

Beaumont-Cherry Valley Water District
Request for Proposals
For
Actuarial Services to Value Other Post-Employment Benefits
(OPEB) in Compliance with Governmental Accounting
Standards Board Statement No. 75 (GASB 75)



Beaumont-Cherry Valley Water District
560 Magnolia Ave,
Beaumont, California 92223
(951) 845-9581

RFP Posting Date
October 27, 2022

RFP Due Date
November 23, 2022
At 3:00 p.m.

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REQUEST FOR PROPOSALS
ACTUARIAL SERVICES TO VALUE OTHER POST-EMPLOYMENT BENEFITS (OPEB) IN
COMPLIANCE WITH GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENT
NO. 75 (GASB 75)
October 27, 2022

I. INTRODUCTION

A. Purpose

The Beaumont-Cherry Valley Water District (BCVWD or District) is seeking proposals from qualified professional actuary firms (Actuary) to provide services to value Other Post-Employment Benefits (OPEB) for three (3) separate time periods for the years 2022, 2023, and 2024 in compliance with Governmental Accounting Standards Board Statement No. 75 (GASB 75) for inclusion in the District's Annual Comprehensive Financial Report (ACFR) as of December 31, 2022, December 31, 2023, and December 31, 2024, with the option of extending the contract for two (2) additional one-year periods, (fiscal year 2025 and fiscal year 2026) at the District's sole discretion. The agreement may be terminated if the District determines the audit services to be unsatisfactory.

Valuations must be performed in accordance with generally accepted actuarial standards of practice promulgated by the Actuarial Standards Board and based on the actuarial assumptions and methods prescribed by the California Public Employees' Retirement System (CalPERS) Board. The required services and performance conditions are described in the Scope of Work.

During the evaluation process, the District reserves the right, where it may serve the District's best interest, to request additional information or clarifications from proposers, or to allow corrections of errors or omissions.

BCVWD reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposal, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between BCVWD and the firm selected.

To be considered, a proposal must be received by 3:00 PM, November 23, 2022.

II. DISTRICT PROFILE

A. Background Information

The District was formed in 1919 under the Wright Act of 1897. The District's service area is approximately 28 square miles, with most of the area within Beaumont and Cherry Valley communities.

The District is located in the foothills of the San Bernardino Mountains, approximately 75 miles east of Los Angeles along Interstate 10. With a service area of about 28 square miles, the District provides potable and non-potable water service to over 60,000 residents within the City of Beaumont and the unincorporated Community of Cherry Valley in Riverside and San Bernardino Counties in Southern California.

The District provides potable water service to approximately 20,000 metered connections. The primary source of water is groundwater, pumped from 24 wells. The aquifer is replenished with water from the State Water Project at the District's recharge facilities. Thirty million gallons of potable and 2 million gallons of reclaimed water storage provide peak demand and fire protection reserves. The water distribution system comprises over 100 miles of potable water lines and approximately 28 miles of reclaimed water lines (including transmission and distribution lines) ranging from 2 to 30 inches.

The District is governed by a five-person, elected Board of Directors (the Board), each serving a four-year term. The Board meets on the second Wednesday and fourth Thursday of each month. Meetings are publicly noticed, and residents are encouraged to attend. The daily operation of the District falls under the General Manager, Daniel Jagers. The General Manager administers the District's day-to-day operations following resolutions and ordinances established by the Board. As General Manager, Mr. Jagers is responsible for the general oversight of the production and distribution of potable water.

The District employs approximately 40 full-time employees, has 5 retirees receiving benefits, and 1 retiree entitled but not yet receiving benefits. The District's Adopted Operating Budget for fiscal year 2022 totals approximately \$21.6 million.

B. Plan Description

The District pays a portion of the cost of health insurance (including prescription drug benefits) as post-employment benefits to retired employees who satisfy the eligibility rules as required by CalPERS Health Program enrollment. The current District contribution is fixed at \$474 per month. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any medical plan available through the District's CalPERS Health Program, a cost-sharing multiple-employer medical coverage plan. The contribution requirements of eligible retired employees and the District are established and may be amended by the Board of Directors.

The District has also set aside funds in fiscal year 2022 in an irrevocable trust with the California Employers Retirement Benefit Trust (CERBT) to cover retiree health liabilities in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

As of December 31, 2021 (June 30, 2021, measurement date) the District had a net OPEB liability of \$2.2 million, representing a 0.0% funded status.

