

MAY 07 2018

AUDITOR-CONTROLLER
5:00 PM

**PERSONAL SERVICES AGREEMENT BETWEEN THE SHASTA COUNTY AIR
QUALITY MANAGEMENT DISTRICT AND
CLIFTONLARSONALLEN LLP, FOR THE PROVISION OF AUDITING SERVICES**

This agreement is entered into between the Shasta County Air Quality Management District, a political subdivision of the State of California ("District") and CliftonLarsonAllen LLP, ("Consultant") (collectively, the "Parties" and individually a "Party") for the purpose of providing annual auditing services for the District.

Section 1. RESPONSIBILITIES OF CONSULTANT.

- A. Pursuant to the terms and conditions of this agreement, Consultant shall perform fiscal year auditing services provided for in subsection B. of this section. For the purposes of this agreement, the fiscal year shall be deemed to commence on July 1 and end on June 30 of the following calendar year. With respect to the audits to be performed pursuant to this agreement, the audit for the fiscal year ending June 30, 2018, shall be completed no later than December 31, 2018; the audit for the fiscal year ending June 30, 2019, shall be completed no later than December 31, 2019; and the audit for the fiscal year ending June 30, 2020, shall be completed not later than December 31, 2020.
- B. Following completion of the audit of each fiscal year's financial statements in accordance with the terms and conditions of this Agreement, Consultant shall issue the following reports:
 - 1. A report on the fair presentation of the financial statements in conformity with generally accepted accounting principles.
 - 2. A report on the internal control structure based on the Consultant's understanding of the control structure and assessment of control risk.
 - 3. A report on compliance with applicable laws and regulations.
- C. As required by Government Code section 7550, each document or report prepared by Consultant for or under the direction of District pursuant to this agreement shall contain the numbers and dollar amount of the agreement and all subcontracts under the agreement relating to the preparation of the document or written report. If multiple documents or written reports are the subject of the agreement or subcontracts, the disclosure section may also contain a statement indicating that the total agreement amount represents compensation for multiple documents or written reports. Consultant shall label the bottom of the last page of the document or report as follows: department name, agreement number, and dollar amount. If more than

one document or report is produced under this agreement, Consultant shall add: "This [document or report] is one of [number] produced under this agreement."]

Section 2. RESPONSIBILITIES OF DISTRICT.

Pursuant to the terms and conditions of this agreement, District shall provide requested items per Consultant PBC (Provided by Client) schedule and timeline. District shall have staff available for field work per schedule. District shall compensate Consultant as prescribed in sections 3 and 4 of this agreement and shall monitor the outcomes achieved by Consultant.

Section 3. COMPENSATION.

- A. District shall pay Consultant as work is completed for each fiscal year audit. Consultant shall be paid a total compensation not to exceed \$24,750 for the services described in this agreement for the entire term of this agreement per the following schedule:

Fiscal year 2017-2018	\$ 8,000
Fiscal year 2018-2019	\$ 8,250
Fiscal year 2019-2020	\$ 8,500

- B. Consultant's violation or breach of agreement terms may result in fiscal penalties, withholding of compensation, or termination of agreement.

Section 4. BILLING AND PAYMENT.

With respect to each fiscal year audit described in Section 1 of this agreement, Consultant shall submit to the Shasta County Director of Resource Management or his/her designee ("Director") within 30 days after completion of each fiscal year audit described in Section 1 of this agreement, an itemized invoice of services rendered. District shall make payment within 30 days of receipt of Consultant's correct and approved invoice. Consultant has the option of submitting invoices monthly based on the services to be provided pursuant to this agreement. If Consultant elects to submit monthly invoices, Consultant shall submit to District a monthly statement of services rendered by the fifth day of each month for services rendered the preceding month.

Section 5. TERM OF AGREEMENT.

- A. This agreement shall commence as of the last date it has been signed by both Parties and shall end on June 30, 2021.
- B. Notwithstanding the foregoing, District shall not be obligated for payments hereunder for any future District fiscal year unless or until the governing board of the District appropriates funds for this agreement in District's budget for that District fiscal year. In the event that funds are not appropriated for this agreement, then this agreement shall end as of June 30, of the last District fiscal year for which funds for this agreement were appropriated. For the purposes of this agreement,

the District fiscal year commences on July 1 and ends on June 30 of the following year. District shall notify Consultant in writing of such non-appropriation at the earliest possible date.

Section 6. TERMINATION OF AGREEMENT.

