



9

DEPARTMENT OF
FINANCE

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 12
915 I STREET
SACRAMENTO, CA
95814-2608

ACCOUNTING DIVISION

June 10, 1987

916-449-5676

Budget and Finance Committee
Sacramento, California

MICHAEL H. STAMPER
ACCOUNTING OFFICER

Honorable Members in Session:

SUBJECT: 1987-88 INDIRECT COST ALLOCATION PLAN

SUMMARY

The Indirect Cost Allocation Plan for the City of Sacramento has been completed for the 1987-88 fiscal year. The Plan includes accumulated central support costs which have been allocated to the various operating units of the City. The Plan provides rates for recovery of indirect cost, as well as amounts to be recovered from various City operated enterprise funds for services provided by support departments. Because of the size of the document, only Exhibits A and B are included with this report. Copies are available for review as necessary.

RECOMMENDATION

It is recommended that the Budget and Finance Committee review and approve the attached report and forward it to City Council for approval and resolution adoption.

Respectfully submitted,

Michael H. Stamper
Accounting Officer

RECOMMENDATION APPROVED:

Jack R. Crist
Deputy City Manager

June 23, 1987
All Districts



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FINANCE

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BACKGROUND

Since fiscal year 1978-79, the City of Sacramento has maintained an annual cost allocation plan developed on a basis consistent with Federal guidelines. The plan data for fiscal year 1987-88 has been compiled by the firm of David M. Griffith and Associates, Ltd. As in prior years, two plans have been compiled. One (Plan A) being the full cost allocation which maximized allocation and permits full recovery for all central support activities; and a second version (Plan B) which follows stricter Federal guidelines and is used for indirect cost recovery from various state and federal grant sources.

The Plan developed for 1987-88 has been completed using the same methodology as in past years and incorporates all organizational changes effective for fiscal year 1986-87.

ANALYSIS

Adoption of cost allocation plans by cities has become a common practice over the past several years. Properly developed and administered plans provide for maximum recovery of direct as well as associated indirect cost from various state and federal grant programs; enables City staff to develop accurate user

fees and charges where applicable and provides for reasonable recovery of central support costs from City operated enterprise funds. Although, no plan can be considered a perfect allocation, the method and data used in the development of the City's current plan provides for equitable allocations and recovery. The Plan and methods of allocation have been discussed with department personnel, where applicable.

Additionally, if the amounts allocated have created an excessive burden or unfair charge to an enterprise activity, the calculated amount has been adjusted as necessary to ease the burden and allow the department manager time to plan for the increments in cost to the activity through rate structuring.

FINANCIAL

Adoption of the cost plan for 1987-88 will result in appropriate recovery of indirect cost from various grants and will provide for approximately \$6,000,000 in recoveries from City operated enterprise funds. Exhibit B represents the indirect rates to be used by the various City departments when preparing billings for non-grant purposes. The rates to be used for grant recovery will be made available in the near future.

RECOMMENDATION

It is requested that the Council adopt the Indirect Cost Allocation Plans (A and B) as prepared by David M. Griffith and Associates, LTD., and the proposed 1987-88 indirect rates (Exhibit B).

Respectfully submitted,



Michael H. Stamper
Accounting Officer

Recommendation Approved:

Walter J. Slipe, City Manager

Attachment

June 30, 1987
All Districts

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

RESOLUTION ADOPTING THE REVISED INDIRECT COST ALLOCATION PLANS, ESTABLISHING RATES FOR THE 1987-88 YEAR, AND AUTHORIZING THE USE OF THESE PLANS IN DETERMINING APPROPRIATE MUNICIPAL COST RECOVERY

WHEREAS, Federal Management Circular 74-4 and the implementing instructions contained in the Guide OASC-10 published by the Department of Health and Human Services provide for reimbursement for eligible municipal support service costs incurred in connection with Federal grant programs; and

WHEREAS, in Resolution No. 78-175, the City Council directed staff to continuously monitor and recover all General Fund indirect costs associated with participation in various grant programs and/or municipal enterprise activities; and

WHEREAS, the City's "Indirect Cost Allocation Plans" compiled by David M. Griffith and Associates, LTD., which establish proper General Fund cost recoveries for the 1987-88 year in compliance with appropriate guidelines.

