocation and user fee study. After the success of that study, Newport Beach contracted with MGT on a six year two phase cost allocation and user fee study project. Each three year cycle includes one citywide cost allocation plan and a detailed fee analysis for each city department. Given the current economic situation, analyzing each fee department on a three year cycle allows the city to devote extra resources to each department to ensure that the changing service offerings are properly reflected in the master fee schedule. In addition to the user fee study, the citywide cost allocation is being used to justify and recover millions of dollars in county and state funds.</p> <p>Timeframe: Annually.</p> <p>Adherence to Schedule and Budget: The annual deliverables are provided within the project schedule at the negotiated fixed fee.</p>
<p>City of La Mesa, California</p> <p>Ms. Yvonne Garrett Assistant City Manager 8130 Allison Ave La Mesa, CA 91942 619.667.1105 ygarrett@ci.la-mesa.ca.us</p>	<p>Summary of Work Performed: Prepare a cost of service study, interviewing city staff, data collection, developing the cost of services on a full cost, per-unit basis, comparing the cost of services to the current fee levels, developing and presenting recommendations on potential fee changes to city staff and elected officials.</p> <p>Conducted market survey of the city's existing and proposed fees to those charged by other jurisdictions. With city staff, conducted an outreach meeting to explain fee adjustments to stakeholders. Provided city with an updatable Excel-based master fee schedule.</p> <p>The study included assistance in developing a cost recovery manual and policies for user fees.</p> <p>Timeframe: Every two years.</p> <p>Adherence to Schedule and Budget: The annual deliverables are provided within the project schedule at the negotiated fixed fee.</p>

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<p>City of Encinitas, California Mr. Tim Nash Director of Finance 505 S. Vulcan Ave Encinitas, CA 92024 760.633.2640 TNash@encinitasca.gov</p>	<p>Summary of Work Performed: Prepare a cost of service study, interviewing city staff, data collection, developing the cost of services on a full cost, per-unit basis, comparing the cost of services to the current fee levels, developing and presenting recommendations on potential fee changes to city staff and elected officials.</p> <p>Conducted market survey of the city's existing and proposed fees to those charged by other jurisdictions. Provided city with an updatable Excel-based master fee schedule.</p> <p>The study included identifying and documenting new fees. The study also included testimony by MGT consultants on behalf of the City defending a fee challenged by a citizen. The fee was upheld.</p> <p>Percent Completed by MGT: 100% of services are completed by MGT. Erin Payton is the lead MGT consultant.</p> <p>Adherence to Schedule and Budget: The project deliverables were provided within the project schedule of 90 days at the negotiated fixed fee.</p>
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Recent MGT User Fee Studies Completed for California Agencies

<ul style="list-style-type: none"> ▪ City of Ceres ▪ City of Culver City ▪ City of Encinitas ▪ City of Healdsburg ▪ City of Huntington Beach ▪ City of Inglewood ▪ City of La Habra ▪ City of La Mesa ▪ City of Newport Beach ▪ City of Oxnard Fire ▪ City of Pittsburg ▪ City of Santa Ana ▪ City of Santa Clara ▪ City of Santa Monica ▪ City of Vallejo ▪ City of Whittier 	<ul style="list-style-type: none"> ▪ City of Redlands ▪ City of Vista ▪ City of Galt ▪ City of Modesto ▪ City of Eastvale ▪ City of Palo Alto ▪ Los Angeles Co Environmental Health ▪ Madera County Animal Control ▪ Marin Co Assessor-Recorder ▪ Monterey Co Assessor-Recorder ▪ Napa County (on-going) ▪ Orange Co Clerk-Recorder ▪ Orange Co Registrar of Voters ▪ Orange Co Treasurer-Tax ▪ San Mateo Co Assessor-Recorder ▪ Port of San Diego
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Proposed Fee

MGT proposes to perform the **user fee study** for a fixed fee of **\$34,225**. The table below, breaks down our fee by project task.

Environmental Health User Fee Study	Hours	Labor	Expenses	Total
1. Introductory Meetings	1	\$175	\$1,000	\$1,175
2. Issue Project Memo	1	175		175
3. Collect Core Data	1	175		175
4. Catalog Existing Fees	1	175		175
5. Identify Potential New Fees	1	175		175
6. Issue Fee Inventory Memo	1	175		175
7. Develop Data Workbooks	8	1,400		1,400
8. Department Interviews	24	4,200	1,000	5,200
9. Prepare Draft Fee Schedules	32	5,600		5,600
10. Conduct Internal Review	2	350		350
11. Present Draft Calculations	16	2,800	1,000	3,800
12. Review/Revise Drafts	24	4,200		4,200
13. Develop Recommendations	16	2,800		2,800
14. Prepare Final Fee Schedules	16	2,800		2,800
15. Prepare Summary of Findings	24	4,200		4,200
16. Present Results	4	700	1,000	1,700
17. Provide Copies and Materials	1	175	50	225
18. Provide Model/Methodology				
19. Provide On-Going Assistance				
TOTAL	169	\$28,175	\$4,050	\$34,225

Hourly Billing Rates

MGT's hourly billing rates are as follows:

- Principal: \$225 per hour
- Project Manager: \$200 per hour
- Project Consultant: \$175 per hour

Additional services requested that fall outside the scope of this project shall be on a time-and-materials basis using the above hourly rates, with all expenses billed at cost subject to pre-approval.