

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 7th day of December, 2021, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and Revenue And Cost Specialists, LLC, a California Limited Liability Company whose address is 1519 E Chapman Ave, Ste C Fullerton, CA 92831 (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY issued a Request for Proposals on September 28, 2021, the terms of which are incorporated herein by this reference. CITY desires to engage CONTRACTOR to provide Full Cost Allocation Plan and Comprehensive User Fee Study in accordance with the Request for Proposal; and

B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “A”, which is incorporated herein by this reference; and

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, which are incorporated herein and made a part of this Agreement, and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) as follows: as detailed per Exhibit “A” and any other services which the City may request in writing. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Eric Johnson and Chu Thai as CONTRACTOR’S professional responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’s sole cost and expense, employ such competent and qualified independent associates, subcontractors

and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed \$34,980.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement, the Request for Proposal and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or the Request for Proposal, or contain additional terms other than the price for the Services, the terms of this Agreement and the Request for Proposal shall govern and said additional or conflicting terms in the Proposal shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal

laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required ___ ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies

and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of “A:VII”). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY’s protection without CITY’s prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys’ fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, and actual attorneys’ fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of an error, a negligent act, or omission of the Consultant,

or the willful misconduct of the Consultant in performing the services described in, or normally associated with, this type of contracted work. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers'

compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both

parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. In the event of litigation, the Parties agree that venue for such litigation shall be in Riverside County, California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall

immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

13.09 Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____
Mike Lara, Mayor

By: _____

Print Name: _____

Title: _____

EXHIBIT "A"

PROPOSAL



Proposal for the City of Beaumont
**FULL COST ALLOCATION PLAN and
COMPREHENSIVE USER FEE STUDY**



1519 E Chapman Ave
Suite C
Fullerton, CA 92831
(714) 992-9020
www.revenuecost.com

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October 29, 2021

City of Beaumont
Jennifer Ustation, Director of Finance
550 E 6th Street
Beaumont, Ca 92223

Transmittal Letter – Full Cost Allocation Plan and Comprehensive User Fee Study

Revenue & Cost Specialists, LLC (RCS) appreciates the opportunity to respond with this proposal to develop a Full Cost Allocation Plan and Comprehensive User Fee Study. We have been providing fee studies and other costing services since 1980, making us the first and foremost expert in costing services for California. RCS' skill set will generate maximum accountability for the City of Beaumont. We have a history of delivering quality reports with defensible data that can be acted on and adopted.

Our processes are straightforward, and the information provided by RCS will allow staff, City Council and other stakeholders to make rational, informed policy decisions. We strive to ensure that you will be able to confidently stand behind the information and recommendations in the Report. As former city staff ourselves, we understand how Beaumont operates, what you want, and that your time is precious.

With 41 years in business, RCS plans to provide timely support to Beaumont for years to come. The terms of this proposal will be honored for 90 calendar days from the date of submittal. Please contact Eric at (714) 992-9027 or eric@revenuecost.com with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Eric S. Johnson', written over a light blue horizontal line.

ERIC S. JOHNSON
President

A handwritten signature in black ink, appearing to read 'Chu Thai', written over a light blue horizontal line.

CHU THAI
Vice President



RCS Contacts

Revenue & Cost Specialists
1519 E Chapman Ave, Ste C
Fullerton, CA 92831
www.revenuecost.com



Eric Johnson
President
714-992-9027
Eric@revenuecost.com



Chu Thai
Vice President
714-992-9024
Chu@revenuecost.com



RCS EXPERIENCE AND QUALIFICATIONS

Answering the following RFP questions:

- a. Company and General Information*
- b. Qualifications and Experience of the Firm*
- c. Qualifications and Experience of Proposed Project Team*

ABOUT RCS

RCS (Taxpayer ID No. 330787781) was founded in 1980 by two former City Managers and a Finance Director who, after the passage of Propositions 13 and 4, discovered that user fees were a legal option to recover lost municipal revenues. Forty-one years later, Revenue & Cost Specialists continues its focus on cost allocation and user fee calculation services.

After the passage of AB 1600 in 1988, our company added impact fee calculation services to help municipalities finance public facility expansion. In those early years, RCS principals published articles and presented at conferences on how user fees and impact fees worked.



By the mid-1990s, RCS was a company with 25 employees, yet we were not happy with the business model. We strategically downsized, and the remaining four principals focused on service delivery, no longer worrying about revenue growth or competing market shares. Now, RCS principals commit resources to client satisfaction and long-term relationships. To this day, RCS continues to thrive through repeat business, referrals and references. As a small business, RCS takes only a handful of new clients each year, allowing us to spend substantial time with them.

In 2000, RCS created Government Software Systems to develop robust costing software that serves fee calculation needs better than spreadsheets. Our company has provided additional services to municipalities that include long-range financial planning, accounting procedures and utility rate studies.

In 2021, RCS celebrates its 41st year in business and is looking forward to another 41 years of partnering with municipalities.

COMPANY QUALIFICATIONS AND EXPERIENCE

RCS' four principals make up the Limited Liability Company, which has been financially stable since the company started. Combined, RCS principals have over 100 years of experience in cost allocation plans and fee studies and served over 250 municipalities. We



have provided these services to a wide array of public agencies, from the smallest special district to larger and more complex cities and counties. Though based in Orange County, we engage in projects throughout the State of California.

RCS principals specialize in:

- User Fee Studies
- Cost Allocation Plans
- Development Impact Fee Studies
- Special studies and reports supporting municipal financing management

These specializations allow RCS to focus on every aspect of municipal fees and be the best of what we do. We are confident in our project time estimates and do not respond to RFPs when the project workload would exceed our capacity. We have suggested new fees that are not common practice throughout the state and have challenged and removed municipal fees that were not defensible. We have assisted municipalities in streamlining their fee-based processes.

All RCS principals have prior city experience, serving as analysts, managers or directors. We are all knowledgeable in fund accounting, department structures and municipal services. We stay current on pending financial and legal issues that challenge municipalities. All principals are comfortable speaking with city staff at all levels, drafting reports and resolutions, and presenting to the public, stakeholders and City Council members.