III. NATURE OF SERVICES REQUIRED — SCOPE OF WORK

A. Scope of Work to Be Performed

Beaumont-Cherry Valley Water District is seeking proposals from qualified firms interested in providing actuarial services to the District for valuation of OPEB offered by the District. The Actuary must, at a minimum:

1. Ensure compliance with GASB Statement 75.
2. Determine the OPEB related valuation and related roll-forward data for December 31, 2022, December 31, 2023, and December 31, 2024.

3. Prepare necessary information for inclusion in the District's audited financial statements for the Fiscal Years ending December 31, 2022 through December 31, 2024. This includes drafting, in its entirety, the note to the financial statements for inclusion into the District's financial statements that conform to all the requirements of GASB Statement 75; and all the required supplementary information required by the same.
4. Provide all documents and information (including the actuarial certification, funding policy certification, and Excel valuation information spreadsheet) required by CalPERS for agencies funding with the CERBT along with a certified final valuation results outline.
5. Meet with BCVWD staff (and its auditors if necessary) to discuss and review the report.
6. Provide assistance in implementing any new GASB statements and other financial pronouncement related to OPEB and providing ongoing professional consultation.
7. Working Paper Retention – All working papers and reports must be retained, at the Actuary's expense, for a minimum of seven (7) years after the last year of the contract, unless the Actuary is notified in writing by BCVWD of the need to extend the retention period. The Actuary will be required to make working papers available upon request, including, but not limited to, BCVWD or its designees. The Actuary shall work with BCVWD staff and financial auditors as needed to comply with GASB 75 requirements and Annual Comprehensive Financial Report preparation and audits.
8. The Actuary shall respond to the reasonable inquiries of successor Actuaries and allow successor Actuaries to review working papers relating to matters of continuing GASB and accounting significance, if needed.

IV. TIMING AND SUBMISSION INSTRUCTIONS

- A. We have made every effort to include sufficient information within this Request for Proposal (RFP) for firms to prepare as responsive, comprehensive, and competitive a proposal as possible.

The timing of the proposal process is as follows:

1. Distribution of RFP: October 27, 2022.
2. Proposal Submission

Proposal shall be submitted bearing the caption: Actuarial Services to Value Other Post-Employment Benefits (OPEB) in Compliance with Governmental Accounting Standards Board Statement No. 75 (GASB 75) and addressed to:

Dr. Kirene M. Bargas, Director of Finance and Administration
Beaumont-Cherry Valley Water District
Kirene.manini@bcvwd.org
560 Magnolia Avenue
Beaumont, CA 92223

Proposers may submit one (1) printed copy via mail or in-person to Dr. Kirene M. Bargas, Director of Finance and Administration.

Printed copies must be delivered via mail or delivery to the above office on or before 3:00 p.m. P.T. on Wednesday, November 23, 2022. (Proposals received after the deadline will not be considered).

3. Questions Regarding this RFP

Inquiries regarding this RFP are due by email on or before 5:00 p.m. P.T. on November 17, 2022. All inquiries must include a contact person, address, and email address. All known respondents will receive responses to questions by November 21, 2022. Questions can be addressed to:

Dr. Kirene M. Bargas, Director of Finance and Administration
Beaumont-Cherry Valley Water District
Kirene.manini@bcvwd.org

To ensure that your firm receives responses to inquiries, please send an email to Dr. Kirene M. Bargas and include questions and contact information. An electronic RFP submittal instead of following submittal protocol will disqualify your RFP submittal.

4. Amendments to Proposals

Revisions to proposals are allowed. Submit electronic corrections to Dr. Kirene M. Bargas, (kirene.manini@bcvwd.org) before 3:00 pm on Wednesday, November 23, 2022. The modification must indicate the change in the proposal price if any.

5. Addenda to this RFP

Suppose the District deems it necessary to clarify or make any changes to this RFP. In that case, these changes shall be made in the form of a written addendum authorized and issued by Dr. Kirene M. Bargas or the authorized designee. Proposers shall acknowledge receipt of any addendums in the Transmittal Letter and include a copy of the fully executed addendum in said proposal package.

