

MEMORANDUM
OFFICE OF THE COUNTY EXECUTIVE
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Thomas M. Miller, Placer County Executive Officer
By: Allison Carlos, Principal Management Analyst 

DATE: July 26, 2011

SUBJECT: Hausrath Economics Group Contract

ACTION REQUESTED:

Authorize the County Executive Officer to execute a contract with Hausrath Economics Group in an amount not to exceed \$175,000 to provide fiscal, economic, and finance consulting services, primarily as pertains to annexations.

BACKGROUND:

Hausrath Economics Group has provided fiscal, economic, and finance consulting services under contract with the County Executive Office in past years. Typical analyses performed have included countywide fiscal modeling, fiscal impact studies, capital facilities fee update analyses, and tax sharing analyses related to annexations in Placer County. The firm further serves as a readily available resource to provide technical expertise on an as needed basis for fiscal and economic issues that arise.

There is anticipated need for ongoing services in FY 2011/12, most immediately relating to annexations, and Board approval will provide the necessary contract.

RECOMMENDATION: Staff recommends the Board authorize execution of this contract to ensure these important professional services are available.

FISCAL IMPACT:

Cost for this contract is not to exceed \$175,000. The funding is allocated within the FY 2011/12 Proposed Budget.

Attached: Exhibit A Professional Services Contract

Contract No. _____
Administering Agency:
Placer County Executive Office

PROFESSIONAL SERVICES OF:
**FOR PROFESSIONAL CONSULTANT SERVICES TO PROVIDE ECONOMIC
ANALYSES RELATED TO LAND USE ISSUES IN
PLACER COUNTY**

THIS AGREEMENT MADE AND ENTERED BY AND BETWEEN the COUNTY OF PLACER, hereinafter referred to as "COUNTY," and Hausrath Economics Group, hereinafter referred to as "SECOND PARTY."

WHEREAS, the COUNTY is desirous of receiving certain consulting services related to the fiscal impacts of land use proposals and other economic analyses and;

WHEREAS, SECOND PARTY is willing to perform such services;

NOW, THEREFORE, for and in consideration of the mutual promises and agreements herein contained, it is agreed by and between the parties hereto as follows:

1. SCOPE OF WORK. COUNTY hereby hires SECOND PARTY as an independent contractor to do that work set forth in the exhibit entitled "Scope of Work" attached hereto and incorporated herein by this reference.
2. AMENDMENT OF SCOPE OF WORK. Said Scope of Work may be amended with written approval; however, in no event shall such amendments create any additional liability to COUNTY, or additional compensation to SECOND PARTY except as set forth in this or the amended agreement.
3. PROGRESS REPORTS. SECOND PARTY shall submit such progress reports as may be requested by COUNTY.
4. AMOUNT OF PAYMENT. COUNTY shall pay SECOND PARTY for services, and reasonable costs and expenses incurred, as set forth in the Payment Schedule attached hereto in Exhibit A, up to a maximum of ONE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$175,000.00).
5. PAYMENT SCHEDULE. Payments shall be made to SECOND PARTY as set forth in the exhibit entitled "Scope of Work and Payment Schedule" attached hereto in Exhibit A. Payment will be made following the completion and acceptance of work set forth in the Payment Schedule.
6. RECORDS. SECOND PARTY shall maintain at all times complete detailed records with regard to work records at any reasonable time. Notwithstanding any other terms of this Agreement, no payments shall be made to SECOND PARTY until COUNTY is satisfied that work of such value has been rendered pursuant to this Agreement.
7. INDEPENDENT CONTRACTORS. All persons performing services for SECOND PARTY shall be independent contractors or employees of SECOND PARTY and not employees of COUNTY. SECOND PARTY shall be solely responsible for the salaries and other applicable benefits, including Workers' Compensation, of all such personnel.
8. NONASSIGNABILITY. This Agreement, rights and duties hereunder shall not be assigned in whole or in part without the express written consent of the COUNTY.
9. HOLD HARMLESS AND INDEMNIFICATION AGREEMENT
The CONSULTANT hereby agrees to protect, defend, indemnify, and hold PLACER COUNTY free and harmless from any and all losses, claims, liens, demands, and causes of action of every kind and character including, but not limited to, the amounts of judgments, penalties, interest, court costs, legal fees, and all other expenses incurred by PLACER COUNTY arising in favor of any party, including claims, liens, debts, personal injuries, death, or damages to property (including employees or property of the COUNTY) and without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to,

