

COACHELLA VALLEY WATER DISTRICT

Finance Department - Procurement Division



**REQUEST FOR PROPOSALS 2019-25
FOR
INVESTMENT ADVISORY SERVICES
MAY 10, 2019**

**Proposals must be received by
2:00 p.m. local time on June 6, 2019 at:
www.planetbids.com
Electronic Submittal Only**

With this Request for Proposals (“RFP”), Coachella Valley Water District (“CVWD” or “District”) is requesting proposals (“Proposals”) from qualified consultants (“Respondents”) for the following services:

Investment Advisory Services

The purpose of the Proposal is to demonstrate the qualifications, competence and capacity of Respondent to perform the work or provide the services described in this RFP. The Proposal should demonstrate the qualifications of the Respondent and of the particular staff to be assigned to this project.

The successful Respondent will be expected to execute the Professional Services Agreement included with this RFP without modification of the terms.

1. Introduction

1.1 About Coachella Valley Water District.

CVWD provides domestic water, wastewater, recycled water, irrigation/drainage, regional stormwater protection and groundwater management services to a population of 265,000 throughout the Coachella Valley in Southern California. CVWD boundaries encompass an area of nearly 1,000 square miles. Most of this land is in Riverside County, but CVWD also extends into Imperial and San Diego Counties.

CVWD was formed in 1918 under the State Water Code provisions of the County Water District Act (Water Code § 30000 *et seq.*). A governing board of five members is elected from five general divisions for terms of four years each.

CVWD Administration office is located at 75-515 Hovley Lane East, Palm Desert, California 92211. CVWD’s Coachella office is located at 51-501 Tyler Street, Coachella, California 92236. CVWD’s Operations office is located at 75-525 Hovley Lane East, Palm Desert, California 92211.

1.2 Project Description.

Coachella Valley Water District is requesting proposals from highly experienced firms to provide comprehensive investment advisory services for the District’s investment portfolio.

1.3 Project Schedule.

The initial term is anticipated to be from October 1, 2019 to September 30, 2022. CVWD will have the option, at its sole discretion, to extend the agreement and negotiate a revised price, if any, for up to (4) additional one-year terms. If the parties are unable to reach an agreement, CVWD, at its sole discretion, will not move forward with the renewal option and shall re-bid the work.

Respondents to this RFP must be able and willing to commit the necessary resources to complete the project within this timeframe.

1.4 Pre-Proposal Meeting.

CVWD will not conduct a pre-proposal meeting for this project.

2. Scope of Required Services

2.1 Summary of Services.

A detailed description of the required services and technical requirements described in the Scope of Services attached hereto as Attachment "1".

3. Schedule of Events

Timetable for Reviewing and Evaluating Proposals

1.	RFP Release	May 10, 2019
2.	Pre-Proposal Requests for Clarification	May 30, 2019
3.	Proposal Due Date	June 6, 2019
4.	Interviews (week of)	July 15, 2019
5.	Anticipated Final Selection	July 19, 2019
6.	Award by Board of Directors	August 13, 2019
7.	Notice to Proceed	September 1, 2019

4. Proposal Requirements

4.1 Proposal Format.

Respondent's Proposal shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received. The Proposal shall be signed by an individual or individuals authorized to execute legal documents on behalf of the Respondent.

Proposals shall be submitted electronically through the Planet Bids website. Proposals shall include the following items as detailed in the Scope of Services and shall be organized in the order specified below.

The following items shall be packaged into a single electronic file in ".pdf" format:

- (a) Table of Contents
- (b) Transmittal Cover Letter
- (c) Executive Summary
- (d) Personnel and Resources
- (e) Understanding of the Project
- (f) References
- (g) Cost Proposal
- (h) Disciplinary Action
- (i) Additional Information

4.2 No Deviations from the RFP. CVWD will not consider any deviation from this RFP. In submitting a Proposal in response to this RFP, Respondent is certifying that it takes no exceptions to this RFP including, but not limited to the “Professional Services Agreement” attached hereto as Attachment “2.” Respondent is directed to carefully review the proposed Professional Services Agreement and, in particular, the insurance and indemnification provisions therein.

4.3 Submittal Instructions.

To be considered, CVWD must receive the Proposal through Planet Bids no later than **2:00 p.m. local time on June 6, 2019.**

Proposals must be submitted through Planet Bids for consideration. No other method of submitting proposals will be accepted. Respondents may not submit bids by fax, email, telephone or other means; any proposals received through any other means than PlanetBids will be returned unopened.

Respondents are solely responsible for the “on time” submission of their electronic Proposal. CVWD will only consider Proposals that have transmitted successfully and have been issued a confirmation number with a time stamped from PlanetBids indicating that the Proposal was submitted successfully. Transmission of Proposals by any other means will not be accepted. Respondents shall be solely responsible for informing themselves with respect to the proper utilization of the online bid management system, for ensuring the capability of their computer system to upload the required documents, and for the stability of their internet service. Failure of the Respondent to successfully submit an electronic Proposal shall be the Respondent’s sole risk and no relief will be given for late and/or improperly submitted Proposals.

Respondents experiencing any technical difficulties with the proposal submission process may contact Planet Bids Support at 818-992-1771. If you continue to have difficulty, call CVWD Purchasing Department at 760-398-2661. Neither CVWD, nor PlanetBids, make any guarantee as to the timely availability of assistance, or assurance that any given problem will be resolved by the proposal submission date and/or time.