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of District, or if Consultant fails to fulfill in a timely and professional manner Consultant's responsibilities under this agreement, or if Consultant violates any of the terms or provisions of this agreement, then District shall have the right to terminate this agreement for cause effective immediately upon the District giving written notice thereof to Consultant. If termination for cause is given by District to Consultant and it is later determined that Consultant was not in default or the default was excusable, then the notice of termination shall be deemed to have been given without cause pursuant to paragraph B of this section.
- B. District may terminate this agreement without cause on 30 days written notice to Consultant.
- C. District may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. District's right to terminate this agreement may be exercised by the Director of the Shasta County Air Quality Management District.
- E. Should this agreement be terminated, Consultant shall promptly provide to District any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement.
- F. If this agreement is terminated, Consultant shall only be paid for services satisfactorily completed and provided prior to the effective date of termination.

Section 7. ENTIRE AGREEMENT; AMENDMENTS; HEADINGS.

- A. This agreement supersedes all previous agreements relating to the subject of this agreement and constitutes the entire understanding of the Parties hereto. Consultant shall be entitled to no other benefits other than those specified herein. Consultant specifically acknowledges that in entering into and executing this agreement, Consultant relies solely upon the provisions contained in this agreement and no others.
- B. No changes, amendments, or alterations to this agreement shall be effective unless in writing and signed by both Parties. However, minor amendments, including retroactive, that do not result in a substantial or functional change to the original intent of this agreement and do not cause an increase to the maximum amount payable under this agreement may be agreed to in writing between Consultant and District, provided that the amendment is in substantially the same format as the

District's standard format amendment contained in the Shasta County Contracts Manual (Administrative Policy 6-101).

- C. The headings that appear in this agreement are for reference purposes only and shall not affect the meaning or construction of this agreement.
- D. If any ambiguity, inconsistency, or conflict exists or arises between the provisions of this agreement and the provisions of any of this agreement's exhibits or appendices, the provisions of this agreement shall govern.

Section 8. NONASSIGNMENT OF AGREEMENT; NON-WAIVER.

Inasmuch as this agreement is intended to secure the specialized services of Consultant, Consultant may not assign, transfer, delegate, or sublet any interest herein without the prior written consent of District. The waiver by District of any breach of any requirement of this agreement shall not be deemed to be a waiver of any other breach.

Section 9. EMPLOYMENT STATUS OF CONSULTANT.

Consultant shall, during the entire term of this agreement, be construed to be an independent contractor, and nothing in this agreement is intended nor shall be construed to create an employer-employee relationship, a joint venture relationship, or to allow District to exercise discretion or control over the professional manner in which Consultant performs the work or services that are the subject matter of this agreement; provided, however, that the work or services to be provided by Consultant shall be provided in a manner consistent with the professional standards applicable to such work or services. The sole interest of District is to ensure that the work or services shall be rendered and performed in a competent, efficient, and satisfactory manner. Consultant shall be fully responsible for payment of all taxes due to the State of California or the federal government that would be withheld from compensation if Consultant were a District employee. District shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under District's workers' compensation insurance plan nor shall Consultant be eligible for any other District benefit. Consultant must issue W-2 and 941 Forms for income and employment tax purposes, for all of Consultant's assigned personnel under the terms and conditions of this agreement.

Section 10. INDEMNIFICATION.

To the fullest extent permitted by law, Consultant shall indemnify and hold harmless District, its elected officials, officers, employees, agents, and volunteers against all claims, suits, actions, costs, expenses (including, but not limited to, reasonable attorney's fees of District Counsel and counsel retained by District, expert fees, litigation costs, and investigation costs), damages, judgments, or decrees arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or by any of Consultant's subcontractors, any person employed under Consultant, or under any subcontractor, or in any capacity, except when the injury or loss is caused by the sole negligence or intentional wrongdoing of District. Consultant shall also, at Consultant's own expense, defend the

District, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against District, its elected officials, officers, employees, agents, and volunteers, arising from the work or the provision of services undertaken pursuant to this agreement by Consultant, or any of Consultant's subcontractors, any person employed under Consultant, or under any Subcontractor, or in any capacity. Consultant shall also defend and indemnify District for any adverse determination made by the Internal Revenue Service or the State Franchise Tax Board and/or any other taxing or regulatory agency and shall defend, indemnify, and hold harmless District with respect to Consultant's "independent contractor" status that would establish a liability on District for failure to make social security deductions or contributions or income tax withholding payments, or any other legally mandated payment. The provisions of this paragraph are intended to be interpreted as broadly as permitted by applicable law. This provision shall survive the termination, expiration, or cancellation of this agreement.

