



Request for Proposal

Professional Auditing Services Fiscal Years Ending 2025 - 2029

Proposal Due: February 21, 2025 by 2:00 p.m.

Big Bear Area Regional Wastewater Agency
Christine Bennett, Finance Manager
121 Palomino Drive
P.O. Box 517
Big Bear City, CA 92314



Table of Contents

1.	Purpose of the Request for Proposal	4
2.	Services Required	4
2.1	Scope of Work	4
3.	Agency Description	5
3.1	Operations and Governance	5
3.2	Basis of Accounting and Budgeting	6
3.3	Pension and Other Post Employment Benefits	6
3.4	Financial Management and Systems	6
4.	Contact	6
5.	Proposal Submission	6
6.	Due Dates	7
7.	Presentation/Interview	7
8.	Schedule of Events	8
9.	Guidelines for Proposal Preparation	8
9.1	Insurance	11
9.2	Terms of Agreement	11
9.3	Payments, Incentives, and Penalties	11
9.4	Contractual Terms and Conditions	11
10.	Requirements for Proposal Presentation	11
10.1	General Requirements	11
10.2	Independence	11
10.3	License to Practice in California	12
10.4	Partner, Supervisory, and Staff Qualifications and Experience	12
10.5	Peer Review Report and Other Reviews	12
10.6	Prior Engagements with the Agency or its Member Agencies	12
10.7	Similar Engagements with Other Government Agencies and References	12
10.8	Audit Work Plan	13
10.9	Client Prepared Audit Schedules	13
11.	Fees	13



11.1 Fee Structure 13

12. Evaluation Factors for Award 14

 12.1 Criteria 14

13. Exhibit A – Professional Services Agreement..... 15



1. Purpose of the Request for Proposal

The Big Bear Area Regional Wastewater Agency (Agency) is requesting proposals from qualified certified public accounting firms to audit its financial statements for the fiscal year ending June 30, 2025, with the option, upon mutual agreement, of auditing the financial statements for each of the four subsequent fiscal years.

2. Services Required

2.1 Scope of Work

The Agency's goal is to provide the Governing Board and the public with a financial statement that gives complete, accurate, and understandable information about the Agency's financial condition. Additionally, the Agency does submit the Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. Copies of the Agency's most recent CAFR's are available online at www.bbarwa.org/financial-reports. The scope of work performed shall be consistent with prior audits performed. The selected auditing firm will be required to perform the following tasks:

- The audit shall cover one fiscal year ending June 30, 2025, with an option to renew for up to four additional fiscal years.
- Audit and prepare financial statements of the Agency in conformity with generally accepted accounting standards (GAAS), the standards applicable to financial audits contained in Government Auditing Standards (GAS) issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts and issue an opinion thereon.
- Perform an internal control assessment and prepare the Report on Compliance and on Internal Control over Financial Reporting based on an audit of the financial statements.
- If necessary, test compliance with the Single Audit Act, and applicable laws and regulations and prepare the report.
- Prepare and electronically submit the Special Districts Financial Transaction Report to be filed with the State Controller's Office within 110 days after the end of the Fiscal Year.
- Provide 10 printed and bound copies and one PDF copy of the audited financial report to the Agency.
- The Annual Comprehensive Financial Report package shall include:
 - Basic Financial Statements (including all applicable footnotes)
 - Footnotes on Summary of Significant Accounting Policies
 - Auditor's opinion on the financial statements and required supplementary