6. Proposal Review: Our review committee will evaluate each proposal submitted. The review process is anticipated to be completed by December 8, 2022 and potentially submitted to the Board for consideration on December 14, 2022.
7. Notification to all bidders: We anticipate sending written notice to all proposers regarding the outcome of the review process by December 15, 2022. We will provide an electronic copy of the finalist proposal(s) upon written request.
8. Notification to finalists: The review committee will forward its recommendation to the District's General Manager for approval and presentation to the Board of Directors. All finalists will be notified of the final decision which is anticipated to be on or about December 20, 2022. Once executed, we will provide an electronic copy of the selected proposal upon written request.

9. Contract Term: The Audit Services contract will become effective on the execution of the agreement for three (3) calendar years ending December 31, 2022, 2023, and 2024 with the option to extend the contract for two (2) additional one-year periods, at the District's sole discretion.

The District anticipates administration of the proposal process following the process and dates discussed in this RFP. However, we reserve the right to modify the proposal process and dates as deemed necessary and not to award a contract. The District assumes no obligation for any costs incurred by any proposer in preparing the response to this request, attending an interview or any other activity before award of the contract to the selected proposer.

V. GENERAL TERMS AND CONDITIONS

- A. This RFP does not commit the District to enter into a contract. The District expressly reserves the right to reject all proposals at its sole discretion and option without indicating any reason(s) for such rejection. If all bids are rejected, the District may or may not request additional proposals. The District may withdraw this RFP at any time without advance notice.
- B. The District reserves the right to postpone the RFP process for its own convenience, should negotiations with the selected company be terminated, negotiate with another company, or cancel any section of this RFP. The District also reserves the right to apportion the award among more than one company.
- C. Any agreement resulting from this RFP will be executed after successfully negotiating contract terms and conditions, and all applicable procedural requirements have been met.
- D. The District reserves the right to remedy technical errors in the RFP process or waive proposal informalities and irregularities. Proposals should be verified before submission. The District is not responsible for errors or omissions on the part of the respondent in the preparation of a proposal. The District will not return any proposals.
- E. The District may investigate the qualifications of any Proposer under consideration, require confirmation of information furnished by the proposer, and require additional evidence or qualifications to perform the Services described in this RFP.
- F. The District reserves the right to expand or diminish the scope of services subject to negotiation with the successful proposer.
- G. The District is not required to select the proposal that may indicate the lowest price or costs.
- H. The District will not be liable for any costs incurred by responding firms related to the preparation and submittal of proposals, making of initial presentation to the District, negotiating a contract for services, or any other expense incurred by the proposer before the date of an executed contract. In addition, no Proposer shall include any such expenses as part of the price proposed to conduct the scope of services for this project.

- I. Proposer may withdraw a proposal before the expiration time in this RFP by delivering to Dr. Kirene M. Bargas or the authorized designee an emailed or written request for withdrawal signed by, or on behalf of, the proposer.
- J. Proposer will be expected to participate in executing the District's standard professional services agreement. A copy is provided as Attachment A.

VI. PROPOSAL ELEMENTS

Proposals submitted under this request must contain the following information:

A. Format of Technical Proposal

- 1. Provide a cover letter on company letterhead addressing the proposal. The letter shall be signed by an officer of the Actuary firm authorized to bind the firm to all comments made in the proposal, and shall include the name, address, and phone number of the person(s) to contact who will be authorized to represent the Actuary firm.
- 2. The proposal package shall present all-inclusive actuarial fees for each year of the contract term. Actuarial fees associated with optional extensions exercised by BCVWD will be negotiated at the time of contract extension. BCVWD requires the total costs be stated as a "not to exceed" basis and shall be inclusive of labor, travel, report preparation, printing, and all other expenses incurred by the Actuary.
- 3. The respondent's proposal must include a project plan for the actuarial services engagement to be performed under this RFP for the valuation of other post-employment benefits. The project plan should include, at a minimum, the following:
 - a) Approach and methodology for the valuation
 - b) Approach and methodology to include compliance with GASB standards
 - c) Data requirements from the District
 - d) Identification of project plan milestones
 - e) Schedule for project completion and issuance of report
 - f) Valuation report elements to include:
 - i. Actuarial present value of total projected benefits
 - ii. Actuarial accrued liability
 - iii. OPEB assets
 - iv. Unfunded actuarial accrued liability
 - v. Normal cost
 - vi. Annual required contribution as a dollar amount and as a percentage of Payroll