RCS principals perform all studies in a professional and expedient manner and do not rely on junior staff to perform these vital tasks with our clients. We also don't rely on status memos because we will be at City Hall quite often to tell you in person how the project is going.

Eric Johnson, President, has streamlined and perfected the process of CAP and User Fee Study engagements. With over 30 years and hundreds of studies completed, Eric has created a superior process that demands little of city staff time while obtaining maximum results. Eric quickly understands complex city services and how to calculate fees for them. He relates well with elected officials because he responds with candor and brevity. If you speak to any of Eric's prior or current clients, they will tell you how easy the process was.

Chu Thai, Vice President, joined RCS after 22 years of municipal experience. As a budget manager and finance director, Chu has successfully coordinated user fee increases, impact fee increases, utility rate increases and tax ballot measures. His experience helps clients avoid the unseen perils that jeopardize municipal projects. After project completion, Chu leaves behind well-documented reports and spreadsheets for City staff. The focus of his career has been to improve cities' financial stability and implement operational effectiveness and efficiencies in local government.



Scott Thorpe, Senior Vice President, joined RCS in 1985. Before that, he spent 13 years at the cities of Chula Vista, Covina, Anaheim and Brea, serving in various roles within the city manager's offices. Scott performed user fee studies for several years, transitioning to development impact fees when AB 1600 went into effect. He has written articles laying out the fundamentals of impact fees, and his work has generated tens of millions in fee revenues for cities.

Rick Kermer, Partner, was one of the founders of RCS. Rick used his CPA and audit experience to build cost allocation and user fee spreadsheets and software that passes rigorous analysis and reporting accounting standards. Rick's work is the foundation of all the fee study work offered today. He is now semi-retired, taking only a handful of projects each year.

BEAUMONT PROJECT TEAM

While all RCS principals have worked independently on projects, Eric Johnson and Chu Thai would both be primarily involved with the Comprehensive Fee Study and Full Cost Allocation Plan. Prior to the project kick-off, we will designate one principal as the Project Manager and primary contact. The other principal will work behind the scenes, compiling and analyzing the data.

RCS assigns two principals for several reasons. Often, both principals will attend the public hearing because two are better than one at convincing the policy makers. Two principals allow us to discuss high-level issues for each project. Most important to RCS, we want our principals to build long-term relationships with all our clients.

RCS may assign additional specialists to the project to help maintain the proposed schedule and ensure the quality of the product. For the sake of continuity, only RCS principals will interact with City staff, as our specialization and expertise will allow staff to focus on other City functions. We thoroughly understand and will be involved in every phase of the fee study, advising City staff when necessary.

RCS resumes for the project team are included in this proposal on the following pages.



Eric S. Johnson President

EDUCATION

Bachelor of Arts in Political
Science - University of
Redlands

AFFILIATIONS

California Society of
Municipal Finance Officers

Government Finance Officers
Association

Mr. Johnson serves as President of Revenue & Cost Specialists with over 30 years of professional knowledge in cost recovery model and user fee studies. He focuses on providing a positive experience for RCS clients, which minimizes staff interruptions yet still produces a comprehensive, defensible study that is adopted by the governing board.

Municipal Experience

City of Redlands – Redevelopment Intern (1987-1989)

Relevant Project Experience

City of Long Beach – Comprehensive Fee Study: Mr. Johnson is performing a three-year comprehensive update of Long Beach’s fees starting in 2019. The first phase of the project was approved by the City Council in 2021.

City of Santa Clarita – Cost recovery model and Comprehensive Fee Study: Mr. Johnson developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2017 and also annually updates the Cost Allocation Plan. RCS has been providing these services for the City since 1995.

City of Lancaster – Cost recovery model and Comprehensive Fee Study: Mr. Johnson developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2019 and also annually updates the Cost Allocation Plan. RCS has been providing these services for the City since 2006.

City of El Segundo – Cost recovery model and Comprehensive Fee Study: Mr. Johnson developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2018 and also annually updates the Cost Allocation Plan. RCS has been providing these services for the City since 2008.



Chu Thai Vice-President

EDUCATION

Claremont Graduate University – Completed coursework towards Masters in Public Policy

Cal State Northridge – MA Public Administration

Cal Poly, Pomona – BS in Urban and Regional Planning

AFFILIATIONS

California Society of Municipal Finance Officers (CSMFO – Board Member)

Government Finance Officers Association (GFOA)

International City/County Management Association (ICMA) (Cal-ICMA)

Municipal Information Systems Association of California (MISAC)

Mr. Thai provides multiple aspects to the implementation of user fees, impact fees and utility rates. His experience as a municipal finance officer helps clients reach their goal of fee adoption. Chu keeps current of all legal policies which impact the noticing, calculation and reporting of fees.

Municipal Experience

Impact Fees: Cities of Morgan Hill and Monterey Park

Utility Rates: Cities of Morgan Hill, Beverly Hills, South Pasadena and Monterey Park

User Fees: Cities of Claremont, Morgan Hill, Beverly Hills, South Pasadena and Monterey Park

Director of Management Services, City of Monterey Park, CA

- Managed department of 15 to provide financial planning and reporting, revenue collections, treasury, information technology, telecommunication and support services
- Improved city's revenues through updated user fees, utility rates, and impact fees
- Conducted long-term financial forecasting and analysis
- Streamlined and enforced purchasing process

Administrative Services Director, City of Eastvale, CA

- Managed department providing general accounting, accounts payable, purchasing, payroll, business tax, treasury, IT and communication services
- Updated the City's Investment Policy and strategy
- Developed long-term revenue strategy
- Performed communications audit and reduced expenses by 75%

Finance Director, City of South Pasadena, CA

- Outsourced utility billing and customer service
- Completed \$43.4 Million Water Bond Issuance and \$12 Million Refunding
- Coordinated the passage of Utility Users Tax Ballot Measure
- Negotiated lease agreements for city property and cell towers