- schedules
- Report on Compliance and on Internal Control over Financial Reporting based on an audit of financial statements performed in accordance with GAS and/or GAAS
 - Required Supplementary Information
 - Schedule of Findings and Recommendations
 - Status of Prior Year Findings and Recommendations
 - Management Discussion and Analysis
 - Statistical Section as required for GFOA Certificate of Achievement for Financial Reporting
 - Required Communications to the Governing Board
- Upon completion of the audit and related field work and prior to issuance of any reports or management letter, meet with the Agency's management staff to discuss audit results including any findings and recommendations, and any matters to be included in the management letter. Any adjusting entries suggested by the Consultant must be discussed and explained to the Finance Manager.
 - Attend the Agency's regularly scheduled board meeting, which falls on the nearest date subsequent to the completion of the audit, to present the audit findings and/or recommendations at such meeting.
 - All work papers and reports must be retained, at the auditors expense, for a minimum of seven years (or the retention timeframe established by the professional standards, whichever is longer) unless the Consultant is notified in writing by the Agency of the need to extend the retention period. The work papers are subject to review by federal and state agencies and other individuals designated by the Agency. Accordingly, the work papers shall be made available upon request. In addition, the Consultant shall respond to the reasonable inquiries of successor auditors and allow successor auditors to review work papers.
 - During the term of the agreement, provide Governmental Accounting Standards Board (GASB) accounting and financial reporting assistance and consult with management staff on an informal basis regarding various accounting and financial matters including any new developments affecting special district accounting and reporting and any other relevant issues. Any matter requiring a formal written response or significant resource requirements may be charged separate from the terms of the Agreement at a mutually agreed upon rate.

3. Agency Description

3.1 Operations and Governance

The Agency was established in 1974 as a joint powers agency to provide wastewater treatment services to its member agencies: the City of Big Bear Lake, the Big Bear City Community



Services District, and the County of San Bernardino on behalf of County Service Area 53B. Each underlying public entity maintains and operates its own wastewater collection system and delivers wastewater to the Agency's interceptor system for transport to the regional plant for treatment and disposal.

Each member agency appoints representation to the Agency's five-member Governing Board of Directors.

3.2 Basis of Accounting and Budgeting

The Agency operates and reports as an enterprise utilizing the accrual method of accounting. The Agency's annual operating and capital budget may be found online at www.bbarwa.org/financial-reports. The budget contains a summary of the Agency's financial management policies.

3.3 Pension and Other Post Employment Benefits

The Agency participates in the California Public Employees' Retirement System (CalPERS) as well as the California Employers' Retiree Benefit Trust (CERBT) Fund to prefund future retiree health and Other Post Employment Benefit (OPEB) costs.

3.4 Financial Management and Systems

The finance department includes a Finance Manager and Accounting Technician. Designated staff also performs certain duties to maintain internal controls.

The Agency utilizes the SAGE 50 Accounting system for its accounting software needs.

4. Contact

Any questions regarding this Request for Proposal should be directed to:

Christine Bennett
Finance Manager
(909) 584-4522
cbennett@bbarwa.org
www.bbarwa.org

5. Proposal Submission

Submit five (5) copies of your proposal by 2:00 pm on February 21, 2025 to:

Big Bear Area Regional Wastewater Agency
Attn: Christine Bennett
P O Box 517
121 Palomino Drive



Big Bear City, Ca 92314-0517

Separately submit five (5) copies of the Fee Proposal to:

Big Bear Area Regional Wastewater Agency
Attn: Christine Bennett
P O Box 517
121 Palomino Drive
Big Bear City, Ca 92314-0517

The outer envelope in which the proposals are submitted should be marked “Proposal for Audit for the Big Bear Area Regional Wastewater Agency.”

The proposal should include:

- A cover page showing the firm’s name, contact information, and date of proposal.
- A table of contents identifying a complete list of materials submitted.
- A cover letter, signed by either the owner of the company, sole proprietor, or other representative authorized to bind the Consultant, must accompany every response to the RFP in order for it to be considered.
- The detailed proposal should follow the order provided in the Proposal Elements below.
- All proposals should include a statement indicating that the submitter is authorized to offer this proposal by their company and may bind the company under an agreement if selected.

THE FEE PROPOSAL MUST BE SUBMITTED SEPARATELY. ANY PROPOSALS THAT INCLUDES PRICING INFORMATION MAY BE REJECTED.