- vii. Annual OPEB cost
 - viii. Net OPEB obligation
 - ix. Summary of data used for the valuation
 - x. Summary of actuarial methods and assumptions
 - xi. Financial notes to be included in the District's audited financial statements in the GASB prescribed format
4. Describe the governmental experience of the firm including the specific details regarding experience in the area of actuarial valuation services related to OPEB.
 5. Provide a list of municipal and special district government references where the firm has provided OPEB actuarial valuation services in the past thirty-six (36) months. This list should indicate the names and contact information of finance officers in these agencies.
 6. Provide information regarding staffing including the experience of the individuals who will be assigned to the engagement. This should also include each individual's relevant experience with municipalities and preparing OPEB actuarial valuations. Also, include information as to the annual training plan of the firm related to governmental services.
 7. Provide a sample actuarial valuation.

B. Contents of Technical Proposal

The purpose of the Technical Proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to perform the OPEB actuarial services and related services in conformity with the requirements of this RFP. The Technical Proposal should demonstrate the firm's qualifications and the staff assigned to this engagement. It should also specify an audit approach that will meet the RFP requirements.

The Technical Proposal should address all the points in the order outlined in the RFP (exclude any cost information, which should only be included in the cost proposal section). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP.

While additional data may be presented, the areas detailed below must be included.

1. A description of the organization's/consultant's professional qualifications.
2. A statement indicating the number of employees, by level, who will perform the OPEB actuarial services and related services.
3. A resume for each employee who will be assigned to the District's OPEB actuarial services, including:
 - a) Name of individual
 - b) Education/professional credentials

- c) Experience with OPEB actuarial services
- d) Hourly rates to be charged
- 4. A separate listing of current and prior clients indicating the following:
 - a) Types of service performed; and
 - b) Names, addresses, and telephone numbers of persons who may be contacted by BCVWD staff as references.
- 5. Indicate availability to proceed with work on or about January 15, 2023 and include a tentative schedule for completing the OPEB actuarial services.
- 6. Price

In a separate sealed envelope, provide a not-to-exceed cost estimate adequate to cover the scope of the service. The cost estimate should be itemized by year and task and include a list of charge out rates and broken down on a year by year cost related to the names of key personnel used by the firm/consultant for this service. Include time, materials, travel, and other expenses, which may be associated with the duties and obligations under this Request for Proposal. All costs must be identified. This process is not considered a bid, nor will cost alone decide who is selected. Please note that BCVWD relies heavily on the not-to-exceed amount and is reluctant to grant further increases unless substantial reasons are made for the overage. A requested payment schedule should accompany the work schedule.

All proposals shall contain provisions if extraordinary circumstances warrant intensive and detailed services beyond those in the contractual agreement. The firm shall provide in writing and in advance, reasons for the additional service, the firm's estimate of costs, and a statement that no work will be performed without advance approval by the District. Any additional work as agreed in advance by the District shall be compensated for at the same rate quoted in the schedule submitted in the proposal.

VII. EVALUATION PROCEDURES

The District will review all submittals and recommend based upon the established evaluation criteria. After the proposals have been evaluated, the highest-ranked firm/consultant may be interviewed. All firms/consultants submitting a bid will be notified in writing about their selection process status.

The criteria for selection will be based on, but not limited to, the following sets of criteria:

- Experience and qualifications of personnel assigned to provide the grant writing services and their availability.
- References from clients with similar services provided.
- Price proposal (including expenses)

The final selection will be based on the written proposals and the interview, if deemed necessary. Information contained in the cost envelope will be secondary and will be opened after the submissions have been reviewed; how that information is used is at the discretion of

the District.

It is anticipated that the General Manager will approve the selection of a firm by December 20, 2022. Following notification to the firm selected, it is expected a contract will be executed between both parties by December 31, 2022.

VIII. INSURANCE REQUIREMENTS

The chosen consultant will be required to maintain insurance coverage throughout the course of the Professional Services Agreement and shall provide the District with evidence of said coverage as set forth in the Professional Services Agreement. The requirement is subject to change and modification pursuant to review by the District Attorney. Please review contract language and insurance requirements prior to submitting proposal.

