

CITY OF CHICO - SERVICE PROVIDER AGREEMENT

IK CONSULTING, LLC

Provider

SOFTWARE APPLICATION AND MAINTENANCE

Project Title/Budget Account Nos. Various

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THIS SERVICE PROVIDER AGREEMENT (“Agreement”) is entered into on April 25, 2017, 2017, between the City of Chico, a municipal corporation under the laws of the State of California (“City”), and IK Consulting, an Arizona Limited Liability Company, (“Provider”).

SECTION 1 - DESCRIPTION OF SERVICES

City desires to hire Provider to perform those certain services described in Exhibit A, entitled “Description of Services.”

SECTION 2 - SCOPE OF SERVICES

Provider shall perform and complete services as set forth more particularly in Exhibit B, entitled “Scope of Services” and the Attachments, created by City as services are to be rendered by Provider and numbered sequentially, to Exhibit B.

SECTION 3 - COMPENSATION

Provider shall be compensated for services provided to City pursuant to this Agreement periodically in the amounts, manner, and in accordance with the payment schedule as set forth in Exhibit C, entitled “Compensation.” Amounts due to Provider from City for services rendered shall be evidenced by the submission to City by Provider of an invoice, prepared in a form satisfactory to City, setting forth the amount of compensation due for the period covered by it. Each such invoice shall be forwarded to City so as to reach City on or before the 15th day of the month next following the month or months, or other applicable period, for which services invoiced were provided. All such invoices shall be in full accord with any and all applicable provisions of this Agreement. City will make payment on each such invoice within 30 days of receipt of it. However, if Provider submits an invoice which is incorrect, incomplete, or not in accord with the provisions of this Agreement, City shall not be obligated to process any payment to Provider until a correct and complying invoice has been submitted.

SECTION 4 - TERM; TERMINATION

The initial term of this Agreement shall be for a period of one year, commencing on April 1, 2017, and terminating on March 31, 2018. Thereafter, the term of this Agreement may be

extended at the option of City for two successive one-year periods. City may, in its sole discretion, terminate this Agreement at any time and for any reason whatsoever by giving at least 10 days prior written notice of such termination to Provider. In this latter event, Provider shall be entitled to compensation for all services performed for City to the date of such termination.

SECTION 5 - RESPONSIBILITY OF PROVIDER

By executing this Agreement, Provider warrants to City that Provider possesses, or will arrange to secure from others, all of the necessary capabilities, experience, resources and facilities necessary to provide to City the services under this Agreement. In procuring the services of others to assist Provider in performing the services set forth in Exhibit B, Provider shall not employ or otherwise obtain the services of any person or entity known to Provider or City to have, or be likely to develop during the term of this Agreement, an interest that is personally, or professionally, or financially adverse to any interest of City. Provider will follow the best current, generally accepted professional practices in performing tests and procedures, making findings, rendering opinions, preparing factual presentations and providing professional advice and recommendations regarding services rendered under this Agreement.

SECTION 6 - RESPONSIBILITY OF CITY

To the extent appropriate in relation to services contemplated by this Agreement, City shall:

- a. Assist Provider by placing at Provider's disposal all available information pertinent to services;
- b. Designate in writing a person to act as City's representative with respect to services to be performed under this Agreement. Such person shall have complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to services; and
- c. Give prompt written notice to Provider whenever City observes or otherwise becomes aware of any deficiency in services.

SECTION 7 - INDEMNIFICATION

To the fullest extent permitted by law, Provider shall defend (with counsel of City's choosing), indemnify and hold City, its officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Provider, its officials, officers, employees, subcontractors, consultants or agents in connection with Provider's use of City premises under this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses. Provider shall reimburse City and its officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of

them in connection therewith or in enforcing the indemnity herein provided.

Provider/Subconsultant/Subcontractor's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this Agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this Agreement. Provider's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by City, its directors, officials, officers, employees, agents, or volunteers.

Notwithstanding the above, Provider's obligation to indemnify, defend and hold harmless the City, its officers, employees and agents for claims involving "Professional Liability" (claims involving acts, errors or omissions in the rendering of professional services) shall be limited to the extent caused by Contractor's negligent acts, errors or omissions.

SECTION 8 - INSURANCE

Any requirements by City that Provider carry general liability or any other type of insurance in connection with the services to be performed by Provider pursuant to this Agreement shall be as set forth in Exhibit D, entitled "Insurance Provisions."