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. The Indirect Cost Allocation Plans "A" and "B" are hereby approved and adopted. The detailed rates and charges developed through this plan shall be used when calculating services costs provided to state/local governmental agencies, citizens, enterprise, and internal service funds for 1987-88, and shall constitute Interdepartmental Support Fund charges for the 1987-88 Budget.

MAYOR

ATTEST:

CITY CLERK

CITY OF SACRAMENTO
FUND RECOVERY DETAIL
FISCAL YEAR 1987-88

	RISK MGMT	FLEET MGMT	PARKING	WATER	SEWER	SOLID WASTE	COMMUNITY CENTER	CAMP SACRAMNTO	BOAT HARBOR	GOLF	CONVENTION BUREAU	CADA	MT. VALLEY LIBRARY	STORM DRAINAGE	TOTAL
Building Use		23				986				57					1,066
Manager	22,401	30,146	22,527	33,228	16,467	49,178	14,983	973	2,356	7,190	2,514	8,974		10,935	221,872
Attorney	137,990	3,790	19,356	23,153		26,677			3,012	1,181	1,181				216,340
Clerk	66,555														66,555
Treasurer	15,575	14,072	8,606	15,548	7,090	19,504	5,434	231	724	3,875	738	3,725	130	4,906	100,158
Fin Admin	12,106	28,291	11,042	22,846	6,974	24,180	9,669	1,276	1,312	3,825	3,765	10,005	1,081	5,944	142,316
Rev Admin	2,218	2,981	1,644	2,593	1,379	4,314	1,212	67	112	528	143	888		989	19,068
Rev Cashier	21	21	8,436	722		255	594					700			10,749
Rev PS				243,462	332,924	430,856								238,729	1,245,971
Rev Ent				9,777	12,443	15,999								6,218	44,437
Acct Fin	46,813	63,012	34,727	54,768	29,026	91,084	25,606	1,377	2,359	11,132	5,156	18,770		20,918	404,748
Acct Dist	7,381	70,103	33,497	77,223	17,668	83,631	26,921	6,071	4,314	15,108	8,769	19,048	3,729	18,500	391,963
Fin Budget	29,273	39,387	21,701	34,232	18,149	56,935	16,008	868	1,474	6,962	3,251	11,721		13,061	253,022
Pers Admin	90,937	5,904	5,792	10,531	4,213	18,219	3,538	677	425	2,693				3,677	147,606
Pers Mgmt Svcs				30,560	15,279	34,870	43,888							15,279	139,876
Pers Emp Svcs	1,791	12,659	10,036	24,519	8,572	39,911	8,425	703	562	5,007		715	75	6,978	119,953
Mayor	12,438	16,739	12,543	18,469	9,152	27,337	8,335	541	1,327	4,005	1,390	4,982		6,075	123,333
DP Sys	309														309
DP Oper	37,581	1,702				18,504									57,787
GS Admin	57,305	139,010		25,769	12,885									12,885	247,854
GS Procurement	2,531	15,352	6,458	26,847	10,004	6,301	6,615	2,438	2,121	7,344	2,121	63	63	8,704	96,962
GS Cen Svcs	11,197	4,698	10,426	1,292	1,755	42,101	9,927	430	3,168	780					85,774
Cen Stores	610	26,765	940	21,045	9,574	3,757	11,339	1,616	34	181	66	99	10	2,471	78,507
Fac Utilities	1,530	53,542	6,223	45,805	8,296	5,635		409	1,454	6,632				14,113	143,162
Fac Mech															
Fac Design															
Fac Maint	176	36,747	85,972	25,140	15,649			2,991	34,461	48,700	5,624				255,460
Comm Admin		288	408	650		112	432			108					1,998
Radio Comm		718	50	3,454	1,169	1,110								2,136	8,637
Telephone	2,722	6,731	4,677	9,105	1,613	3,292	5,971	2,559	376	625	6,341	4,263		301	48,576
PW Admin			146,750	231,664	122,558	385,574								88,618	975,164
P & CS Admin								20,328	35,496	164,656					220,480
Rec Admin								15,893	18,906						34,799
Ins/Term	5,088														5,088
Emp Relations	1,491	8,702	8,563	15,532	6,240	26,867	5,235	1,005	625	3,953				5,442	83,655
Total	566,562	581,383	460,374	1,007,934	669,079	1,417,189	204,132	60,453	114,618	294,542	41,059	83,953	5,088	486,879	5,993,245

