



# SWEETWATER AUTHORITY

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[www.sweetwater.org](http://www.sweetwater.org)

## GOVERNING BOARD

HECTOR MARTINEZ, CHAIR  
ALEJANDRA SOTELO-SOLIS, VICE CHAIR  
JOSIE CALDERON-SCOTT  
STEVE CASTANEDA  
PAULINA MARTINEZ-PEREZ  
JOSE PRECIADO  
MONA RIOS

CARLOS QUINTERO  
GENERAL MANAGER

JENNIFER H. SABINE  
ASSISTANT GENERAL MANAGER

November 17, 2021

Subject: REQUEST FOR PROPOSAL FOR FINANCIAL AUDIT SERVICES

Sweetwater Authority (Authority) is seeking proposals from qualified firms to provide financial auditing services set forth in the scope of work. *Sweetwater Authority encourages participation from small, local and/or disadvantaged businesses.*

Consultants are invited to submit a proposal as described in Proposal Requirements no later than December 16, 2021. Proposals will be reviewed, and those firms who most appropriately meet the Authority's needs will be considered for an interview by the Authority.

## BACKGROUND

The Authority is a public water agency that provides potable water service to approximately 190,000 people in National City, Bonita and the western and central portions of Chula Vista, California with over 33,000 accounts.

The Authority operates under a Joint Powers Agreement (JPA) and is governed by a seven-member Governing Board. Two of the members are appointed by the Mayor of National City and confirmed by the City Council of National City. The other five members are the elected members of the South Bay Irrigation District (SBID) Board of Directors. All Board members serve four-year terms. The Authority has no taxing power but may otherwise exercise certain common powers of SBID and National City. The JPA provides, in general, that the Authority may acquire, own, lease, operate, manage, maintain, and improve the Water System.

The Authority accounts for all of its operations in a single enterprise fund in accordance with generally accepted accounting principles. The Authority's current Enterprise Resource Planning system (SWERP) is Tyler-New World. SWERP is accessed through an Internet Explorer screen at staff workstations. All SWERP system accounting reports can be produced in Excel or PDF format and SWERP data is easily queried and exported to Excel. Most accounting source documents are stored in SWERP in PDF format and accessible to the Auditors. A copy of the most recent audit may be found at the Authority's website [www.sweetwater.org](http://www.sweetwater.org).

*A Public Water Agency  
Serving National City, Chula Vista and Surrounding Areas*

## **SCOPE OF SERVICES**

- A. The Authority is requesting proposals from qualified firms of certified public accountants to audit its financial statements. These audits are to be performed in accordance with all applicable and generally accepted auditing standards with a focus on standards set forth for financial audits in the General Accounting Office's (GAO) Government Auditing Standards, U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State, Local Governments and Non-Profit Organizations and State of California Controller's Minimum Audit Requirements for California Special Districts.
- B. The Authority desires the Auditor to express an opinion on the fair presentation of its financial statements in conformity with generally accepted accounting principles. The Auditor shall also be responsible for performing certain limited procedures involving preparation of supplementary information required by the Governmental Accounting Standards Board and mandated by generally accepted auditing standards.
- C. The auditor should also be familiar with and prepared to advise the Authority on how best to implement both current and proposed GASB statements.
- D. The Auditor shall not be responsible for preparation of the Annual Reports of Financial Transactions transmitted to the State Controller for each year. This report will be prepared by the Authority's staff.
- E. The Auditor shall communicate in a letter to the Board any reportable conditions found during the audit. A reportable condition shall be defined as a significant deficiency in the design or operation of the internal control structure, which could adversely affect the organization's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions that are also material weaknesses shall be identified as such in the report. Non-reportable conditions discovered by the Auditors shall also be reported in a separate letter to the General Manager.

Auditors shall be required to make an immediate, written report of all irregularities and illegal acts of which they become aware to the Board of Directors and General Manager.

- F. The Authority anticipates and expects the major fieldwork to begin within the first three weeks of August of each year. This does not include preliminary fieldwork which may occur prior to the end of the fiscal year ending on June 30th of each year. The Auditor will typically provide a draft copy of the audit report and management letter by the end of September and a final report in sufficient time to be included in the Board Agenda for final acceptance at an Authority Board meeting in October.