5. Insurance Requirements

The applicable insurance requirements are described in Article 8 of the Professional Services Agreement, attached hereto as Attachment “2”. By submitting a Proposal, Respondent acknowledges that it has reviewed the insurance provisions and takes no exceptions to this language.

The successful Respondent shall submit all required proof of insurance forms prior to issuance of a Notice to Proceed.

6. Evaluation Process

6.1 Evaluation Criteria.

Proposals that meet the submittal requirements will be evaluated by CVWD based on the following criteria (in no particular order):

- (a) Qualifications and experience of proposed staff. (30%)
- (b) Suitability of the proposed service or product. (20%)
- (c) Past performance on similar projects and qualifications of the firm. (20%)
- (d) Quality and comprehensiveness of the Proposal. (10%)
- (e) Price. (20%)

At the conclusion of the Proposal solicitation period, CVWD will review each submission, and then rank the Proposals according to evaluation criteria. Upon determination of the highest ranked firm, CVWD will endeavor to negotiate a mutually agreeable scope of services and fee with the selected firm. In the event that CVWD is unable to reach agreement, CVWD will proceed, at its sole discretion, to negotiate with the next firm selected by CVWD.

Respondents should note that the lowest cost proposal is not the sole determining factor in the final selection.

6.2 Interviews.

CVWD may, at its discretion, invite a shortlist of Respondents to participate in a panel interview to be held at CVWD. No Respondent shall be entitled to or otherwise guaranteed an interview with CVWD.

6.3 Award of Contract.

If awarded, the contract will be awarded to the firm selected on the basis of information provided in the Proposal, the results of CVWD's research and investigation, and, if conducted, oral interviews. The shortlist of Respondents selected for interviews will be made on the basis of the criteria set forth in section 6.1.

CVWD reserves the right to reject all proposals and to contract for services in the manner that most benefits CVWD, including awarding more than one contract if desired.

7. Requests for Clarifications

All questions and requests for interpretations or clarifications, either administrative or technical must be submitted in writing to CVWD through Planet Bids by selecting the Q&A Tab. Questions sent directly to CVWD Staff will not be addressed and you will be directed to submit your question(s) online.

All questions properly submitted will be answered in writing through Planet Bids. Verbal statements regarding this RFP by any persons should be considered unverified information unless confirmed in writing. To ensure a response, questions must be received through Planet Bids by 5:00 p.m. local time on **May 30, 2019**.

8. General Provisions

Respondent is encouraged to review this RFP carefully in its entirety prior to preparation of its Proposal. CVWD reserves the right to reject any or all Proposals or to select the Proposal

most advantageous to CVWD. CVWD reserves the right to verify all information submitted in the Proposal.

8.1 Amendments to RFP. CVWD reserves the right to amend the RFP or issue to all Respondents a Notice of Amendment to answer questions for clarification.

8.2 No Commitment to Award. Issuance of this RFP and receipt of proposals does not commit CVWD to award a contract. CVWD expressly reserves the right to postpone the proposal for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one Respondent concurrently, or to cancel all or part of this RFP.

8.3 Amendments to Proposals. No amendment, addendum or modification will be accepted after the deadline stated herein for receiving Proposals. Respondent may modify or amend its Proposal only if CVWD receives the amendment prior to the deadline stated herein for receiving Proposals.

8.4 Non-Responsive Proposals. A Proposal may be considered non-responsive if conditional, incomplete, or if it contains alterations of form, additions not called for, or other irregularities that may constitute a material change to the Proposal.

8.5 Late Proposals. CVWD will not be responsible for delinquent Proposals, technical difficulties with Planet Bids, and/or Respondent's inability to submit the Proposal before the closing date and time through Planet Bids.

8.6 Costs for Preparing. CVWD will not compensate any Respondent for the cost of preparing any Proposal, and all materials submitted with a Proposal shall become the property of CVWD. CVWD will retain all Proposals submitted and may use any idea in a Proposal regardless of whether that Proposal is selected.

8.7 Alternative Proposals. Only one final Proposal is to be submitted by each Proposer. Multiple proposals will result in rejection of all proposals submitted by the Respondent.

8.8 Public Documents. All Proposals and all evaluation and/or scoring sheets shall be available for public inspection at the conclusion of the selection process.

8.9 No Exceptions. Submission of a Proposal constitutes acceptance by Respondent of the conditions contained in this RFP unless clearly and specifically noted in the Proposal submitted and confirmed in the Professional Services Agreement between CVWD and the Respondent selected.

8.10 Withdrawal. Respondent's authorized representative may withdraw its Proposal only by written request received by the Procurement & Contracts Manager before the Submittal Deadline.

ATTACHMENT 1

SCOPE OF SERVICES

INTRODUCTION

Coachella Valley Water District is requesting proposals from highly experienced firms to provide comprehensive investment advisory services for the District's investment portfolio.