Chu Thai

Vice-President

Municipal Experience (continued)

Budget and Management Officer, City of Beverly Hills, CA

- Managed \$400 million citywide budget for 750 full-time employees
- Developed comprehensive capital improvement program
- Developed quarterly performance report presented to the City Council
- Implemented performance-based budget, including goals and objectives
- Updated the city's user fees and utility rates

Budget Manager, City of Morgan Hill, CA

- Managed utility billing, purchasing, business license and accounts receivable functions
- Coordinated IT overhaul, including finance, utility billing and recreation software conversions, standardization, training, disaster recovery and outsourcing.
- Developed pro-formas for proposed aquatics and community centers
- Updated the city's impact fees, user fees and utility rates

Senior Management Analyst, City of Tustin, CA

- Coordinated the City's \$80 million operating and CIP budget with all departments
- Managed finance software upgrade, focusing on departmental reports
- Deployed online payment system for utility customers

Management Analyst, City of Claremont, CA

- Assisted in the development of effective parks and recreation programs
- Assisted in the construction and programming of the Claremont Youth Activity Center, Claremont Skate Park and Hughes Community Center
- Coordinated budget and evaluated cost recovery for the department

SCOPE OF SERVICES

The City of Beaumont wants to identify the full costs of all operational services that are either currently charged a fee or could be charged a fee. As part of our study RCS will first produce a Cost Allocation Plan (CAP), which is necessary in calculating the fully burdened hourly rates for employees, is an effective way to distribute the overhead costs to funds, departments, and the end-user services, and will make the full costs of services study more defensible.

Based on the full cost information, RCS will review with staff a proposed fee structure that will recover these costs in the most equitable and efficient way possible. This may involve flat fees, deposits, valuation-based fees, step-increase fees, or a combination of these. But the eventual fee recommendations included in the final report and master fee resolution will be defensible, easy to understand, and be supported by City staff.



RCS will construct user fees that represent how operations are conducted in the City. We will review with staff suggested fee structures that recover costs in the most equitable and efficient way possible. This may involve flat fees, deposits, valuation-based fees, step-increase fees or a combination of these. The eventual fee recommendations included in the final report and master fee resolution will be defensible, easy to understand and supported by City staff.

The most important part of our work is performed through a **series of focused meetings with staff**. Face-to-face meetings commit staff to the timeline and ensure that our study draws from the most knowledgeable person on the subject matter. A series of meetings also gives City staff time to digest and reflect on the information generated. RCS uses only company principals with more than 20-plus years of experience to conduct these meetings, which makes the process quicker and the results more accurate. Our process provides the City with well-documented and defensible service costs that will be used to develop fees that comply with Propositions 4, 218 and 26.

We also **identify 100% of the staff time on 100% of the services they provide**. This gives City staff a complete perspective on their time allocations instead of merely looking at time allocations for individual services in a vacuum. These methods will ensure that City staff feels confident about the data and, therefore, confident in supporting the results in public hearings.

The other key result of identifying 100% of City services is that we are identifying not only the cost of fee services, but of community-supported services, such as police, street and park maintenance services. This allows us to have a real discussion with real numbers with the



City Council about tax subsidy policy. Since we are identifying the full costs of fee services, we are also identifying the current subsidy of general tax dollars for these services. Therefore, we can show the City Council how much fee services are subsidized at the expense of community-supported services. Does the City want to continue to use precious tax dollars to support, for instance, a bathroom remodel and permitting inspection that only benefits a particular property owner or use those tax dollars on things that can only be supported by tax dollars, like police patrol and park maintenance? They will now have that information to be able to make that conscious choice.

Changing the discussion from fee increases to tax subsidy policy along with RCS' experience in successfully presenting the results of similar studies to City Councils ensures that the City will be able to meet its policy objectives.

RCS will provide the City of Beaumont with the requested printed and electronic copies of the final versions of the *Cost of Services Study* and *Cost Allocation Plan*, including related schedules and cost documentation in a format that can be edited and updated by City staff to accommodate desired changes.

RCS' process will do more than update the City's current fees. We take a deep dive into each and every fee, discussing its purpose, structure, legal defensibility, payment collection effectiveness, and value to the community. Based on our 41 years of experience, we are comfortable recommending the restructuring, addition and removal of fees to make it better for the City.

RCS' Comprehensive Fee Study Will Provide the Following



In addition to user fees, this Study will allow Beaumont to update your rents/permit to use fees and fines/bails.



PROJECT TASKS

RCS' Proposal will perform all project tasks listed in the City of Beaumont's Request for Proposal. The task descriptions below further explain the steps and timeline of RCS' fee study. The project tasks in the City's RFP shall prevail should there be conflicting language with RCS' proposal.

Project Kick-Off

Task 1: Prepare City Data

RCS will review and prepare necessary files for the project. This includes obtaining and reviewing prior user fee reports and fee schedules, line-item budget details, salary schedules, MOUs and fringe benefit details.

Task 2: Kick-off Meeting

RCS will conduct a Citywide meeting, explaining the operational methodology of the study and the role of staff. We will review any possible issues that may arise as well as answer any questions from staff about the process. This meeting is crucial for the process as we want to ensure that everyone understands the various steps in the process and what is expected of them.

Cost Allocation Plan

Task 1: Identify Central Services and Allocate Staff Time

RCS will meet with various departments to identify and review central services and allocate staff time and costs for those services. Examples of central services include payroll, risk management, and facility maintenance. City staff time involved in the meetings would be approximately 1-2 hours per central service department.

Task 2: Develop Allocation Factors

RCS will meet with City staff to develop the allocation factors for each central service identified in the above task. These factors will form the basis for determining fully burdened hourly rates and allocating central service costs. This meeting will be concurrent with the time allocation meeting. Though City staff involvement in data gathering is a function of the availability of the required information, RCS will develop allocation factors that are easily reproducible from year to year but still equitably allocate central service costs. RCS will calculate allocations to the functional centers and review the results with the managers of the various central service departments. City staff time to review the results of the allocations will be less than 1 hour per department.