Prior to the end of each fiscal year under audit, the Authority anticipates a meeting with the selected Auditor to discuss specific areas of audit interest, required schedules, and necessary confirmations from outside agencies. The Authority may provide copies of schedules prepared for the FY 2020-21 Audit and come to agreement with the Auditor on the format of schedules required for this audit engagement.

The Authority's Staff will be available to assist in the audit and will prepare any necessary schedules, provide access to documents (invoices, checks, Board Minutes, etc.), prepare all confirmations and be available to answer questions as necessary.

- G. Report preparation and printing of Financial Statements is the responsibility of the Auditor with a review of the Financial Statements by Authority staff. It is expected that the audit firm will deliver a PDF copy.
- H. A representative of the audit firm is expected to attend the Finance and Administration Committee meeting and Board meeting selected for presentation of the audit to the Board and answer any questions the Board may have. A representative may be requested to attend a meeting with the General Manager earlier in September if clarification of the audit findings is necessary.
- I. All working documents and reports must be retained, at the Auditors expense, for a minimum of five (5) years, unless the firm is notified in writing by the Authority of the need to extend the retention period. The Auditor will be required to make working documents available upon request by Sweetwater Authority; parties designated by State or Federal Government; Auditors of entities from which Sweetwater is a recipient of grant funding; and parties designated by the Federal or State Governments or Sweetwater Authority as part of an audit quality review process.

In addition, the Auditors shall respond to the reasonable inquiries of successor Auditors and allow successor Auditors to review working papers relating to matters of continuing accounting significance.

## **TERM OF AGREEMENT**

The Authority is requesting a five-year agreement to audit financial statements for the fiscal years ending June 30, 2022, 2023, 2024, 2025 and 2026. A Single Audit is not expected for any year of the agreement.

## **PROPOSAL REQUIREMENTS**

The proposal submitted by potential consultants shall be concise, well organized and demonstrate the responder's experience applicable to the requirements of this Request for Proposal (RFP). A proposal submitted in response to this RFP shall be in the following order and shall include:

1. **Cover Letter** – A signature by a principal or officer having the authority to negotiate and contractually bind and extend the terms of the written proposal. Please provide the following information regarding the Consultant:
  - a) Legal name and address of the Consultant.
  - b) Legal form of the Consultant (partnership, corporation, joint venture, etc.). If joint venture, identify the members of the joint venture and provide all information required within this section for each member.
  - c) If the Consultant is a wholly owned subsidiary of a “parent company.”
  - d) The name(s), address(es) of office(s), telephone number(s) and email address(es) and other relevant contact information of the person(s) assigned to work on the project.
  - e) The name of the person identified by the Consultant as the project manager.
  
2. **Executive Summary** – A description of the understanding, approach, and methodology proposed to meet the Scope of Work. Describe project challenges and the approach to address those challenges. Discuss lines of communication. Address the Scope of Work as presented, but include other approaches, exceptions, additions, or considerations that are considered warranted. The project approach should demonstrate a thorough understanding of the issues that may be anticipated in this project.
  
3. **Experience** – Provide a brief description of the firm’s history, size, and organization. Describe the experience of the firm and the individuals assigned with projects of a similar nature to the Authority’s and any specific experience developing and modifying capacity fees. The project manager to the project shall not be reassigned without prior written approval from the Authority. Describe proposed local presence for interfacing with the Authority’s project manager and staff. Furnish resumes of key personnel (in an appendix, not counted in the page limit). Provide a minimum of three examples of similar projects successfully completed that demonstrate the required experience to perform the work requested. Projects currently being performed may be submitted for consideration.
  
4. **Qualifications** – Provide the qualifications of the project manager and staff assigned to perform the work. If using sub-consultants, provide the company profile and define the responsibilities and services to be performed by the sub-consultants. An affirmative statement that the firm and all assigned key professional staff are properly licensed in the State of California is required.
  
5. **Project Organization, Approach and Timeline** – Provide a work plan, including major activities and schedule for the project, deliverables and milestone dates. Provide a project schedule that considers completing the fiscal year audits and producing a final report by the end of September.