Attachment A

Beaumont-Cherry Valley Water District Standard Professional Services Agreement

BEAUMONT-CHERRY VALLEY WATER DISTRICT PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into as of _____, 20____ by and between the Beaumont-Cherry Valley Water District, a California Irrigation District ("District"), and *****INSERT NAME*****, a *****INSERT TYPE OF ENTITY - CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP OR OTHER LEGAL ENTITY***** ("Consultant"). District and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

A. RECITALS

(i) District requires provision of the following professional services: _____, all as more fully set forth and described in this Agreement.

(ii) Consultant is duly licensed and/or otherwise fully authorized by law, and has the necessary experience and qualifications, to provide such services. District enters this Agreement in substantial reliance on such experience and qualifications.

(iii) The Parties enter this Agreement in order to set forth terms and conditions governing Consultant's performance of the services described herein.

B. AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Scope of Services.

Consultant shall furnish all labor, materials, equipment, and supplies necessary or incidental to performing the services generally described in the Scope of Services attached hereto as Exhibit "A", any applicable request for proposals issued by the District, and as otherwise required by this Agreement, all to District's satisfaction (collectively, "Services"). **[Exh A can be the consultant's proposal if desired]**

2. Compensation.

a. Subject to Section 2.b, below, the District shall pay for the Services satisfactorily performed, in accordance with the Schedule of Rates/Payments set forth in Exhibit "B", attached hereto. **[this can be the consultant's proposal if desired]**

b. In no event shall the total amount paid for services rendered by Consultant during the term of this Agreement exceed the sum of \$_____. This amount covers and is inclusive of all labor, materials, and any and all other costs incurred by Consultant in performing the Services, unless otherwise agreed upon in writing. Consultant shall be deemed to have made all necessary inquiries and site inspections prior to agreeing to perform the Services.

Unless the Parties have agreed on a one-time flat fee, periodic payments for undisputed work shall be made within thirty (30) days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

The Parties may agree on additional work to be provided as part of the Services. The District General Manager is authorized to approve additional work not exceeding _____ Dollars (\$_____) [or "X" percent of the contract price] by written memo signed by the parties. Otherwise, an amendment to this Agreement shall be prepared by the District and executed by both Parties authorizing such additional work and compensation therefor, prior to such work being performed.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred and work performed shall be maintained by Consultant and made available for review by the District at all reasonable times during the term of this Agreement and for four (4) years from the date of final payment by District.

5. Term; Time of Performance.

The term of this Agreement shall commence on the date first set forth above and shall expire at the end of business on [Insert end date], unless extended or earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other milestones, schedules and deadlines agreed upon in writing. **Consultant shall commence work within three (3) business days of receiving District's verbal or written notice to proceed.** Consultant represents that it has the professional and technical personnel required to satisfactorily perform the Services as required by this Agreement. All indemnification provisions of this Agreement shall survive and remain in effect following the termination of this Agreement. The Parties may agree in writing to extend the term of this Agreement if necessary to complete the Services, or when deemed to be in the District's best interest.

6. Delays in Performance.

a. Force Majeure. Neither District nor Consultant shall be considered in default of this Agreement for delays in performance caused by force majeure events. Force majeure events mean and refer to circumstances beyond the reasonable control of the non-performing Party including, but not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics resulting in "stay at home" or similar binding governmental orders; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint. Consultant's lack of financial capability, in the absence of any of the foregoing events, shall not constitute a force majeure event.

b. Should a force majeure event occur, the non-performing Party shall promptly, upon becoming aware of its inability to perform, give written notice to the other Party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, statutes, codes and regulations of the federal, State and local government, including Cal/OSHA requirements.

b. District may, but is not required, to assist Consultant in obtaining and maintaining all permits required of Consultant by federal, State and/or local regulatory agencies.

c. If applicable, and unless otherwise provided in the Scope of Services, Consultant is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of Consultant's services or operations performed under this Agreement.

8. Standard of Care.

Consultant's Services shall be performed in accordance with the generally accepted professional standards of practice and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently performing similar services under similar conditions. Consultant shall, at all times herein, possess any and all State of California and/or federal professional licenses and certifications, as applicable, required to lawfully perform the Services.