CITY OF SACRAMENTO

INDIRECT COST RATES FY 87/88

<u>Org #</u>	<u>Organization/ Division Name</u>	<u>Indirect Costs Per Plan</u>	<u>Total Admin. (if. app.)</u>	<u>Wages & Salaries Per LGFS</u>	<u>Indirect Rate (1 + 2)/3</u>
0900	Treasurer	428,007	Spread	297,721	1.4376
1120	Revenue	2,835,552	Spread	867,084	3.2702
1130	Accounting	4,141,500	Spread	600,573	6.8959
1140	Budget	667,562	----	297,573	2.2434
1540	Workers' Compensation	200,645	Spread	327,916	.6119
1920	Support Services	1,458,682	Spread	380,649	3.8321
1930	Facility Management	5,405,534	Spread	1,832,120	2.9504
1940	Fleet Management	581,383	430,546	1,923,484	.5261
1950	Communications	1,140,287	Spread	149,721	7.6161
1960	Risk Management	365,917	----	93,643	3.9076
2100	Police	3,757,752	1,040,044	25,985,039	.1846
2500	Fire	2,266,679	500,117	16,564,622	.1670
3127	Street Maintenance	1,535,194	Spread	2,320,232	.6616
3130	Engineering	1,280,502	Spread	3,163,069	.4048
3140	Solid Waste	1,417,189	509,431	5,923,174	.3253
3150	Water	1,064,262	455,566	3,739,569	.4064
3160	Sewer	1,099,630	Spread	1,787,928	.6150
3170	Animal Control	96,853	----	420,846	.2301
3183	Parking - Off Street	460,374	----	1,780,473	.2586
3184	Parking - On Street	113,212	----	665,046	.1702
3520	Planning	1,651,725	Spread	1,094,094	1.5097
3530	Inspections	933,129	Spread	1,685,690	.5536
3540	Nuisance Abatement	339,023	----	479,997	.7063
4100	Library	358,404	142,264	2,491,919	.2009
4300	Community Center	204,132	437,051	938,239	.6834
4520	Recreation	845,113	Spread	3,319,763	.2546
4560	Camp Sacramento	60,453	----	64,587	.9360
4570	Boat Harbor	114,618	----	136,394	.8403
4580	Parks	1,378,133	Spread	3,928,816	.3508
4590	Tree Services	486,140	----	1,365,455	.3560
4610	Golf	294,542	----	906,194	.3250
4621	Zoo	193,391	----	570,311	.3391
4630	Crocker Art	100,205	----	302,605	.3311
4641	Metro Arts	42,750	----	89,417	.4781
4651/52	Museum & History Ctr	115,343	----	86,052	1.3404

Touche Ross & Co.
100 Howe Avenue
Suite 100 South
Sacramento, CA 95825-8294
Telephone: 916 971-3032.



June 17, 1987.

Mr. Jack Crist
Deputy City Manager
City of Sacramento
City Hall
915 I Street
Sacramento, CA 95814

Dear Mr. Crist:

We are pleased to have this opportunity to provide additional consulting services to the City of Sacramento. Our service will focus on assisting City management improve the operations of the Data Management department. The purpose of this letter is to confirm our understanding of the services to be provided and to quote our fees.