6. Due Dates

All proposals are due by 2:00 p.m. on February 21, 2025. Any proposal received after the required time and date specified for receipt shall be considered late and non-responsive. Any late proposals will not be evaluated for an award.

7. Presentation/Interview

BBARWA may ask a Consultant to make a presentation or consent to an interview. If an interview is requested, the proposed key project staff, as identified in the proposal, should be in attendance. While on-site presentations are preferred, the Consultant may elect to employ a web interface, such as Webex, Zoom, Teams, or Go-to-Meeting. If the Consultant elects to use a web interface, the Consultant accepts responsibility for the quality of the interface and any impact that it may have on the presentation.



8. Schedule of Events

Event	Projected Date
1. RFP advertisement, available on website	Jan 16, 2025
2. Request for Clarification deadline	Feb 10, 2025
3. Addendum issued and available on website	Feb 13, 2025
4. Proposal Due Date – 2 p.m.	Feb 21, 2025
5. Proposal opening and evaluation	Feb 21 – Mar 14, 2025
6. Presentations/interviews (at BBARWA’s discretion)	Mar 11 – 13, 2025
7. Recommendation presented to Governing Board/selection of Consultant	Mar 26, 2025

The above scheduled dates are tentative and BBARWA retains the sole discretion to adjust the above schedule. Nothing set forth herein shall be deemed to bind BBARWA to award an agreement for the above-described professional services and BBARWA retains the sole discretion to cancel or modify any part of or all of this RFP at any time.

9. Guidelines for Proposal Preparation

Award of an agreement resulting from this RFP will be based upon the responsive and responsible Consultant whose offer will be the most advantageous to BBARWA in terms of functionality, cost, and other factors as specified elsewhere in this RFP. Consultant responses will be evaluated based on the details provided.

INTERPRETATION OR CORRECTION OF CONTRACT DOCUMENTS: The Consultant shall, before submitting its proposal, carefully study and compare the components of the RFP documents to determine if there are any particular requirements that may impact preparation of the proposal, including indemnity, insurance, and any other requirements.

In the event the Consultant has any questions regarding the meaning of any part of the RFP documents, or finds any error, omission, inconsistency, or ambiguity in the RFP documents, the Consultant shall make a written Request for Clarification no later February 10, 2025. Requests for Clarification or interpretation of RFP documents shall be addressed only to Christine Bennett, Finance Manager. It shall be the Consultants responsibility to ensure that any such request is submitted to BBARWA in a timely manner in order to allow BBARWA sufficient time to issue a



written addendum. In submitting a proposal response to this RFP, the Consultant is certifying that it takes no exceptions to this RFP including, but not limited to, the attached agreement. If any exceptions are taken, such exceptions must be clearly noted in the proposal and may be reason for rejection of the proposal. As such, the Consultant is directed to carefully review the attached agreement and in particular, the insurance and indemnification provisions therein.

If necessary, BBARWA shall make clarifications, interpretations, corrections, and changes to the RFP documents by addendum issued as provided in these instructions. Purported clarifications, interpretations, corrections, and changes to the RFP documents made in any other manner shall not be binding on BBARWA, and Consultants shall not rely upon them.

The Consultant's proposal and signed acknowledgement of terms and conditions, as well as attachments, must be returned to the above address by the due date. Consultants must submit five (5) sealed copies of the proposal in person or by mail to:

Big Bear Area Regional Wastewater Agency
Attn: Christine Bennett
P O Box 517
121 Palomino Drive
Big Bear City, Ca 92314-0517

Consultants are required to clearly identify any limitations or exceptions to the requirements defined in this RFP. Alternative approaches will be given consideration if the approach clearly offers increased benefit to BBARWA. BBARWA is not responsible for non-receipt or mis-delivery. It is the Consultant's responsibility to ensure BBARWA has received its communication. Consultants must SEPARATELY submit five (5) copies of the Fee Proposal in person or by mail to the contact listed above.