9. Assignment and Subcontracting.

Consultant shall not assign or transfer this Agreement or any rights or obligations under, or any interest in this Agreement, or subcontract any required performance hereunder, without the prior written consent of the District, which may be withheld for any reason. The Services required to be performed by the Consultant are personal to the Consultant. Any attempt to so assign, transfer, or subcontract without such consent shall be void and without legal effect and shall constitute grounds for termination. Authorized subcontracts, if any, shall contain a provision making the subcontractor subject to all requirements of this Agreement.

10. Independent Contractor.

Consultant is retained as an independent contractor and is not an employee of District. No employee or agent of Consultant is or shall become an employee of District. The work to be performed shall be in accordance with the Scope of Services described in this Agreement, subject to such directions and amendments from District as herein provided.

a. All work and other Services provided pursuant to this Agreement shall be performed by Consultant or by Consultant's employees or other personnel under Consultant's supervision, and Consultant and all of Consultant's personnel shall possess the qualifications, permits, and licenses required by State and local law to perform the Services, including, without limitation, a City of Beaumont business license. Consultant will determine the means, methods, and details by which Consultant's personnel will perform the Services. Consultant shall be solely responsible for the satisfactory work performance of all personnel engaged in performing the Services and compliance with the customary professional standards.

b. All of Consultant's employees and other personnel performing any of the Services under this Agreement on behalf of Consultant shall also not be employees of District

and shall at all times be under Consultant's exclusive direction and control. Consultant and Consultant's personnel shall not supervise any of District's employees; and District's employees shall not supervise Consultant's personnel. Consultant's personnel shall not wear or display any District uniform, badge, identification number, or other information identifying such individual as an employee of District; and Consultant's personnel shall not use any District email address or District telephone number in the performance of any of the Services under this Agreement. Consultant shall acquire and maintain at its sole cost and expense such vehicles, equipment and supplies as Consultant's personnel require to perform any of the Services required by this Agreement. Consultant shall perform all Services off of District premises at locations of Consultant's choice, except as otherwise may from time to time be necessary in order for Consultant's personnel to receive projects from District, review plans on file at District, pick up or deliver any work product related to Consultant's performance of any Services under this Agreement, or as may be necessary to inspect or visit District locations and/or private property to perform such Services. District may make a computer available to Consultant from time to time for Consultant's personnel to obtain information about or to check on the status of projects pertaining to the Services under this Agreement.

c. Consultant shall be responsible for and shall pay all wages, salaries, benefits and other amounts due to Consultant's personnel in connection with their performance of any Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, State, or federal policy, rule, regulation, statute or ordinance to the contrary, Consultant and its officers, employees, agents, and subcontractors providing any of the Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by District, including but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") or any other retirement program, as an employee of District, and entitlement to any contribution to be paid by District for employer contributions or employee contributions for PERS benefits or any other retirement benefits.

11. PERS Compliance.

The Parties acknowledge that District is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Consultant agrees that, in providing its employees and any other personnel to District to perform any work or other Services under this Agreement, Consultant shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code § 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Consultant shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause District to be in violation of the applicable retirement laws and regulations.

12. Insurance. Unless otherwise permitted in writing by District's Risk Manager, Consultant shall not commence work for the District until it has secured all insurance required under this section and provided evidence thereof that is acceptable to the District. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the District.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form C.G. 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

- (1) Bodily Injury and Property Damage
- (2) Personal Injury/Advertising Injury
- (3) Premises/Operations Liability
- (4) Products/Completed Operations Liability
- (5) Aggregate Limits that Apply per Project
- (6) Explosion, Collapse and Underground (UCX) (by deletion of this exclusion)
- (7) Contractual Liability with respect to this Agreement
- (8) Broad Form Property Damage
- (9) Independent Consultants Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall be endorsed to name the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials, as additional insureds using ISO endorsement forms C.G. 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) Subject to the District's written approval, the general liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the Additional Insureds.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the District.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability

(Coverage Symbol 1, any auto).

(iii) The policy shall be endorsed to name the District, its officials, officers, employees, agents and District designated volunteers as additional insureds.