Task 3: Prepare and Review Draft with City

RCS will prepare a Draft Report with allocations to end user departments using our 20-step allocation model. RCS will review this Draft Report with the City's management, making any necessary adjustments to ensure that costs are allocated properly.

Task 4: Prepare Final Cost Allocation Plan

RCS will then prepare a Final Report with allocations to end user departments. These results will be used for the general overhead component of the Fee Study and can also be used to determine the amounts for transfers to the General Fund for support provided to other funds. RCS will provide the City's requested number of printed copies, as well as a PDF file of the Overhead Cost Allocation Study. RSC will also provide a computer-based model for adjusting these fees and charges for the City's current and future needs, providing an electronic copy of the final study that can be edited and updated as needed. RCS will consult with City staff as necessary to defend the cost allocation plan in the event of audits or other challenges.

Fee Study

Task 1: Review the Service List with Staff

RCS will review the service list through meetings with City staff. We will also work with Departmental staff to determine any changes to the fee calculation methods. The end result, whichever method is used, will be a fee structure that best fits the City going forward. While this list will change during the course of the Study as it is refined, it will be the initial basis from where we start. City staff time for this review will be approximately 1 hour per department.

Task 2: Staff Time/Contract Cost Allocations

RCS will interview personnel providing end-user services to ensure that costs from all functional areas directly involved with a service are included in the cost of that service. This component will form the bulk of the time spent by staff. There will be two to four meetings with supervisory level staff in each functional area to create and verify the amount of time spent by staff on the services identified in the task above. We do not ask City staff to do our job by filling out forms detailing how they spend their time. This interactive process, and the fact that we allocate 100% of all departmental staff, ensures that the information being generated is valid and reliable. A sample Time Detail Report is included in this proposal. Total time commitment per department varies from 2-20 hours, through a series of working meetings.



Task 3: Develop Fully Allocated Hourly Rates

RCS will develop a fully allocated hourly rate for each departmental employee, including salaries and benefits, miscellaneous operating services and supply costs, citywide overhead and departmental overhead. A sample Hourly Rate Report is included in this proposal.

Task 4: Prepare Draft Report

RCS will prepare a Draft Report that identifies the total costs for each service, along with current fees, and makes fee recommendations for each service presented as well potential new fees for services the City provides but does not charge for. Service costs will be compared with existing recovery levels. RCS will review this report with the departments so that each will have input on the fees presented in the Final Report. City staff time would be approximately 1-2 hours per department for those departments that have fee services. A sample of the Service Summary and Cost Detail Reports that are provided for each service is included in the following pages.

Task 5: Prepare Final Report

Based on staff input, RCS will prepare a Final Report, which will have recommendations for new fees, subsidy percentages and revenue projections from those fees. The Report will include text and summary tables that clearly explain the results and the context. All recommended fees will comply with Propositions 4, 218, 26 and any other applicable laws. RCS will consult with staff as needed to defend the fee study in the event of audits or other challenges.

Task 6: Present Report to the City Council and Committees

RCS will assist City staff, the City Council and any Committee in the review and adoption of revised service fees and subsidy percentages, at up to three public meetings. RCS will assist City staff in the implementation of the revised service fees.

CLIENT INPUT

RCS will make every effort to advise, seek input from and, in general, explain the work as it is being performed. For a project to be completed successfully, we depend on dedicated and engaged staff participation. Most of the staff participation is to attend working meetings with RCS. There will be no “homework” to be completed and returned to us. The total participation time for City staff would vary between 2-20 hours, depending on their department/division/program and number of fees within their area.



The City should also designate a Project Coordinator for the fee study who will:

- 1) Identify key City staff and coordinate the kick-off meeting(s)
- 2) Assist in obtaining requested information
- 3) Coordinate the review of draft reports, and
- 4) Provide project direction if needed

THE RIGHT SOFTWARE

In 2000, RCS developed and began using a Windows-based software that is user-friendly and comprehensive. It includes a logical, easy-to-use interface and produces easy-to-understand reports. This Costing Software, based on an easily downloadable 14mb package, will allow the City to continuously update the Cost Allocation and User Fee Studies, as well as input hypothetical services to calculate the estimated costs of providing new services without the worry of incorrect formulas inherent in Excel-based systems. In addition, we are no longer impacted by Microsoft's upgrades and security patches, which frequently broke Excel formulas and macros, making it challenging for RCS to support our clients, who are all using different versions of office suite software.

Although RCS is willing to provide the reports in these formats, we believe that cost allocation plans and user fee calculations require a more complex level of detail than Microsoft Word and Excel can offer. Our software provides the software stability and data entry efficiency that is needed for comprehensive cost allocation plans and user fee studies.

For annual updates, our software allows for the editing of funding sources, staffing, benefits, services, allocation time and allocation factors. RCS' software also produces easy-to-read reports and the ability to export data to Excel for further analysis.

Once the project is completed, RCS will ensure that the system and data files are properly installed at the City with no licensing limitations. RCS will provide training and lifetime support and offers annual fee updates as a service so that City staff can focus on other things.

SAMPLE REPORTS

Please see the following examples of reports produced within our software. These reports could not be easily created if RCS were to remain with spreadsheets and word processing software. RCS reports are detailed and easily understood. The amount of details presented in RCS reports facilitate future fee updates, and makes the fees easier to defend.

In the examples, we highlighted some data points to show how information can easily be traced through our reports. All the data within our software can be exported to Excel for customized analysis and reporting by the City.