SCOPE OF REQUIRED SERVICES

Specific responsibilities of the selected investment adviser will include, but are not limited to the following:

- A. In consultation with District staff, annually review the District's current investment program and provide recommendations regarding the District's Investment Policy, liquidity management/cash flow analysis, how to achieve the District's investment objectives, and the selection of an appropriate performance benchmark.
- B. Using a discretionary portfolio management approach, manage on a daily basis the District's investment portfolio(s) pursuant to the California Government Code, the Investment Policy and stated investment objectives. Place all orders for the purchase and sale of securities, communicate settlement information to the District's staff and coordinate security settlement with the District's custodian. Execute all approved trades through competitive bidding processes when possible. The investment advisor WILL NOT provide custodial services or security safekeeping.
- C. Perform broker/dealer due diligence and maintain relations with the broker/dealer community.
- D. Continually monitor market conditions and circumstances and report on any recommended changes to policies, strategies, and specific positions.
- E. Provide the District with investment reports that shall include, but not be limited to the following:
 1. Monthly statements with all the information required by the California Government Code and GASB. These reports must include, but not limited to: detailed portfolio holdings including purchase price, accrued interest, amortized cost, market and book values, purchase date, maturity date, next upcoming potential call date, assigned security ratings by a nationally recognized statistical rating organization (NRSRO), principal and interest payments, effective earnings rate, yield to maturity, days to maturity, and portfolio summary statistics.
 2. Provide quarterly investment reports including a description of market conditions, investment strategies employed, performance, and suggested changes to investment strategy. The performance numbers shall be presented as required by the CFA Institute's Global Investment Performance Standards (GIPS®).

- F. Annually, or more often as necessary, review the District's Investment Policy and provide written comments and recommend changes as needed per California Government Code or to incorporate best practices as provided by relevant statewide and national organizations. The District's Investment Policy will be submitted to the Finance Committee and the Board of Director's for approval on an annual basis. Attend meetings of the Finance Committee and/or Board of Directors Meeting as necessary.
- G. Ensure the portfolio is in compliance with the District's Investment Policy and applicable laws.
- H. Serve as a general resource to the District's staff for information, advice, and training regarding fixed-income investments. Communicate as necessary with District staff to understand the District's investment operations.

PROPOSAL REQUIREMENTS

Respondent's Proposal shall be clear, accurate, and comprehensive. Excessive or irrelevant materials will not be favorably received. The Proposal shall be signed by an individual or individuals authorized to execute legal documents on behalf of the Respondent.

Proposals shall be submitted electronically through the Planet Bids website. Proposals shall include the following items and organized in the order specified below.

A. Table of Contents

B. Transmittal Cover Letter

C. Executive Summary

1. Identification of firm, including name, address, email address and telephone number;
2. Name, title, email address, and telephone number of the firm's contact person during period of proposal evaluation;
3. Acknowledgment of receipt of all RFP addenda, if any;
4. A statement to the effect that the proposal shall remain valid for a period of not less than 120 days from the date of submittal;
5. A statement of your intentions to bid on all sections of the Scope of Services.

D. Personnel and Resources

1. Identify the number of professionals (portfolio managers, portfolio strategist, analysts, marketing, client service, compliance and accounting) employed by your firm, by classification.
2. Please describe your proposed project team, including the role each member will play, title, and years at firm. Identify the primary portfolio manager and client contacts assigned to work with the District. As an appendix, provide biographical information on the proposed project team members, including education, experience, and applicable professional credentials.

3. What is the back-up if the primary portfolio manager or client contact is away?
4. How frequently would you suggest your staff meet with the District staff and/or Investment Advisory Committee and why? Who will attend these meetings?
5. Describe the firm's in-house investment research and analytical capabilities. What outside investment and market resources are used by the firm on a regular basis?
6. Describe the firm's training and education efforts to keep the firm's investment professionals informed of developments relevant to government entities.

E. Understanding of the Project

Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Proposals should not include any unnecessarily elaborate or promotional material.

1. Firm Background and Organization

- a. Describe the organization, the type of services offered, ownership of your firm, and date founded. Specify the number of years your organization has been providing investment advisory services.
- b. Describe and fully disclose any business relationships or affiliations (e.g., subsidiaries, joint ventures, financial institutions, "soft dollar" arrangements with brokers) relevant to the firm's relationship with the District. Describe your firm's policy on soft dollars.
- c. Describe the firm's sources of revenue, categorized by retail and institutional accounts.
- d. Provide a general description of the firm's financial condition; identify any conditions that may impede the firm's ability to complete the project.
- e. Provide a copy of your firm's most recent audited financial statement as an appendix.
- f. Is your firm a registered investment advisor under the Investment Advisor's Act of 1940? Please attach Part 2A of your most recent Form ADV as an appendix.
- g. Describe any SEC, FINRA, or regulatory censure or litigation involving the firm or its employees within the past three years. Describe any recent or on-going inquiries or investigations by any regulatory organization or governmental entity.
- h. State the amount of fidelity bond coverage, errors and omissions, employee dishonesty, automobile liability, workers' compensation, fiduciary liability insurance, or other fiduciary coverage your firm carries.

2. Assets Under Management

- a. Identify the types of accounts managed by your firm.
- b. Provide the total dollar amount managed by your firm (exclude accounts for which your services is providing periodic oversight or advice) for each of the past five years.
- c. For your latest reporting period, provide the amount managed (exclude accounts for which your services is providing periodic oversight or advice) for:

- i. Each of the following categories:

- Public Agency \$ _____
 - Corporate \$ _____
 - Individual \$ _____
 - Other \$ _____

- ii. California Local Agencies \$ _____
 - Cities \$ _____
 - Special Districts \$ _____
 - Investment JPA's \$ _____

- iii. Each of the following sectors:

- U.S. Treasury securities _____%
 - Federal Agency obligations _____%
 - Municipal Securities _____%
 - Asset-Backed/Mortgage-Backed _____%
 - Corporate securities rated AAA-A _____%
 - Corporate securities rated BBB or lower _____%
 - Other (CP, CD, etc.) _____%

- d. Please provide performance composites showing performance for the past ten (10) years. The duration of the composites should be comparable to the Bank of America Merrill Lynch 1-3 Year and/or 1-5 Year U.S. Treasury Indices. The composites should consist of a minimum of ten current public sector accounts. NO SAMPLE PORTFOLIOS. Provide information about the composition and duration of the data used, including the number of portfolios making up the composite, for your presentation of performance history. The composites should be prepared and presented in compliance with the CFA Institute's Global Investment Performance Standards (GIPS®).