(iv) Subject to the District's written approval, the automobile liability coverage may utilize deductibles or provide coverage excess of a self-insured retention, provided that such deductibles shall not apply to coverage of the Additional Insureds.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that Consultant is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she/it will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subcontractors to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions) (unless waived in writing by the District's risk manager)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the District and with the limits required herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy coverage form specifically designed to protect against acts, errors or omissions of the Consultant in the performance of professional services. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. ****INSERT**** Liability Insurance [CHECK WITH RISK MANAGER AND SIR ADMINISTRATOR TO DETERMINE IF ADDITIONAL LIABILITY INSURANCE SHOULD BE REQUIRED FOR A PARTICULAR PROFESSIONAL SERVICES AGREEMENT, SUCH AS CYBER LIABILITY, ETC.]

f. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence (any auto) for bodily injury and property damage
Workers' Compensation	In the amount required by California law.
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions) {unless waived by risk manager}
INSERT OTHER LIABILITY	\$_____ [if applicable]

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

g. Evidence Required

Prior to execution of the Agreement, Consultant shall file with the District evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

h. Policy Provisions Required

(i) Consultant shall provide the District at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, Consultant shall deliver renewal certificate(s) including the required Additional Insured endorsement to the District at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Liability Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the District or any additional insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. If a "claims-made" professional liability policy is provided, it shall include an extended reporting period of not less than three (3) years.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials, or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against District and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the District and shall not preclude the District from taking such other actions available to the District under other provisions of the Agreement or law.

i. Each policy of insurance required herein shall be from a company or companies having a current A.M. Best's rating of no less than A:VII and admitted and authorized to transact the business of insurance in the State of California.

j. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the District, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, District has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by District will be promptly reimbursed by Consultant or District will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, District may terminate this Agreement for cause.

(iii) District may require Consultant to provide for inspection by District, complete copies of all insurance policies in effect for the duration of the Agreement.

(iv) No District elected or appointed official, officer, employee, agent or volunteer shall be personally responsible for any liability arising under or by virtue of this Agreement.

(v) The insurance obligations under this Agreement shall be: (1) all the insurance coverage and/or limits carried by or available to Consultant; or (2) the minimum insurance coverage requirements and/or limits shown in this Agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to District. No

representation is made that the minimum insurance requirements of this Agreement are sufficient to cover the obligations of Consultant under this Agreement.

k. Subcontractor Insurance Requirements

Consultant shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the District that it has secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors shall be endorsed to name the District, its elected and appointed officials, officers, employees, agents, servants, designated volunteers and agents serving as independent contractors in the role of District officials as additional insureds, using ISO form C.G. 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, District may approve different scopes or minimum limits of insurance for particular subcontractors.

13. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel reasonably approved by District), indemnify and hold the District, its elected and appointed officials, officers, attorneys, agents, employees, servants, designated volunteers, successors, assigns and those District agents serving as independent contractors in the role of District officials (collectively "Indemnitees" in this Section 13) free and harmless with respect to any and all claims, demands, causes of action, costs, expenses, liabilities, losses, damages, stop notices and/or injury of any kind, in law or equity, to property or persons, including bodily injury, wrongful death, personal injury and property damage, to the extent arising out of, pertaining to, or incidental to any acts, errors, omissions, default, and/or willful misconduct of Consultant, its owners, officials, officers, employees, servants, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, and/or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, or by the District or any of the other Indemnitees.

b. The provisions of this Section 13 shall survive the termination of this Agreement.

14. Termination.

a. District has the right to terminate any portion or all of the Services under this Agreement with or without cause, by giving ten (10) calendar days' prior, written notice to Consultant. In such event, District shall be immediately given title to and possession of all Work Product and original field notes, drawings and specifications, written reports and all other documents produced or developed pursuant to this Agreement. Provided Consultant is not then in breach, District shall pay Consultant for that portion of the Services satisfactorily completed prior to termination. If said termination occurs prior to completion of any specific task for which a payment request has not been received, the charge for Services performed shall be the reasonable value of such Services, based on an amount agreed to by District and Consultant. District shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services or services within the Scope Services performed prior to the effective date of this Agreement and shall not be entitled to damages or compensation resulting from termination of this Agreement.

b. Consultant may terminate this Agreement for cause by serving written

notice of termination to the District, provided Consultant has first served the District with a written notice of default and demand to cure, and District has failed to cure such default within thirty (30) days of receipt of such notice.