SAMPLE – FEE SERVICE SUMMARY WORKSHEET

**CITY OF LONG BEACH
REVENUE AND COST SUMMARY WORKSHEET
FY 2019-20**

SERVICE TENTATIVE PARCEL MAP		REFERENCE NO. PL-053	
PRIMARY DEPARTMENT CURRENT PLANNING	UNIT OF SERVICE APPLICATION	SERVICE RECIPIENT	
DESCRIPTION OF SERVICE Review of a tentative map of up to 4 lots for compliance with City codes and standards and the Subdivision Map Act.			
CURRENT FEE STRUCTURE \$5,753 per application plus \$164 per lot			
<u>REVENUE AND COST COMPARISON</u>			
UNIT REVENUE:	\$6,327.00	TOTAL REVENUE:	\$12,654
UNIT COST:	\$18,581.00	TOTAL COST:	\$37,162
UNIT PROFIT (SUBSIDY):	<u>\$(12,254.00)</u>	TOTAL PROFIT (SUBSIDY):	<u>\$(24,508)</u>
TOTAL UNITS:	2	PCT. COST RECOVERY:	34.05%
SUGGESTED FEE FOR COST RECOVERY OF: 100% Zoning Administrator - \$4,420 per application Planning Commission - \$13,655 per application Vesting Map - additional \$1,010 per application			



SAMPLE – FEE SERVICE DETAIL WORKSHEET

**CITY OF LONG BEACH
COST DETAIL WORKSHEET
FY 2019-20**

SERVICE TENTATIVE PARCEL MAP				REFERENCE NO. PL-053		
NOTE Unit Costs are an Average of Total Units				TOTAL UNITS 2		
DEPARTMENT	POSITION	TYPE	UNIT TIME	UNIT COST	ANN. UNITS	TOTAL COST
PLANNING ADMIN.	CLERK TYPIST III	ZA	4.00	\$358.28	2	\$717
PLANNING ENTITLE.	CURRENT PLANNING OFFICER	ZA	2.00	\$458.60	2	\$917
PLANNING ENTITLE.	PLANNER V	ZA	2.50	\$584.05	2	\$1,168
PLANNING ENTITLE.	PLANNER AIDE/I-IV	ZA	17.00	\$3,018.82	2	\$6,038
TYPE SUBTOTAL			25.50	\$4,419.75		\$8,840
DEV. SVCS ADMIN	DIR-DEVELOPMENT SERVICES	PC	1.00	\$254.36	2	\$509
PLANNING ADMIN.	MGR-PLANNING BUREAU	PC	2.75	\$898.51	2	\$1,797
PLANNING ADMIN.	CLERK TYPIST III	PC	12.00	\$1,074.84	2	\$2,150
PLANNING ENTITLE.	CURRENT PLANNING OFFICER	PC	5.25	\$1,203.83	2	\$2,408
PLANNING ENTITLE.	PLANNER V	PC	5.00	\$1,168.10	2	\$2,336
PLANNING ENTITLE.	PLANNER AIDE/I-IV	PC	50.99	\$9,056.47	2	\$18,113
TYPE SUBTOTAL			76.99	\$13,656.11		\$27,312
PLANNING ADMIN.	MGR-PLANNING BUREAU	Vesting Map	0.25	\$81.68	1	\$82
PLANNING ENTITLE.	CURRENT PLANNING OFFICER	Vesting Map	0.25	\$57.33	1	\$57
PLANNING ENTITLE.	PLANNER V	Vesting Map	0.50	\$116.81	1	\$117
PLANNING ENTITLE.	PLANNER AIDE/I-IV	Vesting Map	4.25	\$754.93	1	\$755
TYPE SUBTOTAL			5.25	\$1,010.75		\$1,011
TOTALS			107.73	\$18,581.00		\$37,162



SAMPLE – FULLY ALLOCATED HOURLY RATE DETAIL REPORT

CITY OF LONG BEACH
Fully Allocated Hourly Rate
Position Detail
FY 2019-20

POSITION TITLE: **PLANNER AIDE/I-IV**
POSITION CODE: PLCOM
SUBORG UNIT: PLANNING ENTITLE.
SUBORG UNIT CODE: 337-DVPL-OP.2
NO. OF FTE'S: 9.000
POSITION STATUS: FT
FRINGE GROUP: C01

	<u>Total Avail-Wk-Hrs</u>	<u>% of Salary</u>	<u>Hourly Rate</u>
DIRECT COSTS:			
Avail. Work Hours/Salary	14,751		\$49.68
Fringe Benefits		59.74%	\$29.68
Maintenance & Operation Costs		8.08%	\$4.01
Building Occupancy Costs		0.00%	\$0.00
Debt Service Costs		0.00%	\$0.00
INDIRECT COSTS:			
Overhead Costs		189.73%	\$94.26
Fixed Asset Replacement Costs		0.00%	\$0.00
TOTAL - All Costs			<u>\$177.63</u>



FEES

Revenue & Cost Specialists proposes the following project costs, with a **NOT TO EXCEED AMOUNT OF \$34,980** for the Comprehensive User Fee Study and Cost Allocation Plan.

Task	Milestones/Deliverables	Hours	Total Cost
Cost Allocation Plan			
Kick-Off Meeting	Informational Meeting	8	1,320
Build Budget and Positions	Schedule of Positions and Budget	16	2,640
Review Central Services/Times	List of Central Services	10	1,650
Develop Allocation Factors	Index of Allocation Factors	16	2,640
Initial Calculation Review	Draft Cost Allocation Plan	8	1,320
Prepare Final Cost Allocation Plan	Final Cost Allocation Plan	8	1,320
	Total Cost Allocation Plan	66	\$10,890
User Fee Study			
Develop Service List	Preliminary Service List	8	1,320
Develop Staff Time Allocations	Time Detail Reports	50	8,250
Develop Fully Alloc. Hourly Rates	Fully Alloc. Hourly Rate Reports	24	3,960
Prepare Draft Report	Draft Fee Study Report	32	5,280
Prepare Final Report	Final Report	16	2,640
Public Meetings	Presentations	16	2,640
	Total User Fee Study	146	\$24,090
	TOTAL PROJECT COST	212	\$34,980

The above proposal is based on a cost of \$165 per hour. The billing rate for any additional work not covered by this proposal would be \$195 per hour.