in connection with or arising directly or indirectly out of, the contract or agreement. CONSULTANT agrees to investigate, handle, respond to, provide defense for, and defend any such claims, demand, or suit at the sole expense of the CONSULTANT. CONSULTANT also agrees to bear all other costs and expenses related thereto, even if the claim or claims alleged are groundless, false, or fraudulent. This provision is not intended to create any cause of action in favor of any third party against CONSULTANT or the COUNTY or to enlarge in any way the CONSULTANT'S liability but is intended solely to provide for indemnification of PLACER COUNTY from liability for damages or injuries to third persons or property arising from CONSULTANT'S performance pursuant to this contract or agreement.

As used above, the term PLACER COUNTY means Placer County or its officers, agents, employees, and volunteers.

10. INSURANCE:

CONSULTANT shall file with COUNTY concurrently herewith a Certificate of Insurance, in companies acceptable to COUNTY, with a Best's Rating of no less than A-VII showing.

11. WORKER'S COMPENSATION AND EMPLOYERS LIABILITY INSURANCE:

Worker's Compensation Insurance shall be provided as required by any applicable law or regulation. Employer's liability insurance shall be provided in amounts not less than one million dollars (\$1,000,000) each accident for bodily injury by accident, one million dollars (\$1,000,000) policy limit for bodily injury by disease, and one million dollars (\$1,000,000) each employee for bodily injury by disease.

If there is an exposure of injury to CONSULTANT'S employees under the U.S. Longshoremen's and Harbor Worker's Compensation Act, the Jones Act, or under laws, regulations, or statutes applicable to maritime employees, coverage shall be included for such injuries or claims.

Each Worker's Compensation policy shall be endorsed with the following specific language:

Cancellation Notice - "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer".

CONTRACTOR shall require all SUBCONTRACTORS to maintain adequate Workers' Compensation insurance. Certificates of Workers' Compensation shall be filed forthwith with the County upon demand.

12. GENERAL LIABILITY INSURANCE:

A. Comprehensive General Liability or Commercial General Liability insurance covering all operations by or on behalf of CONSULTANT, providing insurance for bodily injury liability and property damage liability for the limits of liability indicated below and including coverage for:

(1) Contractual liability insuring the obligations assumed by CONSULTANT in this Agreement.

B. One of the following forms is required:

- (1) Comprehensive General Liability;
- (2) Commercial General Liability (Occurrence); or
- (3) Commercial General Liability (Claims Made).

C. If CONSULTANT carries a Comprehensive General Liability policy, the limits of liability shall not be less than a Combined Single Limit for bodily injury, property damage, and Personal Injury Liability of:

- One million dollars (\$1,000,000) each occurrence
- Two million dollars (\$2,000,000) aggregate

D. If CONSULTANT carries a Commercial General Liability (Occurrence) policy:

- (1) The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) for Products-Completed Operations
 - Two million dollars (\$2,000,000) General Aggregate
- (2) If the policy does not have an endorsement providing that the General Aggregate Limit applies separately, or if defense costs are included in the aggregate limits, then the required aggregate limits shall be two million dollars (\$2,000,000).

E. Special Claims Made Policy Form Provisions:

CONSULTANT shall not provide a Commercial General Liability (Claims Made) policy without the express prior written consent of COUNTY, which consent, if given, shall be subject to the following conditions:

- (1) The limits of liability shall not be less than:
 - One million dollars (\$1,000,000) each occurrence (combined single limit for bodily injury and property damage)
 - One million dollars (\$1,000,000) aggregate for Products Completed Operations
 - Two million dollars (\$2,000,000) General Aggregate
- (2) The insurance coverage provided by CONSULTANT shall contain language providing coverage up to six (6) months following the completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

13. ENDORSEMENTS:

Each Comprehensive or Commercial General Liability policy shall be endorsed with the following specific language:

- A. "The County of Placer, its officers, agents, employees, and volunteers are to be covered as insured for all liability arising out of the operations by or on behalf of the named insured in the performance of this Agreement."
- B. "The insurance provided by the Consultant, including any excess liability or umbrella form coverage, is primary coverage to the County of Placer with respect to any insurance or self-insurance programs maintained by the County of Placer and no insurance held or owned by the County of Placer shall be called upon to contribute to a loss."
- C. "This policy shall not be changed without first giving thirty (30) days prior written notice and ten (10) days prior written notice of cancellation for non-payment of premium to the County of Placer."