The Consultant must have been in business doing this type of work for at least the last five (5) years. Specifically, the Consultant must have experience providing professional auditing services to governmental agencies.

The decision for selection will be made on a combination of criteria, including (1) comprehensiveness of the proposal, (2) responsiveness and adherence to format, (3) quality and completeness of proposal, (4) qualifications and experience of the Consultant with same or similar services, (5) Consultant's ability to perform in a timely fashion, (6) total cost, (7) local team and subcontractor/consultant qualifications, (8) reputation of Consultant in similar situations, and (9) BBARWA's perception of Consultant's stability within the industry.

BBARWA reserves the right to:

- Reject any or all offers and discontinue this RFP process without obligation or liability to any potential Consultant;



- Accept other than the lowest priced offer; or
- Award an agreement on the basis of initial offers received, without discussions or requests for best and final offers.

BBARWA prefers a proposal with a single or primary Consultant. If a Consultant partnership submits a proposal, a primary Consultant will be responsible for services identified. This primary Consultant will be responsible for the satisfactory performance of all subcontractors performing work under this agreement. All subcontractors must be identified in the proposal submitted.

All quotes shall be held firm for a minimum of 120 days after the proposal due date to allow adequate time for BBARWA to consider each proposal and make an award. Upon receipt of its proposal by BBARWA, the Consultant shall be presumed to be thoroughly familiar with all aspects of this work. The failure or omission to examine any location, equipment, form, instrument, or document shall in no way relieve the Consultant of any obligation with respect to this proposal.

BBARWA's designated staff will evaluate proposals received and reserves the right to retain all proposals submitted.

Pursuant to *Michaelis, Montanari, & Johnson v. Superior Court* (2006) 38 Cal.4th 1065, proposals submitted in response to this RFP shall be held confidential by BBARWA and shall not be subject to disclosure under the California Public Records Act (Cal. Government Code section 6250 et seq.) until after either BBARWA and the successful proposer have completed negotiations and entered into an agreement or BBARWA has rejected all proposals. All correspondence with BBARWA including responses to this RFP will become the exclusive property of BBARWA and will become public records under the California Public Records Act. Furthermore, BBARWA will have no liability to any proposer or other party as a result of any public disclosure of any proposal or the executed professional services agreement.

If a proposer desires to exclude a portion of its proposal from disclosure under the California Public Records Act, the proposer must mark it as such and state the specific provision in the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. For example, if a proposer submits trade secret information, the proposer must plainly mark the information as "Trade Secret" and refer to the appropriate section of the California Public Records Act which provides the exemption as well as the factual basis for claiming the exemption. Although the California Public Records Act recognizes that certain confidential trade secret information may be protected from disclosure, BBARWA may not be in a position to establish that the information that a proposer submits is a trade secret. If a request is made for information marked "Confidential," "Trade Secret" or "Proprietary", BBARWA will provide proposers who submitted the information with reasonable notice to seek protection from disclosure by a court of competent jurisdiction.



9.1 Insurance

The successful Consultant shall obtain and maintain all insurance required under BBARWA's Professional Services Agreement, attached hereto as Exhibit "A," and incorporated herein by this reference.

9.2 Terms of Agreement

The agreement term will be one fiscal year with options to renew for four additional fiscal years and with the right to cancel as outlined in the sample Professional Services Agreement (Exhibit A).

9.3 Payments, Incentives, and Penalties

Fees quoted by Consultant are to include all costs associated with the proposal. No additional fees will be paid unless agreed to in writing in advance by BBARWA.

9.4 Contractual Terms and Conditions

BBARWA's standard professional services agreement is attached as Exhibit "A."

10. Requirements for Proposal Presentation

Please respond to the following in your proposal. Please use the same order and titles to help facilitate scoring your proposal.

10.1 General Requirements

The proposal shall demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. The proposal should provide a concise description of the firm's capabilities to satisfy the requirements of the Request for Proposal.