Data Management Operations Issues

The implementation of the IBM 4381 computer equipment and the Local Government Financial System (LGFS), the conversion of all City systems from the Sperry computer to the IBM, and recent personnel changes have all contributed to an increased workload and additional complex management and operational issues for the Data Management Department. The issues currently being addressed by the City include the following:

- o Hiring of a Technical Systems Consultant, and a Technical Systems Manager. Because of the recent departure of the City's technical systems manager, the City must retain a consultant until a permanent replacement can be hired.
- o Computer Operations Recruiting and Training. Recent turnover of operators and management in this division necessitate hiring of new staff and comprehensive training on automated software tools and IBM operating systems.
- o Equipment Enhancements. Assumptions have changed since equipment enhancements were planned as part of the LGFS project. The plan needs to be revised based on new assumptions and better information.

Mr. Jack Crist
June 17, 1987
Page Two

- Beta Test for LGFS Release 9. The City has agreed to serve as a beta test site for the latest release of LGFS. Careful planning and execution is required to minimize risk and computer down time.
- Focus/Table Talk Training. Table Talk training should be conducted concurrently with LGFS training to aid users in accessing important financial information. Training plans and logistical arrangements need to be finalized and communicated to City staff.
- Utility Billing Package Selection. The City is in the process of selecting a vendor to provide Utility Billing software for City use. Data Management plays a vital role in this process.
- Sperry Technical Support. The City is currently contracting with an outside firm to provide technical support and computer equipment maintenance for the Sperry computer. This equipment is vital to the City until all important City systems have been converted to the IBM. The technical support arrangements should be discussed and reviewed.
- Application Support Priorities. The methods used to determine work priorities within Data Management, incident reporting, staffing requirements, and the role of the MIEC committee in establishing development priorities are issues of concern to City management.
- Cashiering and Cost Allocation Implementation. The role of Data Management vs. the role of the outside software vendor, American Management Systems (AMS) during the implementation process needs to be reviewed and clarified.

Mr. Jack Crist
June 17, 1987
Page Three

Touche Ross Assistance

Our services will consist of providing advice to improve operations, and implementation assistance to City management and our advice and counsel in any of the above activities as requested by the City Manager. This assistance will include activities such as:

- o Assisting and resolving organizational and management issues
- o Preparing plans for improvement
- o Anticipating and assisting key City staff prepare for potential implementation problems
- o Monitoring progress

Project Fees

Because it is difficult to predict the level of Touche Ross assistance that may be needed for these activities, we propose that the City engage us at a maximum fee of \$48,000. We believe we can substantially contribute to the operations improvements effort at that fee level through July, 1987.

To ensure the judicious use of our services throughout the duration of this engagement, we will remain in close contact with you to determine the assistance required from Touche Ross each week. The agreed upon assistance will be billed monthly based on our standard hourly rates for the level of personnel employed. If the agreed upon time involvement of our personnel is less than proposed above, we will bill only for the time actually expended.

We appreciate the opportunity to be of additional service to the City. Should you have any questions regarding this letter, please call Mr. Kevin W. Anderson at 971-3032.

Very truly yours,


Touche Ross & Co.

RESOLUTION No.

Adopted by The Sacramento City Council on date of

A RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE AN AGREEMENT WITH TOUCHE ROSS
AND APPROPRIATING \$47,940 FROM THE 1986-87
GENERAL FUND ADMINISTRATIVE CONTINGENCY

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is hereby authorized to execute an agreement with Touche Ross Company to provide consulting services to the Data Management Department; and
2. That the agreement is not to exceed \$47,940 and that these funds will be transferred from the General Fund Administrative Contingency as follows:

101-710-7012-4999	(\$47,940)
101-130-1310-4258	\$47,940

MAYOR

ATTEST:

CITY CLERK

PN/JOB # _____
Project Name: _____
Department: _____
Division: _____

CITY OF SACRAMENTO

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made at Sacramento, California, as of _____, 1987, by and between the CITY OF SACRAMENTO, a municipal corporation ("City") and TOUCHE ROSS & CO. ("Consultant"), who agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in Exhibit A. Consultant shall provide said services at the time, place, and in the manner specified in Exhibit A. The Consultant shall not be compensated for services outside the scope of Exhibit "A" unless prior to the commencement of such services: (a) Consultant notifies the City that such service is deemed an additional service and Consultant estimates the additional compensation required for this activity; and (b) the City, after notice, approves the additional service and amount of compensation therefor.

2. Payment. City shall pay Consultant for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to Consultant for services rendered pursuant to this Agreement unless pursuant to paragraph 1 above, City approves additional compensation for additional services. Consultant shall submit all billings for said services to City in the manner specified in Exhibit B; or, if no manner be specified in Exhibit B, then according to the usual and customary procedures and practices which Consultant uses for billing clients similar to City.

3. Facilities and Equipment. Except as set forth in Exhibit C, Consultant shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only the facilities and equipment listed in Exhibit C according to the terms and conditions set forth in Exhibit C.

4. General Provisions. The general provisions set forth in Exhibit D, which include insurance requirements, are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, this Agreement shall control over the general provisions.

5. City Representative. The City Representative specified in Exhibit A, or the representative's designee, shall administer this Agreement for the City.

6. Exhibits. All exhibits referred to herein are attached hereto and are by reference incorporated herein.

Executed as of the day first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

CONSULTANT

City Manager

Consultant: _____

APPROVED AS TO FORM:

ATTEST:

City Attorney

City Clerk

Attachments:

Exhibit A Exhibit C
Exhibit B Exhibit D

EXHIBIT A

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

REPRESENTATIVES AND SERVICES TO BE PROVIDED

BY TOUCHE ROSS & CO.

1. Representatives:

The City Representative for this Agreement is:

BETTY MASUOKA	Director of Finance	(916) 449-5736
(Name)	(Title)	(Telephone)

All consultant questions pertaining to this agreement will be referred to the above named person, or the representative's designee.

The Consultant Representative for this Agreement is:

MARK H. RODEBAUGH	Partner in Charge	(916) 971-3032
(Name)	(Title)	(Telephone)

All City questions pertaining to this Agreement will be referred to the above named person. All correspondence to the City will be addressed to:

City of Sacramento

Department of Finance

915 I Street, Room 14

Attn: Betty Masuoka, Director of Finance

2. Services to be provided are specified in Attachment 1 to Exhibit A.

June 17, 1987

Mr. Jack Crist
Deputy City Manager
City of Sacramento
City Hall
915 I Street
Sacramento, CA 95814

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Mr. Jack Crist
June 17, 1987
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We appreciate the opportunity to be of additional service to the City. Should you have any questions regarding this letter, please call Mr. Kevin W. Anderson at 971-3032.

Very truly yours,

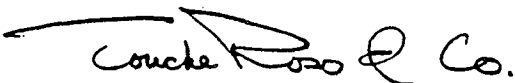

Touche Ross & Co.

EXHIBIT B

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

WITH TOUCHE ROSS & CO.

FEE SCHEDULE/MANNER OF PAYMENT

Consultant fee not to exceed \$47,940 for services to assist in improving the operations of the Data Management department.

City shall make no payment for extra, further or additional services or expenses pursuant to this agreement unless such services or expenses and the price thereof are agreed to in advance and such Agreement is reduced to writing and executed by Consultant and City.

Request for payment shall be sent to:

City of Sacramento
Department of Finance
915 I Street, Room 14
Sacramento, California 95814
Attention: Betty Masuoka
Director of Finance

Ref: PN/JOB# _____

EXHIBIT C

CONSULTANT AND PROFESSIONAL SERVICES AGREEMENT

WITH TOUCHE ROSS & CO.