14. AUTOMOBILE LIABILITY INSURANCE: Automobile Liability insurance covering bodily injury and property damage in an amount no less than one million dollars (\$1,000,000) combined single limit for each occurrence.

Covered vehicles shall include owned, non-owned, and hired automobiles/trucks.

15. PROFESSIONAL LIABILITY INSURANCE (ERRORS & OMISSIONS):

Professional Liability Insurance for Errors and Omissions coverage in the amount of not less than \$Contact Risk Management for Amount.

If Consultant sub-contracts in support of Consultants work provided for in the agreement, Professional Liability Insurance for Errors shall be provided by the sub contractor in an amount not less than one million dollars (\$1,000,000) in aggregate.

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The insurance coverage provided by the consultant shall contain language providing coverage up to six (6) months following completion of the contract in order to provide insurance coverage for the hold harmless provisions herein if the policy is a claims-made policy.

- 16. CANCELLATION. This Agreement may be cancelled by COUNTY upon the giving of TEN- (10) day's advance written notice. Such notice shall be personally served or given by United States Mail. In the event of cancellation by COUNTY or SECOND PARTY, SECOND PARTY shall be paid for all work performed and all reasonable expenses incurred to date of cancellation.
- 17. TERM. The term of this Agreement shall cover the period beginning July 1, 2011, and continue until the services contemplated in the Scope of Work, attached hereto as Exhibit "A," are completed, unless otherwise ended pursuant to paragraph 13 above, but no later than June 30, 2012.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

COUNTY OF PLACER ("COUNTY")

By _____
Thomas M. Miller
County Executive Officer

Date

"SECOND PARTY"
HAUSRATH ECONOMICS GROUP

By Sally Nielsen
Sally Nielsen
Vice President/Secretary
Hausrath Economics Group

July 12, 2011
Date

By Linda Hausrath
Linda Hausrath
President
Hausrath Economics Group

July 12, 2011
Date

County Counsel
Approved as to form: _____

Date

Attachment: Scope of Work and Payment Schedule

EXHIBIT A
SCOPE OF WORK
PROFESSIONAL SERVICES CONTRACT

HAUSRATH ECONOMICS GROUP
FISCAL YEAR 2011-12

Hausrath Economics Group (HEG) agrees to provide professional services on an "as needed" basis to Placer County. This agreement will include assignments related to fiscal issues such as analyses relative to annexations, specific development projects, and technical assistance relative to the fiscal impact model, impact fees and other financing programs.

It is expected that these assignments will involve less than one week (40 hours) of a HEG staff member's time or involve meetings that may span up to six months. Assignments that are more extensive than described may be outside this scope, depending on mutual agreement between HEG and the County.

Second Party will provide an estimate of expected professional time and cost prior to accepting an assignment and communicate them orally, unless either HEG or the County requests a written estimate. HEG will provide monthly or bi-monthly invoices describing the work performed and itemizing the hours of each staff person. HEG will notify the County prior to exceeding the estimates. HEG staff time will be billed at our current hourly rates. HEG will notify the County prior to any changes in these rates. These rates are shown below:

<u>Position</u>	<u>2011/2012 Hourly Rate</u>
Principal	\$145 - \$185 per hour
Economists	\$ 100 - \$115 per hour

These rates include all office related overhead and minor materials. They do not include any travel expenses or materials in excess of \$50 (e.g., large volume reproduction of reports, data acquisition). Travel and large material expenses will be billed separately but assumed to be within the \$175,000 budget limit.

TOTAL AMOUNT TO BE BILLED WILL NOT EXCEED \$175,000