Our proposal covers all costs except for the following additional costs that the City may incur:

- Insurance coverage beyond our basic general liability and workers compensation requiring an additional premium. RCS standard coverage includes workers compensation pursuant to state law, comprehensive liability Insurance with a combined single limit coverage of \$2,000,000 and professional liability insurance with a combined coverage of \$2,000,000.
- Report reproduction beyond identified number of copies of the final reports.
- Meeting attendance beyond those identified in this proposal.

RCS will submit four equal invoices plus any miscellaneous costs from the previous paragraph. The first invoice will be submitted ten days after notice to proceed. Each invoice will be due within 30 days of submission.



REFERENCES

The following are municipal agencies that requested the same components outlined in the City's RFP. We have also included a comprehensive list of clients throughout the years.

Jurisdiction	Contact	Title
City of Farmersville	Steve Huntley (559) 747-0458	Finance Director shuntley@cityoffarmersville-ca.gov
RCS was selected in September 2020 to update the City's Cost Allocation Plan, User Fees and Impact Fees. The User Fees have been adopted by the City Council, and Impact Fees will be presented in November 2021.		
City of Selma	Ralph Jimenez (559) 891-2200	Interim City Manager ralphj@cityofselma.com
RCS was selected in 2020 to update the City's Full Cost Allocation Plan and User Fees. The suggested fees were presented to the City Council in October 2021, and is planned for adoption in November 2021.		
City of El Segundo	Joseph Lillio (310) 524-2315	Director of Finance jlillio@elsegundo.org
RCS completed a Cost Allocation Plan and Comprehensive Fee Study for the City in 2018. The City Council adopted changes to its fee schedule, including Building fees. RCS is currently contracted to evaluate their Aquatics program and revenue collections procedures.		
City of Long Beach	Geraldine Alejo (562) 570-5478	Revenue Management Officer Geraldine.Alejo@longbeach.gov
RCS was selected in 2019 to perform a three-year comprehensive update of Long Beach's 2,850 fees, fines and permits.		
City of Santa Clarita	Carmen Magana (661) 255-4997	Admin Services Director cmagana@santa-clarita.com
RCS developed a Cost Allocation Plan and Comprehensive Fee Study for the City most recently in 2014 and also annually updates the Cost Allocation Plan. RCS has been providing these services for the City since 1995.		



CLIENTS SERVED

USER FEE STUDY/COST ALLOCATION PLAN

Carpentaria-Summerland Fire District
Chino Valley Independent Fire District
City of Alhambra
City of Antioch
City of Arcadia
City of Atascadero
City of Azusa
City of Banning
City of Barstow
City of Bend, OR
City of Beverly Hills
City of Big Bear Lake
City of Brea
City of Buena Park
City of Carlsbad
City of Carmel-by-the-Sea
City of Carpentaria
City of Carson
City of Ceres
City of Chino
City of Claremont
City of Coachella
City of Concord
City of Corona
City of Cotati
City of Cudahy
City of Desert Hot Springs
City of Diamond Bar
City of Dinuba
City of Dublin, Ohio
City of El Cajon
City of El Segundo
City of Elk Grove
City of Eureka
City of Folsom
City of Fontana
City of Foster City
City of Fountain Valley
City of Fullerton
City of Glendale
City of Glendora
City of Goodyear, Arizona
City of Hemet
City of Hermosa Beach
City of Hesperia
City of Highland
City of Huntington Beach
City of Kennewick, WA
City of La Canada-Flintridge
City of La Habra Heights
City of La Mirada

USER FEE STUDY/COST ALLOCATION PLAN (continued)

City of La Palma
City of La Puente
City of Lake Elsinore
City of Lake Forest
City of Lakewood
City of Lancaster
City of Lathrop
City of Lawndale
City of Lemoore
City of Lincoln
City of Lindsay
City of Loma Linda
City of Long Beach
City of Los Altos
City of Lynwood
City of Mammoth Lakes
City of Manhattan Beach
City of Marina
City of Menifee
City of Merced
City of Milpitas
City of Monrovia
City of Monterey
City of Moreno Valley
City of Morgan Hill
City of Morro Bay
City of Needles
City of Norwalk
City of Oakdale
City of Oceanside
City of Ontario
City of Oroville
City of Oxnard
City of Palm Desert
City of Palm Springs
City of Palmdale
City of Pasadena
City of Peoria, AZ
City of Pico Rivera
City of Pismo Beach
City of Pittsburg
City of Pomona
City of Port Hueneme
City of Porterville
City of Rancho Cucamonga
City of Rancho Palos Verdes
City of Red Bluff
City of Redlands
City of Rialto
City of Richmond
City of Ridgecrest
City of Riverside
City of Rocklin

USER FEE STUDY/COST ALLOCATION PLAN (continued)

City of Salinas
City of San Clemente
City of San Gabriel
City of San Juan Capistrano
City of San Marino
City of San Rafael
City of Sanger
City of Santa Clarita
City of Santa Monica
City of Santa Paula
City of Scotts Valley
City of Seal Beach
City of Seaside
City of Selma
City of Shafter
City of Sierra Madre
City of Simi Valley
City of Solana Beach
City of South Gate
City of South Lake Tahoe
City of South Pasadena
City of Springville, UT
City of Stockton
City of Suisun City
City of Taft
City of Thousand Oaks
City of Tracy
City of Tulare
City of Turlock
City of Upland
City of Villa Park
City of Vista
City of West Covina
City of West Jordan, UT
City of Westminster
City of Yuba City
City of Rancho Mirage
Coachella Valley Assoc of Gov't
Contra Costa County
County of Cobb, GA
County of Contra Costa
County of San Bernardino
County of Tulare
Imperial County
Oceanside Harbor District
Orange County Fire Authority
Orange County Vector Control District
Placer County Water Agency
Riverside County Transport. Comm.
San Bernardino Assoc. Gov't
South Jordan City, UT



**USER FEE STUDY/COST
ALLOCATION PLAN (continued)**

Town of Apple Valley
Town of Los Gatos
Town of Mammoth Lakes
Town of Truckee
Ventura County Fire District