Section 11. INSURANCE COVERAGE.

- A. Without limiting Consultant's duties of defense and indemnification, Consultant and any subcontractor shall obtain, from an insurance carrier authorized to transact business in the State of California, and maintain continuously during the term of this agreement Commercial General Liability Insurance, including coverage for owned and non-owned automobiles, and other coverage necessary to protect District and the public with limits of liability of not less than \$1 million per occurrence; such insurance shall be primary as to any other insurance maintained by District.
- B. Consultant and any subcontractor shall obtain and maintain continuously required Workers' Compensation and Employer's Liability Insurance to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor's(s') employees with an insurance carrier authorized to transact business in the State of California covering the full liability for compensation for injury to those employed by Consultant or subcontractor. Each such policy shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against District, *its elected officials, officers, employees, agents, and volunteers* which might arise in connection with this agreement. Consultant hereby certifies that Consultant is aware of the provisions of section 3700 of the Labor Code, which requires every employer to insure against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and Consultant shall comply with such provisions before commencing the performance of the work or the provision of services pursuant to this agreement.
- C. Consultant shall obtain and maintain continuously a policy of Errors and Omissions coverage with limits of liability of not less than \$1 million per occurrence.

- D. Consultant shall require subcontractors to furnish satisfactory proof to District that liability and workers' compensation and other required types of insurance have been obtained and are maintained similar to that required of Consultant pursuant to this agreement.
- E. With regard to all insurance coverage required by this agreement:
- (1) Any deductible or self-insured retention exceeding \$25,000 for Consultant or subcontractor shall be disclosed to and be subject to approval by the County Risk Manager prior to the effective date of this agreement.
 - (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such insurance coverage with an effective date earlier or equal to the effective date of this agreement and continue coverage for a period of three years after the expiration of this agreement and any extensions thereof. In lieu of maintaining post-agreement expiration coverage as specified above, Consultant or subcontractor may satisfy this provision by purchasing tail coverage for the claims-made policy. Such tail coverage shall, at a minimum, provide the insurance coverage required hereunder for claims received and reported three years after the expiration date of this agreement.
 - (3) All insurance (except workers' compensation and professional liability) shall include an endorsement or an amendment to the policy of insurance which names *District, its elected officials, officers, employees, agents, and volunteers as additional insureds*. In the event that coverage is reduced or canceled, a notice of said reduction or cancellation shall be provided to District within 24 hours. Any available insurance proceeds in excess of the specified minimum limits and coverage pursuant to the terms of this agreement shall be applicable to the Additional Insured. The additional insureds coverage shall be equal to Insurance Service Office endorsement CG 20 10 for on-going operations, and CG 20 37 for completed operations.
 - (4) Each insurance policy (except for workers' compensation and professional liability policies), or an endorsement thereto, shall contain a "separation of insureds" clause which shall read:

"Separation of Insureds.

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each suit insured against whom a claim is made or suit is brought."

- (5) Consultant shall provide District with an endorsement or amendment to Consultant's policy of insurance as evidence of insurance protection before the effective date of this agreement.
- (6) The insurance coverage required herein shall be in effect at all times during the term of this agreement. In the event any insurance coverage expires at any time during the term of this agreement, Consultant shall provide District, at least 20 days prior to said expiration date, a new endorsement or policy amendment evidencing insurance coverage as provided for herein for not less than the remainder of the term of this agreement or for a period of not less than one year. In the event Consultant fails to keep in effect at all times insurance coverage as herein provided and a renewal endorsement or policy amendment is not provided within 10 days of the expiration of the endorsement or policy amendment in effect at inception of this agreement, District may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
- (7) If the endorsement or amendment does not reflect the limits of liability provided by the policy of insurance, Consultant shall provide District a certificate of insurance reflecting those limits.
- (8) Any of Consultant's Excess Insurance shall contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of District.

Section 12. NOTICE OF CLAIM; APPLICABLE LAW; VENUE.

- A. If any claim for damages is filed with Consultant or if any lawsuit is instituted concerning Consultant's performance under this agreement and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect District, Consultant shall give prompt and timely notice thereof to District. Notice shall be prompt and timely if given within 30 days following the date of receipt of a claim or 10 days following the date of service of process of a lawsuit. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Any dispute between the Parties, and the interpretation of this agreement, shall be governed by the laws of the State of California. Any litigation shall be venued in Shasta County.