Describe the approach for each of the tasks outlined in the scope of work, including data requirements and interaction with Authority staff. Include the primary point of contact, person responsible for overall corporate commitment, and project manager. Describe the responsibilities of the individuals who will be working on the project and extent of involvement with the project.

6. **References** – Include three references from agencies with similar projects referenced above under experience. Each reference must include:
  - a) Client name and contact information
  - b) Project description
  - c) Role of key project team members
7. **Cost Proposal** – Provide a lump sum fee proposal broken out by fiscal year for performing the work described in the Request for Proposal for each of the fiscal years ending June 30, 2022, 2023, 2024, 2025 and 2026. The fee shall be inclusive of all costs, including meals, travel, and lodging. Payment by the Authority shall be made on a monthly basis within thirty (30) days after receipt of the Auditor's billing statement. The fee presented will be the basis for final scope and fee negotiations.

Include a schedule, similar to the attached Cost Proposal Matrix, outlining the rates for each partner, specialist, supervisor and staff level participant and anticipated hours for each. The cost of any special services shall be disclosed as separate components of the total all-inclusive maximum price. The schedules should list all professional fees and expenses and should support the total all-inclusive maximum price for each year.

If it should become necessary for the Authority to request the Auditor to render any additional services to either supplement the services requested in this RFP or to perform additional work as a result of the specific recommendations included in any report issued on this engagement, then such additional work shall be performed only if set forth in an addendum to the contract between the Authority and the Firm. Any such additional work agreed to between the Authority and the firm shall be performed at the same rates set forth in the schedule of fees and expenses included with the proposal.

8. **Exceptions to RFP** – The proposing consultant shall certify that it takes no exception(s) to this RFP including but not limited to the attached Authority's standard Agreement for Services. If the proposing consultant does take exception(s) to any portion of this RFP and/or Agreement for Services, the specific exception(s) shall be identified and explained in the proposal.
9. **Addenda** – The proposing consultant shall confirm in its proposal the receipt of all addenda issued to this RFP. The proposing consultant is not required to include copies of the actual addenda in its proposal.

## **PROPOSAL SUBMISSION**

Provide one electronic copy of the proposal in PDF format.

Proposals must be delivered electronically, via the Authority's secure file transfer system NO LATER THAN 3:00 p.m. PST on December 16, 2021. Please note the following:

- The secure file transfer system will REQUIRE proposers to set up an account by providing a valid email address. This email address must be validated by the system before it will allow response document to be uploaded.
- The secure file transfer system must be accessed using an up to date internet browser. Examples include but not limited to: Chrome, Safari, Internet Explorer 11 or later, Firefox.
- The email address used to register for the system to submit the response will receive a confirmation email when the file is first accessed by Authority staff.
- Response should be uploaded in advance of the response deadline. The time stamp on the file received by the system will be used to determine whether the response was submitted on time.
- File Format: The response must be in pdf format, and include scanned copies of all pages with required signatures present.
- File Transfer system web page address:  
<https://sendit.sweetwater.org/filedrop/Audit2022>

## **ADDITIONAL INFORMATION**

Interested parties may submit written questions regarding this RFP to Karim Galeana at [kgaleana@sweetwater.org](mailto:kgaleana@sweetwater.org). Questions must be received no later than 3:00 p.m. PST on December 9, 2021. The Authority's responses to any questions will be shared with all other proposers via e-mail. The Authority may request additional information or clarification from any or all proposers after initial evaluation.

## **SELECTION PROCESS**

Proposals will be evaluated based upon, but not limited to, related experience of the respondents, knowledge of the Authority, professional qualifications of individuals to be assigned to the project, fees, and overall proposal content. Proposals will be reviewed by the Authority. The evaluation criteria that will be used by the Authority are as follows:

Category	Maximum Points
Professional Qualifications of Firm	20
Experience on Similar Projects of Personnel Assigned by Proposer	30
Timeline/Proposed Approach	30
Overall Fee Proposal	20

The Consultant shall be prepared to present its proposal to the Authority's Finance and Administration Committee comprised of three Governing Board members. The need for an interview will not be determined until after the proposals are received; however, proposers will be notified in advance if such interview will be conducted.