3. Experience and Approach

- a. Describe the firm's experience in developing investment policies for government portfolios. Do you have any comments on the District's current investment policy?
- b. Describe your firm's approach to managing fixed-income portfolios for governmental entities, including how you manage risk, ensure liquidity, and generate performance for client portfolios.

- c. Describe the process utilized by your firm in competitively bidding securities from broker/dealers.
- d. How are brokers/dealers selected? What process do you have in place to monitor brokers/dealers after they have been approved? How many broker/dealers are on your firm's approved list?
- e. Describe the policies and procedures used to ensure that portfolios comply with client investment objectives, policies, and bond resolutions. What oversight is provided to portfolio managers?
- f. Describe the firm's credit review process. Who at the firm is responsible for conducting credit research and monitoring?
- g. Describe the procedures your firm has in place to address the potential or actual credit downgrade of an issuer and to disclose and advise the client of the situation.
- h. Provide a narrative which describes how you will perform the requested Scope of Services and shows your understanding of the District's needs and requirements. You may also propose enhancement or procedural or technical innovations to the Scope of Services which do not materially deviate from the objectives or required content of the project.

4. Reporting

- a. Describe your firm's investment accounting department, the firm's investment accounting and reporting system, and its ability to assist the District with investment accounting in accordance with GASB requirements.
- b. Describe the frequency and format of reports that would be provided to the District. Do your reports contain all information needed for State reporting standards? As an appendix, attach sample reports the District can expect to receive.
- c. What type of reporting data is available online?
- d. Are you willing to develop customized reports to meet the District's needs and objectives?
- e. How will you keep District staff apprised of investment activity? Are confirmations of investment transactions sent directly by the broker/dealer to the District?
- f. How will you report portfolio performance? Include a sample performance report in an appendix.

5. Additional Information

- a. Briefly describe any additional features, attributes, or conditions which the District should consider in the selection process.
- b. Describe any other services your firm can provide that may be applicable to the District's needs/accounts/portfolios.

F. References

Using the table below, provide a list of at least five current client references in California. References should be public agencies with portfolio size and investment objectives similar to the District.

Client Name/ Contact information	Amount of Assets Under Management and Nature of the Funds	Length of Engagement	Services Provided

G. Cost Proposal

- a. Provide a complete fee schedule that would apply to this portfolio(s) to accomplish the requirements of the Scope of Services.
- b. To illustrate your fee schedule, what would the annual fee be for \$450 million under management based on your proposed fee schedule? We understand the actual fee will vary based on assets under management.
- c. Is there a minimum annual fee?
- d. What additional expenses not covered through the proposed fee structure will be expected in order to implement your investment advisory services?
- e. Does the firm act as a broker or as a dealer in securities or receive any other form of additional compensation (including soft dollars) related to this project aside from the direct fee paid by the District?
- f. Is any sort of trading compensation received or any trade volume discounts received? If so, are those discounts passed on to clients?

H. Disciplinary Action

Please provide a statement of affirmation that the firm has not been an object of any disciplinary action in the last 5 years.

I. Additional Information

Required Appendices (not included in the page limit)

- a. Audited financial statement
- b. SEC ADV Part 2A
- c. Resumes of key investment professionals (two page limit)
- d. Sample reports
- e. Sample Investment Agreement
- f. Exceptions or alterations to the District's standard Professional Services Agreement, (see Attachment 2.)

ATTACHMENT 2
PROFESSIONAL SERVICES AGREEMENT

**COACHELLA VALLEY WATER DISTRICT
PROFESSIONAL SERVICES AGREEMENT**

This **Professional Services Agreement** (“Agreement”) is entered into this _____ day of _____, 2019 by and between **Coachella Valley Water District**, a public agency (“CVWD”) and **[**INSERT CONSULTANT NAME**]**, a **[**INSERT CONSULTANT TYPE**]** (“Consultant”). CVWD and Consultant may be collectively referred to as the “Parties” and individually as a “Party.”

RECITALS

A. CVWD is a public agency of the State of California and is in need of professional services for Investment Advisory Services.

B. CVWD issued a Request for Proposals (“RFP”) seeking proposals from qualified consultants to provide the required professional services, a copy of which is incorporated herein by reference.

C. Consultant submitted a proposal in response to the RFP and CVWD selected Consultant to provide the required professional services.

D. Consultant is duly licensed in the State of California and has the necessary qualifications to provide such services.

E. The Parties desire to enter into this Agreement for the purpose of setting forth the terms and conditions upon which Consultant shall render certain services to CVWD.

NOW, THEREFORE, the Parties hereto hereby agree as follows:

ARTICLE 1

Scope of Services to be Performed and Term

1.1 **Scope of Services to be Performed.** The scope of services to be provided by Consultant is set forth on Exhibit “A” attached hereto 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 **Term of Agreement.** The term of this Agreement shall be from October 1, 2019 to September 30, 2022, unless earlier terminated as provided herein. CVWD shall have the unilateral option, at its sole discretion, to renew this Agreement and negotiate a revised price, if any, for no more than (4) additional one-year terms. If the parties are unable to reach an agreement, CVWD, at its sole discretion, will not move forward with the renewal option and shall re-bid the work.