SECTION 9 - CITY ACCESS TO PROVIDER'S RECORDS

Provider shall maintain all books, records, documents, accounting ledgers, and similar materials relating to services performed for City under this Agreement on file for at least four (4) years following the date of final payment to Provider by City. Any duly authorized representative(s) of City shall have access to such records for the purpose of inspection, audit, and copying at reasonable times, during Provider's usual and customary business hours. Provider shall provide proper facilities to City's representative(s) for access and inspection. Provider shall be entitled to reasonable compensation for time and expenses related to such access and inspection activities, which shall be considered to be an additional service to City, falling under the provisions of Section 3, above.

SECTION 10 - INDEPENDENT CONTRACTOR

City and Provider agree that the relationship created by this Agreement is that of an employer-independent contractor. Provider shall be solely responsible for the conduct and control of services performed under this Agreement. Provider shall be free to render services to others during the term of this Agreement, so long as such activities do not interfere with or diminish Provider's ability to fulfill the obligations to City established herein.

SECTION 11 - OWNERSHIP OF DOCUMENTS

Title to all documents, drawings, specifications, and the like with respect to services performed under this Agreement shall vest with City at such time as City has compensated Provider, as provided herein, for the services rendered by Provider in connection with which they

were prepared.

SECTION 12 - CONFLICT OF INTEREST CODE APPLICABILITY

If City's City Manager has determined that one or several of Provider's Principal(s) or Project Manager(s) are subject to the City's Conflict of Interest Code under Chico Municipal Code Section 2R.04.180, then each such person will be required to comply with the provisions of said Code in connection with services rendered to City under this Agreement. In such event, City's requirements shall be set forth in Exhibit E, entitled "Conflict of Interest Provisions."

SECTION 13 - SUBCONTRACTING SERVICES

Provider shall be entitled, to the extent determined appropriate by Provider, to subcontract any portion of services to be performed under this Agreement. Provider shall be responsible to City for the actions of persons and firms performing subcontracted services. The subcontracting of services by Provider shall not relieve Provider, in any manner, of the obligations and requirements imposed upon Provider by this Agreement.

SECTION 14 - ASSIGNMENT

This Agreement is binding on the heirs, successors, and assigns of the parties hereto and shall not be assigned by either City or Provider without the prior written consent of the other.

SECTION 15 - AMENDMENTS

This Agreement represents the entire understanding of City and Provider as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered in it. This Agreement may not be modified or altered except by amendment in writing signed by both parties. City may at any time, upon a minimum of 10 days written notice, amend the scope of services to be provided under this Agreement. Provider shall, upon receipt of said notice, determine the impact on both time and compensation of such amendment and notify City in writing. Upon agreement between City and Provider as to the extent of said impacts to time and compensation, this Agreement shall be amended. Execution of the amendment by City and Provider shall constitute Provider's notice to proceed with the amended scope.

SECTION 16 - COMPLIANCE WITH LAWS, RULES, AND REGULATIONS

All services performed by Provider pursuant to this Agreement shall be performed in accordance and full compliance with all applicable Federal, State, or City statutes, and any rules or regulations promulgated thereunder.

SECTION 17 - SEVERABILITY

This Agreement shall be administered and interpreted under the laws of the State of California. If any part of this Agreement is found to be in conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of the Agreement shall continue to be in full force and effect.

SECTION 18 - NOTICE

Any notices required to be given pursuant to this Agreement shall be deemed to have been given by their deposit, postage prepaid, in the United States Postal Service or, alternatively, by personal delivery or overnight courier service addressed to the parties as follows:

To City: City Manager
City of Chico
P. O. Box 3420
Chico, CA 95927-3420

To Provider: IK Consulting, LLC
P.O. Box 17661
Tucson, AZ 85731

SECTION 19 - EXHIBITS INCORPORATED

All Exhibits referred and attached to this Agreement are hereby incorporated by this reference.

SECTION 20 - SPECIAL PROVISIONS

This Agreement shall include all special provisions, if any, as are set forth on Exhibit F, entitled "Special Provisions."

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first set forth above.