The Authority reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. Further, the Authority may reject any proposals which do not conform to the instructions herewith. Additionally, the Authority reserves the right to negotiate all final terms and conditions of any agreement entered into. Nothing in the RFP shall be deemed to commit the Authority to engage any consultant. Please direct questions to Karim Galeana at (619) 409-6712 or [kgaleana@sweetwater.org](mailto:kgaleana@sweetwater.org).

Sincerely,  
Rich Stevenson  
Director of Finance

Attachments: Cost Proposal Matrix  
Sweetwater Authority's Professional Services Contract

Sweetwater Authority  
 Request for Proposal for Financial Audit Services

**NOTE: EXAMPLE ONLY**

**Cost Proposal Matrix**

	FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		
Positions	Rate	Hours	Cost												
Partner															
Specialist															
Supervisor															
Staff															
Other															
Expenses (list)															
Total	FY 2021-22			FY 2022-23			FY 2023-24			FY 2024-25			FY 2025-26		

**AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
[\*\*CLICK & TYPE CONSULTANT NAME\*\*]**

This Agreement is made and entered into this [ ] day of [ ] 20 [ ] by and between SWEETWATER AUTHORITY (hereinafter referred to as the "Authority"), a joint powers agency operating under the Irrigation District Law, Water Code § 20500 et seq., and [\*\*CLICK & TYPE CONSULTANT NAME\*\*] (hereinafter referred to as "Consultant").

RECITALS

- A. The Authority is a public agency of the State of California and is in need of professional services for the following project: [\*\*CLICK & TYPE PROJECT NAME\*\*] (hereinafter referred to as "the Project").
- B. Consultant is duly licensed and has the necessary qualifications to provide such services.
- C. The parties desire by this Agreement to establish the terms for the Authority to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services

1.1 Consultant shall provide the Authority with the services described in the Scope of Services attached hereto as Exhibit "A" and by this reference incorporated herein ("Services"). Consultant warrants that it will perform the Services as set forth herein in a competent, professional and satisfactory manner.

1.2 At any time during the term of this Agreement, the Authority may request changes in the Scope of Services, and any such change shall be processed by the Authority in the following manner: a letter outlining the changes shall be forwarded to the Authority by Consultant with a statement of estimated changes in fee or time schedule. An amendment to the Agreement shall be prepared by the Authority and executed by both parties before performance of such services or the Authority will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

2. Compensation

2.1 Subject to paragraph 2.2 below, the Authority shall pay for such Services in accordance with the Schedule of Charges set forth in Exhibit "B" and by this reference incorporated herein.

2.2 Unless otherwise provide herein, Consultant will perform services on a time and material basis. In no event shall the total amount paid for services rendered by Consultant pursuant to Exhibit "A" exceed the sum of \$[\*\*CLICK & TYPE AMOUNT\*\*]. Periodic payments shall be made within thirty (30) days of receipt of an undisputed statement for services rendered. Payments to Consultant for work performed will be made on a monthly billing basis.

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2.3 Payment shall not constitute acceptance of any work completed by Consultant.

3. Time of Performance

3.1 Consultant shall perform its services hereunder in a prompt and timely manner, in accordance with the Activity Schedule shown in Exhibit "C," and shall commence performance upon receipt of the written Notice to Proceed from the Authority. The Notice to Proceed shall set forth the date of commencement of work. Consultant shall confer as requested with Authority representatives to review progress of work elements, adherence to work schedule, coordination of work, scheduling of review and resolution of problems which may develop.

3.2 Neither the Authority nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include, but are not limited to, abnormal weather conditions, floods, earthquakes, fire, epidemics, war, riots, and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances, sabotage, or judicial restraint.

3.3 Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

4. California Labor Code Requirements

4.1 Consultant is aware of the requirements of California Labor Code Sections 1720 et seq and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects. If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws, if applicable. Consultant shall defend, indemnify and hold the Authority, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.

4.2 If the services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, Consultant and all subconsultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants. This Project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.