(a) Consultant shall complete the Services within the term of this Agreement, and in accordance with the schedule set forth on Exhibit “A.”

(b) Consultant shall commence work immediately upon receipt of a notice to proceed from CVWD. CVWD will have no obligation to pay for any services rendered by Consultant in advance of receipt of the notice to proceed, and Consultant acknowledges that

any such services are at Consultant's own risk. Consultant shall confer as requested with CVWD representatives to review progress of work elements, adherence to work schedule, coordination of work, scheduling of review and resolution of problems which may develop.

(c) Task Orders. CVWD, may, from time to time, make changes or authorize certain work set forth in the Scope of Services, including but not limited to, issuance of additional instructions, require additional work, or direct omissions of work previously ordered by issuing a Task Order to Consultant ("Task Order") and the provisions of this Agreement shall apply to all such Task Orders. The Task Order shall be in such form and content as set forth on Exhibit "D" attached hereto and by this reference incorporated herein. Consultant shall not perform and CVWD shall not be liable for any services performed by Consultant unless written authorization from CVWD is given to Consultant prior to the performance of such work. The cost of such Task Orders which may or may not add to or reduce the work called for hereunder and any extension of completion date that might be required thereby, shall be mutually agreed upon in writing by CVWD and Consultant before commencement of the work called for by such Task Order.

1.3 Permits, Licenses, Fees and Other Charges. Consultant shall, in accordance with applicable laws and ordinances, obtain at his/her/its expense all permits and licenses necessary to accomplish the Services. Failure to maintain a required license or permit may result in immediate termination of this Agreement.

1.4 Qualifications. Consultant represents and warrants to CVWD that it has the qualifications, experience, licenses, and facilities necessary to properly perform the Scope of Services in a competent and professional manner.

1.5 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.

ARTICLE 2

Payment for Services Rendered/Reimbursement

2.1 Payment for Services Rendered. CVWD shall compensate Consultant for the services performed pursuant to this Agreement in the amount set forth on the schedule attached hereto as Exhibit "B" and by this reference incorporated herein. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$[INSERT NOT TO EXCEED AMOUNT] without a written amendment.

2.2 Billing Procedure

(a) If applicable to this Agreement, Consultant shall, on a monthly basis, submit to CVWD, accurate, detailed and complete statements for services ("Invoices") actually performed during the previous month. The Invoices shall specify the percentage of completion (as of the end of the preceding month) of the work and compensation due Consultant. The Invoices shall be supported by such data substantiating the Consultant's right to payment as CVWD may require.

(b) Payment shall not constitute acceptance of any work completed by Consultant.

(c) The making of final payment shall not constitute a waiver of any claims by CVWD for any reason whatsoever.

2.3 Payment. CVWD shall make payment to Consultant within thirty (30) days of receipt of an undisputed invoice or the resolution of any billing dispute. CVWD may withhold a portion of an application for payment because of defective work not remedied or unsatisfactory prosecution of the work by the Consultant. CVWD will release any withheld funds upon Consultant satisfactorily remedying the issue that resulted in the withholding. CVWD will not pay late fees to the Consultant on the compensation due Consultant under the terms of this Agreement.

ARTICLE 3

Accounting, Inspection and Audit

3.1 Records. Consultant shall keep and shall preserve for four (4) years after final completion of the project, accurate and detailed records of all ledgers, books of account, invoices, vouchers, cancelled checks, and other documents or records evidencing or relating to the work, services and disbursements charged to CVWD under this Agreement (collectively, "Books and Records"). Any and all Books and Records must be maintained in accordance with generally accepted accounting principles and must be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by Consultant under this Agreement. During such four (4) year period, Consultant shall give CVWD and its agents, during normal business hours, access to such Books and Records. CVWD and its agents shall have the right to make copies of any of the said Books and Records.

3.2 Custody. Where CVWD has reason to believe that any of the Books and Records required to be maintained by this Article may be lost or discarded due to dissolution or termination of Consultant's business, CVWD may, by written request, require that custody of such Books and Records be given to a person or entity mutually agreed upon and such Books and Records thereafter shall be maintained by such person or entity at Consultant's expense. Access to the Books and Records shall be granted to CVWD and its Representatives.

ARTICLE 4

Termination

4.1 Termination. CVWD may terminate the Agreement, in whole or in part, with or without cause, upon ten (10) days written notice to Consultant. Upon receipt of the termination notice, Consultant shall promptly discontinue services unless the notice directs to the contrary. In the event CVWD renders such written notice to Consultant, Consultant shall be entitled to compensation for all services properly rendered prior to the effective date of the notice and all further services set forth in the notice. CVWD shall be entitled to reimbursement for any compensation paid in excess of services rendered and shall be entitled to withhold compensation for defective work or other damages caused by Consultant's services. Consultant acknowledges CVWD's right to terminate this Agreement as provided in this Article, and hereby waives any and all claims for damages that might arise from CVWD's termination of this Agreement. Consultant shall deliver to CVWD and transfer title (if necessary) to all completed

work, and work in progress including drafts, documents, plans, forms, maps, products, graphics, computer programs and reports. CVWD 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.

ARTICLE 5

California Labor Code Provisions

5.1 **Prevailing Wage Rates.** 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 CVWD, 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 the 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.

5.2 **Registration.** Effective March 1, 2015, 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, the 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 Department of Industrial Relations. 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.