15. Ownership of Work Product.

a. Except as otherwise provided in Section 14, "Termination", above, and unless otherwise agreed upon in writing, all draft and final reports, documents, and other written material, and any and all images, ideas, concepts, designs including website designs, source code, object code, electronic data and files, and/or other media whatsoever created or developed by Consultant for the District in the performance of this Agreement (collectively, "Work Product") shall be considered to be "works made for hire" for the benefit of District. All Work Product and any and all intellectual property rights arising from their creation, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of District without restriction or limitation upon their use, duplication or dissemination by District upon final payment being made provided that any such use shall be at District's sole risk. Consultant shall not obtain or attempt to obtain copyright protection as to any of the Work Product.

b. Consultant hereby assigns to District all rights of ownership to the Work Product, including any and all related intellectual property and proprietary rights that are not otherwise vested in the District pursuant to subsection (a), above.

c. Consultant warrants and represents that it has secured all necessary licenses, consents or approvals necessary to the production of the Work Product, and that upon final payment or Consultant's default, District shall have full legal title to the Work Product, and full legal authority and the right to use and reproduce the Work Product for any purpose. Consultant shall defend, indemnify and hold District, and the other Indemnitees (as defined in Section 13(a), above) harmless from any and all loss, claim or liability in any way related to a claim that District's use of any of the Work Product violates federal, State or local laws, or any contractual provisions, or any rights or laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in products, ideas or inventions. Consultant shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by District is held to constitute an infringement and the use of any of the same is enjoined, Consultant, at its expense, shall: (a) secure for District the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for District; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

16. Party Representatives.

Consultant hereby designates _____, or his or her designee, as Consultant's Representative for this Agreement, unless and until written notice of a new representative acceptable to District is provided to District. District hereby designates _____, or his or her designee, as District's Representative for this Agreement. The foregoing Representatives shall be authorized to approve non-monetary revisions to this Agreement, provide consent where required herein, and to make other administrative decisions

that will be binding on their respective Party, except as otherwise specifically required herein.

17. Notices.

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

DISTRICT:

Beaumont-Cherry Valley Water District
P.O. Box 2037560 Magnolia Avenue
Beaumont, CA 92223

Fax: (951) 845 0159

Attention: Dan Jagers, General Manager

CONSULTANT:

***INSERT NAME, ADDRESS & CONTACT
PERSON***

and shall be effective upon receipt thereof.

18. Third Party Rights.

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the District and the Consultant.

19. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

20. Entire Agreement.

This Agreement, with its exhibits, all of which are incorporated by reference herein, and all documents incorporated by reference, represents the entire understanding of District and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and any exhibit hereto or document incorporated by reference herein, the provisions of this Agreement, then the District's RFP, if any, shall govern.

21. Severability.

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

22. Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and authorized assigns of each Party to this Agreement.

23. Non-Waiver.

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specified in writing, and any such waiver shall be limited to that set of circumstances and not to any future circumstances unless another written waiver is executed.

24. Time of Essence.

Time is of the essence in each and every provision of this Agreement.

25. District's Right to Employ Other Consultants.

District reserves its right to employ other consultants to provide the Services or similar services to the District.

26. Interest of Consultant.

Consultant covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement. Consultant certifies that no one who has or will have any financial interest under this Agreement is an officer or employee of the District.

27. Governing Law and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California without regard for change of venue laws. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California. Consultant must comply with the claim procedures set forth in Government Code section 900, et seq. prior to filing any lawsuit against the District.

28. Attorneys' Fees. The prevailing Party in any legal action brought for breach or to compel performance, shall be entitled to recover their reasonable attorney's fees and costs.

29. Interest of Subcontractors.

Consultant further covenants that, in the performance of this Agreement, no subcontractor or person having any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the Services under this Agreement shall be employed. Consultant has provided District with a list of all subcontractors and the key personnel for such subcontractors that are retained or to be retained by Consultant in connection with the performance of the Services, to assist the District in affirming compliance with this section.

30. Prohibited Interests.

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this

Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. If required, Consultant further agrees to file, or shall cause its employees or subcontractors to file, a Statement of Economic Interest with the District's Filing Officer as required under state law in the performance of the Services. For breach or violation of this warranty, District shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of District, during the term of his or her service with District, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

BEAUMONT-CHERRY VALLEY
WATER DISTRICT

[INSERT NAME OF CONSULTANT]

By: _____
Dan Jagers
General Manager

By: _____

Its: _____

Printed Name: _____

By: _____

Its: _____

Printed Name: _____

(Two signatures required for corporations pursuant to California Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

ATTEST:

By: _____
Secretary