CITY:



Mark Orme, City Manager*

*Authorized pursuant to Section 3.08.060 of the Chico Municipal Code


APPROVED AS TO FORM:




Vincent C. Ewing, City Attorney*

*Pursuant to The Charter of the City of Chico, Section 906(D)

PROVIDER:

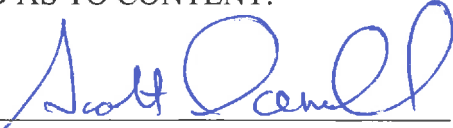

By: _____
Melissa C. Kern
Managing Partner
Title

APPROVED AS TO CONTENT:



Mark Wolfe
Community Development Director

REVIEWED AS TO CONTENT:



Scott Dowell, Administrative Services Director*

*Reviewed by Finance and Information Systems

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EXHIBIT A

DESCRIPTION OF SERVICES

Upon request by the City and under City direction, the Provider shall provide the City with various software application and maintenance services for the Permits Plus® program.

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EXHIBIT B

SCOPE OF SERVICES - BASIC; COMPLETION SCHEDULE

Scope of Services - Basic

When requested by the City through an Attachment to this Agreement, the Provider shall perform software application and maintenance services for the Permits Plus® program used by the City, including, but not limited to the following:

- Programming services due to annual fee updates
- Enhancements to existing activity requests
- New activity requests
- Custom database reports
- Migration assistance as necessary
- Additional modifications to the Permits Plus® System
- Additional implementations of Permits Plus® modules

City Responsibilities - Basic

The City will provide a detailed scope of services and schedule for each project to be assigned to the Provider in the form of sequentially numbered attachments to Exhibit B of this Agreement. The attachments shall also serve as the City's Notice to Proceed for each project. An example of the standard form of the attachment is shown on Page B-2.

Completion Schedule

The Provider shall complete all services in accordance with the Attachments which set forth the specific services and completion schedules.

ATTACHMENT EXAMPLE

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ATTACHMENT #___ TO EXHIBIT B
SERVICE PROVIDER AGREEMENT DATED _____
(Agreement Term: *Beginning Date* through *Ending Date*)

SCOPE OF SERVICES - BASIC; NOTICE TO PROCEED; COMPLETION SCHEDULE

Scope of Services - Basic

The Provider shall perform the following Services:

City Responsibilities - Basic

Compensation

Compensation shall not exceed \$_____ and shall be billed according to the rates set forth on Exhibit C of the Agreement. Compensation shall be based upon actual monthly invoices received and shall be paid in accordance with the completion of each task, as follows (*if applicable*):

Notice to Proceed

This Attachment shall constitute the City's Notice to Proceed to the Provider.

Completion Schedule

The Provider shall complete all Services within XX days/weeks/months of receipt of the City's Notice to Proceed.

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EXHIBIT C

COMPENSATION

Compensation for services shall be at the rate of \$135.00 per hour. Total compensation shall not exceed \$25,000.00

For each succeeding 12-month term of this Agreement, the Provider may request the City to adjust the compensation rate(s) during such term. The Provider's request for such an adjustment shall be filed with the City no later than January 15, and shall be accompanied by such documentation, including, but not limited to, financial reports and records, operational cost data, and the like, as may be required by the City to enable it to satisfactorily evaluate and make a determination upon it. Nothing hereinabove, however, shall require the City to make any adjustment therefor in response to the Provider's request. Further, in no event shall any such adjustment exceed an amount equal to 75 percent of the increase in the Consumer Price Index for All Urban Consumers (CPI-U) - U.S. City Average - as published by the Bureau of Labor Statistics, U.S. Department of Labor, for the most recent available previous 12-month period. As an example, if such Index increased 10 percent for a preceding 12-month period, an annual adjustment could not exceed 7.5 percent regardless of whether or not the Provider's documented costs exceed 7.5 percent.

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EXHIBIT D

INSURANCE PROVISIONS

Professional Liability Insurance

Consultant/Contractor/Provider shall obtain professional liability (errors and omissions) insurance, with a minimum \$1,000,000 limit, from one or more U.S. domiciled insurance companies licensed to do business in the State of California with an A.M. Best Company rating of "B" or better providing coverage for services rendered to City under this Agreement.

Said insurance coverage shall be evidenced by a certificate of insurance which shall be executed by an authorized official of the insurer(s). In addition to the limits of coverage described above, the certificate of insurance shall provide that the insurer shall provide to City at least 30 days prior notice of cancellation or material change in coverage, or 10 days prior notice of cancellation for non-payment.

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EXHIBIT E

CONFLICT OF INTEREST PROVISIONS

NONE.

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EXHIBIT F

SPECIAL PROVISIONS

NONE.