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5. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

6. Insurance

**\*\*SWA RISK MANAGER TO REVIEW INSURANCE LIMITS PROJECT BY PROJECT BASIS\*\***  
**\*\*ESPECIALLY THE REQUIREMENT THROUGHOUT TO MAINTAIN THE INSURANCE FOR "24 months following the effective date of the project completion"\*\*\***

6.1 Minimum Insurance Requirements: Consultant shall procure and maintain for the duration of the contract and for a minimum of twenty-four (24) months following the date of the Project completion and acceptance by the Authority, insurance against claims for injuries or death to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, his agents, representatives, employees or sub-contractors.

6.2 Coverage: Coverage shall be at least as broad as the following:

6.2.1 Commercial General Liability (CGL): Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 00 01) including products and completed operations, property damage, bodily injury, personal and advertising injury with limit of at least two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (coverage as broad as the ISO CG 25 03, or ISO CG 25 04 endorsement provided to the Authority) or the general aggregate limit shall be at least twice the required occurrence limit or Four million dollars (\$4,000,000).

(a) **Required Provisions**: The General Liability policy must contain, or be endorsed to contain, the following provisions:

(i) **Additional Insured Status**: Authority, its directors, officers, employees, and authorized volunteers are to be given insured status (at least as broad as ISO Form CG 20 10 10 01), with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations.

(ii) **Primary Coverage**: For any claims related to this project, the Consultant's insurance coverage shall be primary at least as broad as ISO CG 20 01 04 13 as respects to the Authority, its directors, officers, employees and authorized volunteers. Any insurance or self-insurance maintained by the Authority its directors, officers, employees and authorized volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

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6.2.2 **\*\*SWA RISK MANAGER TO DETERMINE IF NEEDED \*\*** Automobile Liability - Insurance Services Office (ISO) Business Auto Coverage (Form CA 00 01), covering Symbol 1 (any auto) or if Consultant has no owned autos, Symbol 8 (hired) and 9 (non-owned) with limit of **one million dollars (\$1,000,000)** for bodily injury and property damage each accident.

6.2.3 Workers' Compensation Insurance - As required by the State of California, with Statutory Limits, and Employer's Liability Insurance with **limit of no less than \$1,000,000** per accident for bodily injury or disease. By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require 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 will comply with such provisions before commencing the performance of the work of this agreement.

(a) **Waiver of Subrogation:** The Workers' Compensation Policy shall be endorsed with a waiver of subrogation in the favor of the Authority for all work performed by Consultant, its employees, agents and sub-consultants. The Insurer(s) agree to waive all rights of subrogation against the Authority, its elected or appointed officers, officials, agents, authorized volunteers and employees for losses paid under the terms of the policy which arise from work performed by the Consultant; but this provision applies regardless of whether or not the Authority has received a Waiver of Subrogation from the insurer.

6.2.4 Professional

**\*\*SWA RISK MANAGER TO DETERMINE IF NEEDED \*\*** Liability - (Also known as Errors & Omission) Insurance appropriate to the Consultant profession, with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 policy aggregate.

(a) **If Claims Made Policies:**

(i) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

(ii) Insurance must be maintained and evidence of insurance must be provided for **at least five (5) years after completion of the contract of work.**

(iii) If coverage is canceled or non-renewed, and not **replaced with another claims-made policy form with a Retroactive Date** prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of **five (5) years** after completion of contract work.

6.2.5 **\*\*FOR TECHNOLOGY VENDOR-PROVIDERS \*\*** Cyber Liability Insurance (Technology Professional Liability – Errors and Omissions) - limits not less than **\$2,000,000 per occurrence** or claim, and **\$2,000,000 aggregate** or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach

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response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

**6.3 Other Required Provisions**

6.3.1 If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the Authority requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Authority.

6.3.2 Policy limits shall not be less than the minimum limits described above. The limits of insurance required by this Agreement may be satisfied by a combination of primary, and umbrella or excess insurance. Each umbrella or excess policy shall follow the same provisions as the primary policy.

6.3.3 Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Authority its Board and each member of the Board, its officers, employees, agents, and the Authority's designated volunteers.

6.3.4 Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

6.3.5 Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the Authority.