Section 13. COMPLIANCE WITH LAWS; NON-DISCRIMINATION.

- A. Consultant shall observe and comply with all applicable present and future federal laws, state laws, local laws, codes, rules, regulations, and/or orders that relate to the work or services to be provided pursuant to this agreement.

- B. Consultant shall not discriminate in employment practices or in the delivery of services on the basis of race, color, creed, religion, national origin, sex, age, marital status, sexual orientation, medical condition (including cancer, HIV, and AIDS) physical or mental disability, use of family care leave under either the Family & Medical Leave Act or the California Family Rights Act, or on the basis of any other status or conduct protected by law.
- C. Consultant represents that Consultant is in compliance with and agrees that Consultant shall continue to comply with the Americans with Disabilities Act of 1990 (42 U.S.C. sections 12101, *et seq.*), the Fair Employment and Housing Act (Government Code sections 12900, *et seq.*), and regulations and guidelines issued pursuant thereto.
- D. No funds or compensation received by Consultant under this agreement shall be used by Consultant for sectarian worship, instruction, or proselytization. No funds or compensation received by Consultant under this agreement shall be used to provide direct, immediate, or substantial support to any religious activity.
- E. In addition to any other provisions of this agreement, Consultant shall be solely responsible for any and all damages caused, and/or penalties levied, as the result of Consultant's noncompliance with the provisions of this section.

Section 14. ACCESS TO RECORDS; RECORDS RETENTION.

- A. Subject to professional requirements of independence, District, federal, and state officials shall have access to any books, documents, papers, and records of Consultant that are directly pertinent to the subject matter of this agreement for the purpose of auditing or examining the activities of Consultant or District. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after District makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant shall maintain appropriate records to insure a proper accounting of all funds and expenditures pertaining to the work performed or the services provided pursuant to this agreement. Consultant shall maintain records providing information that account for all funds and expenses related to the provision of services provided pursuant to this agreement. Access to these records shall be provided to District during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by District, and upon request of state and federal agencies charged with the administration of programs related to the work or services to be provided pursuant to this agreement.
- C. Consultant agrees to accept responsibility for receiving, replying to, and/or complying with any audit exception by appropriate federal, state, or District audit directly related to the provisions of this agreement. Consultant agrees to repay District the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that

District may withhold any money due and recover through any appropriate method any money erroneously paid under this agreement if evidence exists of less than full compliance with this agreement including, but not limited to, exercising a right of set-off against any compensation payable to Consultant.

Section 15. COMPLIANCE WITH CHILD, FAMILY, AND SPOUSAL SUPPORT REPORTING OBLIGATIONS.

Consultant's failure to comply with state and federal child, family, and spousal support reporting requirements regarding Consultant's employees or failure to implement lawfully served wage and earnings assignment orders or notices of assignment relating to child, family, and spousal support obligations shall constitute a default under this agreement. Consultant's failure to cure such default within 90 days of notice by District shall be grounds for termination of this agreement.

Section 16. LICENSES AND PERMITS.

Consultant, and Consultant's officers, employees, and agents performing the work or services required by this agreement, shall possess and maintain all necessary licenses, permits, certificates, and credentials required by the laws of the United States, the State of California, the County of Shasta, and all other appropriate governmental agencies, including any certification and credentials required by District. Failure to maintain the licenses, permits, certificates, and credentials shall be deemed a breach of this agreement and constitutes grounds for the termination of this agreement by District.

Section 17. PERFORMANCE STANDARDS.

Consultant shall perform the work or services required by this agreement in accordance with the industry and/or professional standards applicable to Consultant's work or services.

Section 18. CONFLICTS OF INTEREST.

Consultant and Consultant's officers and employees shall not have a financial interest, or acquire any financial interest, direct or indirect, in any business, property, or source of income that could be financially affected by or otherwise conflict in any manner or degree with the performance of the work or services required under this agreement.

Section 19. NOTICES.

- A. Except as provided in section 6.C. of this agreement (oral notice of termination due to insufficient funding), any notices required or permitted pursuant to the terms and provisions of this agreement shall be given to the appropriate Party at the address specified below or at such other address as the Party shall specify in writing. Such notice shall be deemed given: (1) upon personal delivery; or (2) if sent by first class mail, postage prepaid, two days after the date of mailing.