IMPACT FEE STUDY

Antelope Valley Fire District
Apple Valley Fire District
Barstow Fire District
Bridgeport Fire District
Brigham City Corporation, UT
Carpentaria-Summerland Fire
District
Chalfant Public Services (Fire)
Protection District
City of Alhambra
City of Anaheim
City of Atascadero
City of Baldwin Park
City of Barstow
City of Big Bear Lake
City of Calimesa
City of Chino
City of Coachella
City of Colton
City of Corona
City of Desert Hot Springs
City of Folsom
City of Gilroy
City of Glendale
City of Gonzales
City of Grand Terrace
City of Greenfield
City of Hemet
City of Highland
City of Huntington Beach
City of Jurupa Valley
City of King City
City of Laguna Hills
City of Lemoore
City of Loma Linda
City of Menifee
City of Monterey Park
City of Morgan Hill
City of Murrieta
City of Needles
City of Newport Beach
City of North Ogden, UT
City of Oceanside
City of Ontario
City of Orange
City of Oroville
City of Paso Robles
City of Petaluma
City of Pismo Beach

IMPACT FEE STUDY (continued)

City of Rancho Cordova
City of Reedley
City of Rialto
City of Riverside
City of San Bernardino
City of Santa Paula
City of Scotts Valley
City of Sedona, AZ
City of Selma
City of Sierra Madre
City of Thousand Oaks
City of Tracy
City of Tulare
City of Wheatland
City of Whittier
County of Monterey Sheriff's
Department
County of San Bernardino
Feather River Recreation and
Park District
June Lake Fire District
Lake Havasu City, AZ
Long Valley Fire District
North Central Fire District
SANBAG
South Jordan City, UT
South Ogden City, UT
Town of Apple Valley
Town of Mammoth Lakes
Town of Paradise
Town of Truckee
Washington Terrace City, UT
West Jordan City, UT
Wheeler Crest Fire District

MISCELLANEOUS PROJECTS

Brigham City Corporation, UT –
Closed Indian School Use
Conversion
City of Azusa – Plan
Check/Inspection Process
Review
City of Beverly Hills – Rent
Stabilization Fee
City of Colton – Electric Utilities
Collection Procedural Manual
City of Corona – Communications
Repeater Cost Financing
City of Corona – Interstate 15
Area Public Safety Facility
Financing
City of Fontana – General &
Departmental Overhead Plan
City of Garden Grove - Internal
Service Fund Balance Study
City of Hemet – Supplemental DIF,
Public Peril Report

**MISCELLANEOUS PROJECTS
(continued)**

City of Los Altos – Existing DIF
Review
City of Milpitas – Business License
Ordinance Review
City of Needles – Development
Agreement Assistance
City of Pico Rivera – Business
License Ordinance Review
City of Port Hueneme – Revenue
Search Report
City of Redlands – Street
Sweeping Rate Study
City of San Bernardino –
Verdemont Area Financing
Analysis
City of San Clemente – Business
License Review
City of Santa Paula – General Plan
Element
City of Seaside – Hayes Housing
Development Service Demands
City of South Lake Tahoe –
Transfer of Custody Cost
Verification
City of Westminster –
Productivity Measurement
Module
Lake Havasu City, AZ – Capital
Financing Plan
Los Angeles Fire/Police
Retirement System – Fiscal
Review
San Bernardino County – Special
District Office Finance Review
South Jordan City, UT – Business
Regulation Costing
Town of Windsor – Long Range
Capital Financing Plan



IMPLEMENTATION TIMELINE

RCS is available to begin work immediately, will perform all project tasks within the City’s Request for Proposal, and will present the Final Report to the City Council in April 2022. Our process is typically 4-6 months, however scheduling meetings around the holidays takes more time. RCS can work with the City of Beaumont to have updated user fees adopted and effective on Tuesday, July 5, 2022. State laws requires development related fees to be effective 60 days after Council adoption.

This schedule, of course, will require the cooperative participation of City staff. We will be having meeting with staff every two to three weeks and providing them with updates. RCS will comply with local, county, and state protocols for safely conducting meetings as the COVID-19 pandemic evolves.

Project Timeline	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022
Cost Allocation Plan					
Review of Central Services/Time					
Review Allocation Factors					
Review Draft Cost Allocation Plan					
Prepare Final Cost Allocation Plan					
User Fee Study					
Obtain Budget & Personnel Data					
Review Service List					
Review Staff Time Allocations					
Develop Fully Alloc. Hourly Rates					
Review Draft & Final Report					
Present to City Council					

ONSITE MEETINGS AND VIDEO CONFERENCING MEETINGS

RCS plans to be onsite at the City for the project kick-off meeting and all working meetings occurring the same day. RCS Partner(s) will also be present at all public meetings involving the City Council.

RCS will utilize our Zoom account, or any video conferencing platform of the City’s choosing, to facilitate all other working meetings. Our experience has determined that the use of video conferencing is more flexible in scheduling meetings, permitting City staff to quickly access reports and files on their computers, and allowing everyone to view and discuss the same documents at the same time. Department meetings will be 30 minutes to two hours each.



INSURANCE, BUSINESS LICENSE & STANDARD CONTRACTS

If selected, RCS will provide the City with the proper Certificates of Insurance.

If selected, RCS will obtain a Beaumont City business license, and maintain an active license throughout the contracted period.

RCS has noticed that the indemnification language of many standard city contracts can be interpreted as placing all of the risk on RCS. While we have no issue being responsible for and defending our actions, we can't be responsible for unsubstantiated claims. We believe it is best to clarify the burden of litigation with our client cities, and therefore, suggest the following indemnification language:

“Consultant shall indemnify the City, its elected officials, officers and employees from any demands, judgements, and all liability including, but not limited to, monetary or property damage, lost profit, personal injury, wrongful death, general liability, infringement of copyright/patent/trademark, professional errors and omissions, investigative expenses, attorney fees, and court costs arising out of an error, a negligent act, or omission of the Consultant, or the willful misconduct of the Consultant in performing the services described in, or normally associated with, this type of contracted work.”