5.3 **Labor Certification.** By its signature hereunder, Consultant certifies that it is aware of the provisions of section 3700 of the California Labor Code which require every employer to be insured against liability for Worker’s Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

ARTICLE 6

Project Management

6.1 **Representative of Consultant.** [INSERT CONSULTANT’S REPRESENTATIVE] (“Consultant’s Representative”) is hereby designated as the principal and representative of Consultant authorized to act on its behalf with respect to the work and services specified herein and to make all decisions in connection herewith. Consultant shall not substitute Consultant’s Representative without first notifying CVWD in writing of Consultant’s intent. CVWD shall have the right to review the qualifications of said substitute. If CVWD determines said substitute Consultant’s Representative is unacceptable, Consultant shall submit alternate candidates until CVWD determines that substitute Consultant’s Representative is acceptable.

6.2 Representative of CVWD. Karrie Swaine, Controller, is hereby designated as the representative of CVWD and except as otherwise provided herein authorized to act on its behalf with respect to the work and services specified herein and make all decisions in connection therewith.

ARTICLE 7

Work Product

7.1 Work Product. All original papers, maps, models, designs, studies, surveys, reports, data, notes, computer files, documents, drawings and other work product (collectively "Work Product") produced by Consultant pursuant to this Agreement, except documents which are required to be filed with public agencies, shall be deemed solely the property of CVWD. Consultant will take such steps as are necessary to perfect or protect the ownership interest of CVWD in such Work Product. Upon completion, expiration or termination of this Agreement, Consultant shall turn over to CVWD all such original Work Product in Consultant's possession or control.

ARTICLE 8

Insurance

8.1 Insurance. Consultant agrees to procure and maintain, at Consultant's expense all insurance specified in Exhibit "C" attached hereto and by this reference incorporated herein. Consultant shall require all subconsultants to carry the same policies and limits of insurance that the Consultant is required to maintain pursuant to this Article, unless otherwise approved in writing by CVWD, and shall furnish separate certificates and endorsements for each subconsultant..

8.2 Failure to Provide Insurance. If Consultant fails or refuses to procure or to maintain the insurance as required by this Agreement or fails or refuses to furnish CVWD with required proof that the insurance has been procured and is in force and paid for, CVWD shall have the right, at CVWD's election and upon ten (10) days' notice to Consultant, to terminate this Agreement or procure and maintain such insurance. The premiums paid by CVWD shall be treated as an amount due from Consultant with interest at the rate of ten percent (10%), to be paid on the first (1st) day of the month following the date on which the premiums were paid. CVWD shall have the right to offset any amounts CVWD pays hereunder with amounts due Consultant for services rendered pursuant to this Agreement. CVWD shall give prompt notice of the payment of such premiums, stating the amounts paid and the names of the insurer or insurers, and interest shall run from the date of the notice.

ARTICLE 9

Indemnification

9.1 Consultant's Duty to Indemnify. To the fullest extent permitted by law, Consultant shall indemnify and hold CVWD, its Board, members of the Board, employees, and authorized volunteers free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers,

employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys' fees and other related costs and expenses.

In addition, Consultant shall defend, with counsel of CVWD's choosing and at Consultant's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by this section that may be brought or instituted against CVWD or its Board, members of the Board, employees, and authorized volunteers. Consultant shall pay and satisfy any judgment, award or decree that may be rendered against CVWD or its Board, members of the Board, employees, and authorized volunteers as part of any such claim, suit, action or other proceeding. Consultant shall also reimburse CVWD for the cost of any settlement paid by CVWD or its Board, members of the Board, employees, or authorized volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for CVWD's attorneys' fees and costs, including expert witness fees. Consultant shall reimburse CVWD and its Board, members of the Board, employees, and/or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by CVWD, its Board, members of the Board, employees, or authorized volunteers.

ARTICLE 10

General Provisions

10.1 Notices. 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:

Coachella Valley Water District:

P.O. Box 1058
Coachella, CA 92236
Attn: J.M. Barrett, General Manager

CONSULTANT:

[**INSERT ADDRESS
INSERT ADDRESS**]
Attn: [**INSERT NAME**]

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.

10.2 Notification. In the event of a problem or potential problem that could impact the quality or quantity of Services or the level of performance under this Agreement, the Consultant shall, within one (1) business day of actual knowledge of the problem or potential problem, notify CVWD in writing and by telephone.

10.3 Separate Contracts. Consultant understands that this is not an exclusive Agreement and that CVWD shall have the right to negotiate with and enter into separate contracts with others providing the same or similar services as those provided by Consultant as CVWD desires.

10.4 Compliance with Applicable Laws. Consultant shall, in the performance of this Agreement, comply with all federal, state and local laws and regulations and orders issued under any applicable law.

10.5 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 CVWD pending settlement of the dispute.

10.6 Setoffs and Counterclaims. All claims for moneys due or to become due to Consultant shall be subject to deduction by CVWD for any setoff or counterclaim arising out of this or any other of CVWD's agreements with Consultant.

10.7 No Waiver. The fact that CVWD has made payment under this Agreement shall not be interpreted so as to imply CVWD has inspected, approved or accepted the work which has been performed by Consultant. No delay or omission in the exercise of any right or remedy by the non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. A Party's consent to or approval of any act by the other Party requiring the Party's consent or approval shall not be deemed to waive or render unnecessary the other Party's consent to or approval of any subsequent act. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the Agreement.