FACILITIES AND EQUIPMENT TO BE PROVIDED BY CITY

The City will furnish facilities or equipment for this agreement. If facilities and equipment are to be furnished, specify below:

City shall furnish facilities as may be required for Consultant's use in quality and quantity, and in a location, as City, in its sole discretion, may determine to be appropriate. Such facilities will include a desk, office supplies, and telephone. Except as previously set forth, Consultant shall, at his/her sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement. City shall furnish to Consultant only facilities and equipment previously listed according to the terms and conditions previously set forth.

EXHIBIT D

GENERAL PROVISIONS

1. Independent Contractor. At all times during the term of this Contract, Consultant shall be an independent Contractor and shall not be an employee of the City. City shall have the right to control Consultant only insofar as the results of Consultant's services rendered pursuant to this Contract; however, City shall not have the right to control the means by which Consultant accomplishes services rendered pursuant to this Agreement.

2. Licenses; Permits; Etc. Consultant represents and warrants to City that he has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Consultant to practice its profession. Consultant represents and warrants to City that Consultant shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Consultant to practice its profession.

3. Time. Consultant shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Consultant's obligations under this Agreement. Neither party shall be considered in default of this Agreement to the extent performance is prevented or delayed by any cause, present or future, which is beyond the reasonable control of the party.

4. Consultant Not Agent. Except as City may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Consultant shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.

5. Assignment Prohibited. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.

6. Personnel. Consultant shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any person or persons assigned by Consultant to perform services pursuant to this Agreement, Consultant shall remove any such person immediately upon receiving notice from City of the desire of City for the removal of such person or persons.

7. Standard of Performance. Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in California. All products of whatsoever nature which Consultant delivers to City pursuant to this Agreement shall be prepared in a workmanlike manner and conform to the standards of quality normally observed by a person practicing in Consultant's profession.

8. Termination. City shall have the right to terminate this Agreement at any time by giving notice of such termination to Consultant. In the event City shall give such notice of termination, Consultant shall immediately cease rendering services pursuant to this Agreement.

In the event City shall terminate this Agreement:

(1) Consultant shall deliver copies of all writings prepared by it pursuant to this Agreement. The term "writings" shall be construed to mean and include:

handwriting, typewriting, printing, photostating, photographing, and every other means of recording upon any tangible thing any form of communication or representation, including letter, works, pictures, drawings, sounds, or symbols, or combinations thereof.

(2) City shall have full ownership and control of all such writings delivered by Consultant pursuant to this Agreement.

(3) City shall pay Consultant the reasonable value of services rendered by Consultant pursuant to this Agreement; provided, however, City shall not in any manner be liable for lost profits which might have been made by Consultant had Consultant completed the services required by this Agreement. In this regard, Consultant shall furnish to City such financial information as in the judgment of the City Representative is necessary to determine the reasonable value of the services rendered by Consultant. In the event of a dispute as to the reasonable value of the services rendered by Consultant, the decisions of the Director of the City Department administering this Agreement shall be final. The foregoing is cumulative and does not affect any right or remedy which City may have in law or equity.

9. Indemnity and Hold Harmless. The Consultant shall assume the defense of, and indemnify and save harmless, the City, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of, or resulting from, directly or indirectly, the performance of this contract by Consultant whether within or without the scope of this contract. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by City.

10. Equal Employment Opportunity. During the performance of this agreement, Consultant, for itself, its assignees and successors in interest, agrees as follows:

A. Compliance with Regulations. Consultant shall comply with the Executive Order 11246 entitled "Equal Employment Opportunity", as amended by Executive Order 11375, and as supplemented in Department of Labor regulations (41 CFR Part 60), hereinafter referred to as the "Regulations".