If to District: Richard Simon
Director, Resource Management
1855 Placer Street
Redding, CA 96001

If to Consultant: Rich Gonzalez, CPA,
Principal
CLIFTONLARSONALLEN LLP
925 Highland Pointe Drive, Suite 450
Roseville, CA 95678-5418

- B. Any oral notice authorized by this agreement shall be given to the persons specified in Section 19.A. and shall be deemed to be effective immediately.
- C. Unless otherwise stated in this agreement, any written or oral notices on behalf of the District as provided for in this agreement may be executed and/or exercised by the Director of Resource Management.

Section 20. AGREEMENT PREPARATION.

It is agreed and understood by the Parties that this agreement has been arrived at through negotiation and that neither Party is to be deemed the Party which created any uncertainty in this agreement within the meaning of section 1654 of the Civil Code.

Section 21. COMPLIANCE WITH POLITICAL REFORM ACT.

Consultant shall comply with the California Political Reform Act (Government Code, sections 81000, *et seq.*), with all regulations adopted by the Fair Political Practices Commission pursuant thereto, and with the District's Conflict of Interest Code, with regard to any obligation on the part of Consultant to disclose financial interests and to recuse from influencing any District decision which may affect Consultant's financial interests. If required by the District's Conflict of Interest Code, Consultant shall comply with the ethics training requirements of Government Code sections 53234, *et seq.*

Section 22. PROPERTY TAXES.

Consultant represents and warrants that Consultant, on the date of execution of this agreement, (1) has paid all property taxes for which Consultant is obligated to pay, or (2) is current in payments due under any approved property tax payment arrangement. Consultant shall make timely payment of all property taxes at all times during the term of this agreement.

Section 23. SEVERABILITY.

If any portion of this agreement or application thereof to any person or circumstance is declared invalid by a court of competent jurisdiction or if it is found in contravention of

any federal or state statute or regulation or District ordinance, the remaining provisions of this agreement, or the application thereof, shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this agreement are severable.

Section 24. DISTRICT'S RIGHT OF SETOFF

To the fullest extent permitted by law, District shall have the right but not the obligation, to setoff, in whole or in part, against any compensation owed to Consultant or any of its subsidiaries under any contract with the District, any amount of any Federal or State audit liability owed by or claimed or asserted against the District or any amounts owed to District by Consultant or its subsidiaries.

Section 25. SCOPE AND OWNERSHIP OF WORK.

All research data, reports, and every other work product of any kind or character arising from or relating to this agreement shall become the property of the District and be delivered to the District upon completion of its authorized use pursuant to this agreement. This does not include Consultant's workpapers, which are and shall remain the property of Consultant. District may use such work products for any purpose whatsoever. All works produced under this agreement shall be deemed works produced by a contractor for hire, and all copyright with respect thereto shall vest in the District without payment of royalty or any other additional compensation. Notwithstanding anything to the contrary contained in this agreement, Consultant shall retain all of Consultant's rights in Consultant's own proprietary information, including, without limitation, Consultant's methodologies and methods of analysis, ideas, concepts, expressions, know how, methods, techniques, skills, knowledge, and experience possessed by Consultant prior to, or acquired by Consultant during the performance of this agreement and Consultant shall not be restricted in any way with respect thereto.

Section 26. USE OF DISTRICT PROPERTY.

Consultant shall not use District premises, property (including equipment, instruments, and supplies), or personnel for any purpose other than in the performance of Consultant's obligations under this agreement.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, District and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that he/she has the authority to execute this agreement and to bind the Party on whose behalf his/her execution is made.

COUNTY OF SHASTA

Date: _____

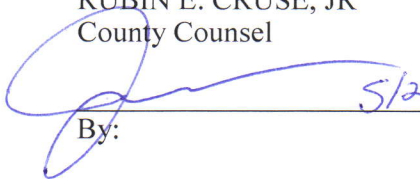
Les Baugh, CHAIRMAN
Air Pollution Control Board
County of Shasta
State of California

ATTEST:

LAWRENCE G. LEES
Clerk of the Board of Supervisors

By: _____
Deputy

Approved as to form:
RUBIN E. CRUSE, JR
County Counsel

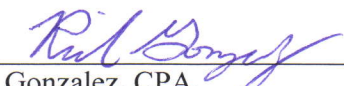
By:  5/21/18

RISK MANAGEMENT APPROVAL

By:  05/21/18

CONSULTANT

Date: 5/14/18

By: 
Rich Gonzalez, CPA,
Principal
CLIFTONLARSONALLEN LLP
925 Highland Pointe Drive, Suite 450
Roseville, CA 95678-5418
Tax I.D.#: 41-0746749