10.8 Assignment and Subcontractors. Consultant shall not assign or subcontract any portion of the work to be performed under this Agreement or any of the rights or obligations under this Agreement, without the prior written consent of CVWD, which consent may be withheld in CVWD's sole and absolute discretion. Any attempted assignment in violation of the provisions of this paragraph shall be void. Subject to the foregoing, this Agreement shall be binding upon the heirs, administrators, successors and assigns of CVWD and Consultant.

10.9 Independent Contractor. The Consultant shall act as an independent contractor in the performance of the services provided for in this Agreement and shall furnish such services in Consultant's own manner and method and in no respect shall Consultant be considered an agent or employee of CVWD, maintaining complete control over all men and operations. No provisions of this Agreement shall be intended to create a partnership or joint venture between Consultant and CVWD and neither Party shall have the power to bind or obligate the other Party, except as expressly set forth in this Agreement.

10.10 Non-Liability of CVWD Officials and Employees. No official or employee of CVWD shall be personally liable to the Consultant in the event of any default or breach by CVWD or for any amount which may become due to the Consultant or for any breach of the terms of this Agreement.

10.11 Conflict of Interest. The Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

10.12 Confidential Information. All information gained or Work Product produced by Consultant in the performance of this Agreement will be considered confidential, unless such information is in the public domain. Consultant shall not release or disclose any such information or Work Product to persons or entities other than CVWD without the prior written consent of the General Manager of CVWD, except as otherwise required by law. Consultant

shall promptly notify CVWD should Consultant or its Representatives be served summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admissions or other discovery request or court order from any third party regarding this Agreement and the services performed under this Agreement.

10.13 Amendment. This Agreement may not be amended except by a subsequent writing which is signed by the Parties.

10.14 Cooperation. Consultant shall cooperate in the performance of work with CVWD and all other agents.

10.15 Incorporation of Recitals. The Recitals and section titles set forth herein are incorporated herein and are an operative part of this Agreement.

10.16 Governing Law, Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that any action or proceeding to enforce or relating to this Agreement shall be brought exclusively in the federal or state courts located in Riverside County, California, and the Parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding

10.17 Attorneys' Fees and Costs. If any action in law or equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, each Party shall pay its own attorneys' fees.

10.18 Severability. If any provision of this Agreement is found by a court of competent jurisdiction to be void, invalid or unenforceable, then the Parties agree that such invalidity or unenforceability shall have no effect whatsoever on the balance of this Agreement.

10.19 Counterparts. This Agreement may be signed and delivered in any number of counterparts, each of which, when signed and delivered, shall be an original, but all of which shall together constitute one and the same Agreement.

10.20 Entire Agreement. This Agreement contains the entire agreement between the Parties with respect to the subject matter of this Agreement and any agreement or representation with respect to the same or the obligations of either Party with respect to the same which is not expressly provided in this Agreement or in a written document which is signed by the Party to be charged, shall be null and void.

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

10.22 Authority to Execute. Each Party represents and warrants to the other Party that all necessary action has been taken by such Party to authorize the undersigned to execute this Agreement and to bind it to the performance of its obligations hereunder.

10.23 Binding on Successors. All representations, covenants and warranties set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the Parties hereto, shall be binding upon and inure to the benefit of such Party, its successors and assigns.

10.24 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.

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

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have hereunto set their hands on the first day date above written.

COACHELLA VALLEY WATER DISTRICT

[INSERT CONSULTANT NAME]:

By: _____

By: _____
(Authorized Representative of Consultant)

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Dated: _____

Dated: _____

PROFESSIONAL SERVICES AGREEMENT

EXHIBIT LIST

EXHIBIT "A" SCOPE AND SCHEDULE OF SERVICES

EXHIBIT "B" SCHEDULE OF COMPENSATION (CONSULTANT'S PROPOSAL)

EXHIBIT "C" INSURANCE REQUIREMENTS

EXHIBIT "D" TASK ORDER

EXHIBIT "A"
TO
PROFESSIONAL SERVICES AGREEMENT
SCOPE AND SCHEDULE OF SERVICES

RFP Attachment 1 Scope of Services to be inserted.

EXHIBIT "B"
TO
PROFESSIONAL SERVICES AGREEMENT

The Successful Cost Proposal to be inserted.

EXHIBIT "C"
TO
PROFESSIONAL SERVICES AGREEMENT

INSURANCE REQUIREMENTS

1. Time for Compliance. Consultant shall not commence Work under this Agreement until it has provided evidence satisfactory to the Coachella Valley Water District ("CVWD") that it has secured all insurance required under this Section. Consultant shall require and verify that all subconsultants maintain insurance meeting all the requirements stated herein. Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to CVWD that the subconsultant has secured all insurance required under this Section.

2. Minimum Requirements. Consultant shall, at its expense, procure and maintain for the duration of the Agreement, or as otherwise provided herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultant, its agents, representatives, employees or subconsultants. Consultant shall require all of its subconsultants to procure and maintain the same insurance for the duration of the Agreement. Such insurance shall meet at least the following minimum levels of coverage:
 - (A) Minimum Scope of Insurance. Coverage shall be at least as broad as the latest version of the following: (1) Professional Liability/Errors and Omissions Liability Insurance appropriate to their profession. The policies shall not contain any exclusion contrary to the Agreement, including but not limited to endorsements or provisions limiting coverage for (1) contractual liability (including but not limited to ISO CG 24 26); or (2) cross liability for claims or suits by one insured against another.