**6.4 Deductibles and Self-Insured Retentions** - Insurance deductibles or self-insured retentions must be declared to and approved by the Authority. The Authority may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

6.4.1 At the election of the Authority, Consultant shall either 1) reduce or eliminate such deductibles or self-insured retentions, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

6.4.2 Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Authority.

**6.5 Acceptability of Insurers** - Any insurance carrier providing insurance coverage required by the Contract Documents shall be admitted to and authorized to do business in the State of California and maintain an agent for process within the state, unless waived, in writing, by the Authority Risk Manager. Carrier(s) shall have an A.M. Best rating of not less than an A: VII or better, or as otherwise approved by the Authority Risk Manager.

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6.6 Verification of Coverage - Consultant shall furnish the Authority with certificates (Acord Form 25 or equivalent) and amendatory endorsements, declarations page(s) listing all policy endorsements or copies of the applicable policy language effecting coverage required by this Agreement. Blanket endorsements are accepted with language that states "as required by contract". All certificates and endorsements are to be received and approved by the Authority before work commences.

6.6.1 Such evidence shall include the following:

- (a) Additional insured endorsements with primary & non-contributory wording for each policy providing General Liability coverage
- (b) Workers' Compensation waiver of subrogation

6.6.2 All of the insurance shall be provided on policy forms and through companies satisfactory to the Authority. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The Authority reserves the right to obtain complete, certified copies of all required insurance policies, at any time.

6.7 Continuation of Coverage - Consultant shall, upon demand of the Authority deliver evidence of coverage showing continuation of coverage for **not less than 24 months for all policies, and not less than (5) years for claims made policies,** following the termination or completion of this Agreement. Consultant further waives all rights of subrogation under this agreement. When any of the required coverages expire during the term of this agreement, Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement and evidence of waiver of rights of subrogation against the Authority to the Authority at least ten (10) days prior to the expiration date. Failure to continually satisfy the Insurance requirements is a material breach of contract.

6.8 Sub-Consultants - In the event that Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be Consultant's responsibility to require, verify and confirm that each sub-consultant meets the minimum insurance requirements specified above. Consultant shall, upon demand of the Authority, deliver to the Authority copies such policy or policies of insurance and the receipts for payment of premiums thereon.

6.9 The Authority reserves the right to modify these insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage or other circumstances.

7. Indemnification

7.1 To the fullest extent permitted by law, Consultant shall defend (with counsel of the Authority's choosing), indemnify and hold the Authority, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of Consultant's

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Services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorneys' fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Authority, its officials, officers, employees, agents, or volunteers.

7.2 To the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's obligations under the above indemnity shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of Consultant, but shall not otherwise be reduced. If Consultant's obligations to defend, indemnify, and/or hold harmless arise out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then upon Consultant obtaining a final adjudication that liability under a claim is caused by the comparative active negligence or willful misconduct of the Authority, Consultant's obligations shall be reduced in proportion to the established comparative liability of the Authority and shall not exceed Consultant's proportionate percentage of fault.

8. Termination or Abandonment

8.1 The Authority has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, the Authority shall be immediately given title and possession to all original field notes, drawings and specifications, written reports, and other documents produced or developed for that portion of the work completed, and/or being abandoned. The Authority shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by the Authority and Consultant of the portion of such task completed but not paid prior to said termination. The Authority 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, and shall not be entitled to damages or compensation for termination of work.

8.2 Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to the Authority only in the event of substantial failure by Authority to perform in accordance with the terms of this Agreement through no fault of Consultant.

9. Compliance with All Laws.

9.1 Consultant shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

9.2 Consultant shall assist the Authority in obtaining and maintaining all permits required by federal, state, and local regulatory agencies.

9.3 Consultant is responsible for all costs of clean up and/or removal of hazardous and toxic substances spilled as a result of its services or operations performed under this Agreement.

**AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
AND**

**\*\*CLICK AND TYPE CONSULTANT NAME\*\***

10. Organization

Consultant shall assign "**\*\*CLICK & TYPE PM NAME\*\***" as the Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the Authority.

11. Maintenance of Records

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the Agreement period and for four (4) years from the date of final payment under the Agreement for inspection by the Authority.