EXHIBIT "B"

CERTIFICATES OF INSURANCE AND ENDORSEMENTS



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

11/23/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Kessler Alair Insurance Services, Inc License # OA 91387 12487 N. Mainstreet, Ste. 240 Rancho Cucamonga CA 91739	CONTACT NAME: Mary Strohan PHONE (A/C, No, Ext): (909) 931-1500 E-MAIL ADDRESS: mstrohan@kessleralair.com	FAX (A/C, No): (909) 932-2133
	INSURER(S) AFFORDING COVERAGE	
INSURED Revenue & Cost Specialists, LLC 1519 E. Chapman Ave., Suite C Fullerton CA 92831-3623	INSURER A: Philadelphia Insurance	
	INSURER B: Employers Preferred Ins Co (#1709000)	
	INSURER C:	
	INSURER D:	
	INSURER E:	

COVERAGES

CERTIFICATE NUMBER: 2020-21 GL AUTO PROF & WC

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	X		PHBX20001810	12/31/2020	12/31/2021	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 3,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
							Hired/borrowed	\$ 1,000,000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHBX20001810	12/31/2020	12/31/2021	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> RETENTION \$ 10,000			PHUB750890	12/31/2020	12/31/2021	EACH OCCURRENCE	\$ 1,000,000
							AGGREGATE	\$ 1,000,000
								\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	EIG2980142-01	12/31/2020	12/31/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER	
							E.L. EACH ACCIDENT	\$ 1,000,000
							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Professional Liability Retro Date 04/27/1990			PHSD1509358	12/31/2020	12/31/2021	Liability Each Claim Incl Exp	\$1,000,000
							\$2,500 Ded-Annual Aggregate	\$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Additional Insured is the City of Beaumont, the City, it's officers, officials, employees and volunteers as per attached PI-BOP-003 (01/18) endorsement.

CERTIFICATE HOLDER

justation@beaumontca.gov

City of Beaumont
 ATTN; Jennifer Ustation Finance Director
 550 E. 6th Street
 Beaumont, CA 92223

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Mary Strohan/MARY

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**BLANKET ADDITIONAL INSURED**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

- A. SECTION II – LIABILITY, C. Who Is An Insured** is amended to include the following as an additional insured:

Any person(s) or organization(s) for whom you are performing “your work” under a written contract or agreement, that requires such person(s) or organization(s) to be added as an additional insured on your policy. Such person(s) or organization(s) is an additional insured only with respect to liability for “bodily injury”, “property damage” or “personal and advertising injury” occurring after the effective date of such contract or agreement that is caused, in whole or in part by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of “your work” for the additional insured.

Coverage for an additional insured under this endorsement ends when “your work” for that additional insured ends or is put to its intended use by any person or organization.

- B.** The following is added to **SECTION II – LIABILITY, B. Exclusions, 3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion** with respect to this endorsement only:

There is no coverage under this endorsement for loss or expense, including but not limited to the cost of defense for “bodily injury”, “property damage” or “personal and advertising injury” occurring:

- a. After all of “your work”, including materials, parts or equipment furnished in connection with “your work” and performed under the above referenced written contract(s) or agreement(s) has ended; or
- b. When that portion of “your work” out of which the “bodily injury”, “property damage” or “personal and advertising injury” arises and performed under the above referenced written contract(s) or agreement(s) has been put to its intended use by any person or organization;

whichever occurs first.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**HIRED AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Insurance is provided only for those coverages for which a specific limit or premium charge is shown in the Declarations.

1. Hired Auto Liability

The insurance provided under **SECTION II – LIABILITY, A. Coverages, 1. Business Liability**; applies to “bodily injury” or “property damage” arising out of the maintenance or use of a “hired auto” by you or your “employees” in the course of your business.

2. Non-Owned Auto Liability

The insurance provided under **SECTION II – LIABILITY, A. Coverages, 1. Business Liability**; applies to “bodily injury” or “property damage” arising out of the use of any “non-owned auto” in your business by any person other than you.

B. For insurance provided by this endorsement only:

1. The exclusions, under **SECTION II – LIABILITY, B. Exclusions, 1. Applicable to Business Liability Coverage**, other than exclusions **a., b., d., f.** and **i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

a. “Bodily injury” to:

(1) An “employee” of the insured arising out of and in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured’s business; or

(2) The spouse, child, parent, brother or sister of that “employee” as a consequence of Paragraph **(1)** above.

This exclusion applies:

(1) Whether the insured may be liable as an employer or in any other capacity; and

(2) To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

(1) Liability assumed by the insured under an “insured contract”; or

(2) “Bodily injury” arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.

- b. "Property damage" to:
- (1) Property owned or being transported by, or rented or loaned to the insured; or
 - (2) Property in the care, custody or control of the insured.
2. **SECTION II – LIABILITY, C. Who Is An Insured**, is replaced by the following:
- a. Each of the following is an insured under this endorsement to the extent set forth below:
- (1) You;
 - (2) Any other person using a "hired auto" with your permission;
 - (3) For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
 - (4) Any other person or organization, but only for their liability because of acts or omissions of an insured under (1), (2) or (3) above.
- b. None of the following is an insured:
- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - (2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
 - (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
 - (4) The owner or lessee (of whom you are a sub lessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
 - (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
3. This insurance does not apply: If you regularly deliver the good or products which you are in the business of selling, "bodily injury" or "property damage" arising out of the delivery of those goods or products.
4. This insurance does not apply: If you deliver any goods or products for a charge, "bodily injury" or "property damage" arising out of the delivery of those goods or products.
- C. The following additional definitions apply:
1. **"Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".
 2. **"Hired Auto"** means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours. This DOES NOT include any "Auto" you lease for a period of more than 30 consecutive days.

3. **“Non-Owned Auto”** means any “auto” you do not own, lease, hire, rent or borrow which is used in connection with your business. However, if you are a partnership, a “non-owned auto” does not include any “auto” owned by any partner.