B. Nondiscrimination: Consultant, with regard to the work performed by it after award and prior to completion of the work pursuant to this agreement, shall not discriminate on the ground of race, color, religion, sex, national origin, age, marital status, physical

handicap or sexual preference in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Consultant shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

- C. Solicitations for Subcontractors, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiations made by Consultant for work to be performed under any subcontract, including procurements of materials or equipment, each potential subcontractor or supplier shall be notified by Consultant of Consultant's obligation under this Agreement and the Regulations relative to nondiscrimination on the ground of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual preference.
- D. Information and Reports: Consultant shall provide all information and reports required by the Regulations, or orders and instructions issued pursuant thereto, and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the City of Sacramento to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information required of Consultant is in the exclusive possession of another who fails or refuses to furnish this information, Consultant shall so certify to the City of Sacramento, and shall set forth what efforts it has made to obtain the information.
- E. Sanctions for Noncompliance: In the event of noncompliance by Consultant with the nondiscrimination provisions of this agreement, the City of Sacramento shall impose such contract sanctions as it may determine to be appropriate including, but not limited to:
- (1) Withholding of payments to Consultant under the contract until consultant complies;
 - (2) Cancellation, termination, or suspension of the agreement, in whole or in part.
- F. Incorporation of Provisions: Consultant shall include the provisions of Paragraphs A through E in every subcontract, including procurements of materials and leases of equipment, unless exempt by Regulations, order, or instructions issued pursuant thereto. Consultant shall take such action with respect to any Regulations, order or instructions issued pursuant thereto. Consultant shall take such action with respect to any subcontract or procurement as the City of Sacramento may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event Consultant becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, Consultant may request City to enter such litigation to protect the interests of City.

11. Insurance Requirements. During the duration of this Agreement Consultant shall maintain the following noted insurance:

	<u>Required</u>	<u>Not Required</u>
Coverage - Broad Form Comprehensive Liability	X ---	---
Business Auto Liability	X ---	---
Workers' Compensation & Employers' Liability	X ---	---
Professional Liability (Errors and Omissions)	X ---	---

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

- (1) Insurance Services Office form number GL 0404 (Broad Form Comprehensive General Liability);
- (2) Insurance Services Office form number CA 001 (Ed. 1/78) (Automobile Liability, code 1 "any auto");
- (3) Workers' Compensation as required by the Labor Code of the State of California, and Employers' Liability Insurance.
- (4) Professional Liability (Errors and Omissions) insurance against loss due to error, omission or malpractice.

B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

- (1) Comprehensive General Liability: \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage.
- (2) Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
- (3) Workers' Compensation and Employers' Liability: Workers' compensation limits as required by the Labor Code of the State of California and Employers' Liability limits of \$1,000,000 per accident.
- (4) Professional Liability (Errors and Omission): \$1,000,000 combined single limit per occurrence.

C. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City.

D. Other Insurance Provisions.

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

(1) General Liability and Automobile Liability Coverages

- a. The City, its officials, employees and volunteers are to be covered as insured as respects: liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, leased or used by the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officials, employees or volunteers.
- b. The Consultant's insurance coverage shall be primary insurance as respects the City, its officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officials, employees or volunteers shall be excess of Consultant's insurance and shall not contribute with it.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its officials, employees or volunteers.
- d. Coverage shall state that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(2) Workers' Compensation and Employers' Liability Coverages

The insurer shall agree to waive all rights of subrogation against the City, its officials, employees and volunteers for losses arising from work performed by Consultant for the City. This requirement may, however, be waived in individual cases at the description of the City.

(3) All Coverages

Each insurance policy required by this Agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a Bests' rating of no less than A:XIII. This requirement may, however, be waived in individual cases; provided, however, that in no event will a carrier with a rating below A:X be acceptable.

F. Verification of Coverage

Consultant shall furnish the city with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements are to be on forms provided by the City and are to be forwarded to the City representative named in Exhibit A.

G. Payment Withhold

The City will withhold payments to the Consultant, if certificates of insurance and endorsements required in paragraph F above have not been provided.