12. Job Site Responsibility.

If the services covered by this Agreement involve a construction phase of the Project, the Authority agrees that in accordance with generally accepted construction practices, the construction contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction of the Project, including safety of all persons and property, and that this requirement shall be made to apply continuously and not be limited to normal working hours. Consultant shall not have control over or charge of, and shall not be responsible for, construction means, methods, techniques, sequences, or procedures, as these are solely the responsibility of the construction contractor.

13. Assignment and Subconsultants

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Authority, which may be withheld for any reason. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

14. Conflicts of Interest

Identify all existing and past financial relationships (including consulting agreements) between **\*\*CLICK & TYPE CONSULTANT NAME\*\*** and members of the Authority's Governing Board, and entities for which said members are employed, or have an interest, both past and present.

15. General Provisions

15.1 Independent Consultant. Consultant is retained as an independent consultant and is not an employee of Authority. No employee or agent of Consultant shall become an employee of the Authority. The work to be performed shall be in accordance with the work described in Exhibit "A," subject to such directions and amendments from the Authority as herein provided.

15.2 Notice. All notices permitted or required under this Contract shall be given at the following address, or at such other address as the parties may provide in writing for this purpose:

**AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
AND**

**\*\*CLICK AND TYPE CONSULTANT NAME\*\***

Authority:  
SWEETWATER AUTHORITY  
505 Garrett Ave  
Chula Vista, CA 91910

Consultant:  
**\*\*CLICK & TYPE ADDRESS\*\***  
**\*\*CLICK & TYPE COMPANY\*\***

Attn: **\*\*CLICK & TYPE MANAGER\*\***      Attn: **\*\*CLICK & TYPE CONTACT\*\***

The parties may designate, in writing, other individuals to whom notice is to be given. Notices shall be deemed to be received upon personal delivery to the addresses above; if sent by overnight delivery, upon delivery as shown by delivery service records; if sent by facsimile, upon receipt as confirmed by the sending facsimile equipment; if by United States Postal Service, five days after deposit in the mail.

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

15.4 Integration. This Agreement represents the entire understanding of the Authority and the Consultant as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises, or representations with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties hereto. This is an integrated Agreement.

15.5 Survival. All rights and obligations hereunder that by their nature are to continue after any expiration or termination of this Agreement, including, but not limited to, the indemnification obligations, shall survive any such expiration or termination.

15.6 Time is of the Essence. Time shall be of the essence as to all dates and times of performance contained in this Agreement.

15.7 Third Party Rights. Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Authority and Consultant.

15.8 Disputes. If any disputes should arise between the Parties concerning the work to be done under this Agreement, the payments to be made, or the manner of accomplishment of the work, Consultant shall nevertheless proceed to perform the work as directed by the Authority pending settlement of the dispute.

15.9 Laws, Venue, and Attorneys' Fees. This Agreement shall be interpreted in accordance with the laws of the State of California. 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 San Diego, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, as determined by the court.

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

**SWEETWATER AUTHORITY**

**\*\*CLICK & TYPE NAME\*\***

**AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
AND**

**\*\*CLICK AND TYPE CONSULTANT NAME\*\***

By: \_\_\_\_\_

By: \_\_\_\_\_  
(Authorized Representative of Consultant)

Name: Carlos Quintero

Name: **\*\*CLICK & TYPE NAME\*\***

Title: General Manager

Title: **\*\*CLICK & TYPE TITLE\*\***

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_

Approved as to form: (only required when contract template is modified)

\_\_\_\_\_  
Paula C. P. de Sousa  
Legal Counsel  
SWEETWATER AUTHORITY

AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
AND

**[\*\*CLICK AND TYPE CONSULTANT NAME\*\*]**

EXHIBIT "A"  
SCOPE OF WORK

**[\*\*CLICK & INSERT PROPOSED SCOPE OF WORK\*\*]**

**AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
AND**

**[\*\*CLICK AND TYPE CONSULTANT NAME\*\*]**

**EXHIBIT "B"  
SCHEDULE OF CHARGES**

**AGREEMENT FOR SERVICES  
BETWEEN SWEETWATER AUTHORITY  
AND**

**[\*\*CLICK AND TYPE CONSULTANT NAME\*\*]**

**EXHIBIT "C"  
ACTIVITY SCHEDULE**