 - (B) Minimum Limits of Insurance. Consultant and all subconsultants shall maintain limits no less than: (1) *Professional Liability/Errors and Omissions*: an amount not less than \$5 million per occurrence or claim and in the aggregate. All subconsultants shall have professional liability insurance with the same limits (Additional requirements for Professional Liability/Errors and Omissions Insurance written on a "claims made" basis are set forth below.) CVWD reserves the right to require a project-specific endorsement. Notwithstanding the minimum limits set forth above, any available insurance proceeds in excess of the specified minimum limits of coverage shall be available to the parties required to be named as additional insureds.

 - (C) Notices; Cancellation or Reduction of Coverage. At least fifteen (15) days prior to the expiration of any such policy, evidence showing that such insurance coverage has been renewed or extended shall be filed with CVWD. If such coverage is cancelled or materially reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with CVWD evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced,

CVWD has the right but not the duty to obtain the insurance it deems necessary and any premium paid by CVWD will be promptly reimbursed by Consultant or CVWD may withhold amounts sufficient to pay premium from Consultant payments. In the alternative, CVWD may suspend or terminate this Agreement.

3. Insurance Endorsements. The insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by CVWD to add the following provisions to the insurance policies:

(A) All Coverages. Each insurance policy required by this Agreement shall be endorsed to include the following provisions:

- (i) coverage shall not be suspended, voided, reduced or canceled except after thirty (30) days (10 days for nonpayment of premium) prior written notice by mail has been given to CVWD.
- (ii) any failure to comply with reporting or other provisions of the policies, including breaches of warranties, shall not affect coverage provided to CVWD and any other additional insureds.
- (iii) standard separation of insureds provisions.
- (iv) no special limitations on the scope of protection afforded to CVWD, its directors, officials, officers, employees, agents, and volunteers.
- (v) waive any right of subrogation of the insurer against CVWD, its officials, officers, employees, agents, and volunteers, or any other additional insureds, or shall specifically allow Consultant or others providing insurance in compliance with these specifications to waive their right of recovery prior to a loss. By signing this agreement, Consultant hereby waives its own right of recovery against CVWD and any other additional insureds, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

4. Deductibles and Self-Insurance Retentions. Any deductibles or self-insured retentions must be declared to and approved by CVWD. Consultant shall guarantee that, at the option of CVWD, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CVWD, its directors, officials, officers, employees, agents, and volunteers; or (2) the Consultant shall procure a bond guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

5. Claims Made Policies. Claims made policies are not acceptable for any insurance other than Professional Liability insurance. In addition to the requirements above, for any claims made policy:

- (A) The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- (B) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

- (C) 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. Subconsultant Insurance Requirements. Consultant shall not allow any subconsultants to commence work on any subcontract relating to the work under the Agreement until they have provided evidence satisfactory to CVWD that the subconsultants have secured all insurance required under this Section. If requested by Consultant, CVWD may approve different scopes or minimum limits of insurance for particular subconsultants. The Consultant and CVWD shall be named as additional insureds on all subconsultants' policies of Commercial General Liability Insurance.
7. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating no less than A:VIII, licensed to do business in California, and satisfactory to CVWD.
8. Verification of Coverage. Consultant shall furnish CVWD with original certificates of insurance and endorsements effecting coverage required by this Agreement on forms satisfactory to CVWD. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by CVWD before work commences. CVWD reserves the right to require complete, certified copies of all required insurance policies, at any time.
9. Reservation of Rights. CVWD reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances.

END OF EXHIBIT C - INSURANCE REQUIREMENTS

EXHIBIT "D"
TO
PROFESSIONAL SERVICES AGREEMENT
TASK ORDER

**COACHELLA VALLEY WATER DISTRICT
PROFESSIONAL SERVICES CONTRACT**

TASK ORDER NO. []

This Task Order No. [] (“Task Order”) is entered into this [] day of [], 20[] by and between Coachella Valley Water District (“CVWD”) and [INSERT CONSULTANT NAME] (“Consultant”).

RECITALS

A. On or about [], 20[] CVWD and Consultant executed that certain Professional Services Agreement (“Agreement”).

B. The Agreement provides that the Parties would enter into a Task Order to make changes to or authorize certain work set forth in the Scope of Services (as defined in the Agreement). The purpose of this Task Order is to make changes to or authorize work on the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereto hereby agree

1. Pursuant to Section 1.2 of the Agreement, CVWD hereby authorizes those services listed on Exhibit “1” attached hereto and by this reference incorporated herein.

2. Section 2.1 of the Agreement is hereby amended to [increase] or [decrease] or [confirm] the amount to be paid by CVWD to Consultant as more particularly set forth on Exhibit “1.”

3. Consultant shall perform the services listed in Paragraph 1 above pursuant to the schedule set forth on Exhibit “1.”

4. Except as amended or supplemented herein or in previous task orders, the terms and conditions of the Agreement shall remain in full force and effect. Notwithstanding the immediately preceding sentence, the Agreement shall be interpreted in a manner consistent with the intent of this Task Order.

IN WITNESS WHEREOF, CVWD and Consultant have caused this Task Order No. [] to be executed as of the day and year first above written.

[INSERT CONSULTANT NAME]

COACHELLA VALLEY WATER DISTRICT

By: _____

By: _____

Name: _____

Name: _____

Its: _____

Its: _____

EXHIBIT "1"
TO
TASK ORDER NO. []

- A. Description of Services Included, Deleted or Authorized.
- B. Increase, Decrease, or Confirmation of Amount to be Paid to Consultant.
- C. Time to Perform Services Listed Herein.