Provide a profile of your company, including background and history, size of the company and governmental audit staff, locations, certifications, credentials, etc. Please provide details of your company's practices for staying current on regulations, legislation, certifications, and compliance. Demonstrate the qualifications of particular staff to be assigned to this engagement. Specific experience and/or education related to special district audits and enterprise fund accounting should be included.

Provide references to similar sized or larger agencies that the Consultant is currently providing auditing services for.

10.2 Independence

The Consultant shall provide an affirmative statement that it is independent of the Agency as



defined by generally accepted auditing standards and the standards set forth for financial audits in the U.S. General Accounting Office's Government Auditing Standards (1994).

10.3 License to Practice in California

A statement shall be included indicating that the Consultant, and all assigned key professional staff, are properly licensed to practice in the State of California.

10.4 Partner, Supervisory, and Staff Qualifications and Experience

Identify the principal and management staff, including engagement partners, manager, other supervisors, and specialists who would be assigned to the engagement. Indicate (1) whether such person is licensed to practice as a certified public accountant in California, (2) the government auditing experience of each person, including continuing professional education during the last three years, and (3) membership in professional organizations that is relevant to this audit.

Indicate how the quality of staff over the term of the agreement will be assured, how and when a change in audit staff may occur, and how the engagement will be managed as it relates to consistent and qualified staffing.

10.5 Peer Review Report and Other Reviews

Include the Consultant's most recent peer review report. The proposal shall also include information on results of any federal or state desk reviews or field reviews of the Consultant's audits during the past three years. Include information on the circumstances and status of any disciplinary action taken or pending against the Consultant during the past three years with state regulatory bodies or professional organizations.

10.6 Prior Engagements with the Agency or its Member Agencies

List all current or prior engagements with the Agency and all engagements with its member agencies: the City of Big Bear Lake, the Big Bear City Community Services District, and the County of San Bernardino on behalf of County Service Area 53B.

10.7 Similar Engagements with Other Government Agencies and References

List the most significant engagements performed (maximum of five) in the last five years that are similar to the engagement described in this Request for Proposal. Indicate the scope of work, date, engagement partners, and the name and telephone number of the principal client contact.

List client references for which similar services are currently being provided. The references shall include the name and agency, the appropriate contact information with address and



telephone number, the type of service provided, and the date of service provided. The Agency may contact any and all references regarding services provided.

10.8 Audit Work Plan

The Agency’s fiscal year end is June 30, 2025. The audit is typically finalized by mid-October and the State Controller Report of Financial Transactions is submitted by the first of December. Based on this general timetable, provide an audit work plan of the timelines needed to complete the audit in a timely manner.

10.9 Client Prepared Audit Schedules

Include a list of client prepared audit schedules that Agency staff is expected to provide.

11. Fees

Provide all fees associated with the proposed agreement for services. State audit fees separately by fiscal year for each activity and/or report (see Fee Structure below). If a certain portion of the audit and/or reporting services are not required for a given year, the fee pertaining to that audit/reporting task becomes nonapplicable. The fee shall include hourly rates for all personnel service provided in connection with any “Extra Work” (as such defined in the proposed Professional Services Agreement “Agreement”, attached hereto as Exhibit “A” and incorporated herein). Rates may be increased by a predetermined method no more than once a year.

Travel, per diem, photocopying, telephone bills, or any other related expenses shall not be reimbursed unless incurred at the specific request of the Agency. All reimbursable out-of-pocket expenses will be charged against the all-inclusive, not-to-exceed price.

11.1 Fee Structure

The audit fee structure should be broken down by fiscal year as follow:

Task	Fiscal Year
Audit of General Purpose Financial Statements	\$
Preparation of all applicable financial statements and related disclosures	\$
Management Report, including Audit Procedures	\$
Preparation of the Special Districts Financial Report	\$
Out-of-pocket Expenses	\$
Additional Cost to Prepare ACFR	\$
Total All-inclusive Price	\$
Single Audit Report (if required)	\$
Total All-inclusive Price including Single Audit Report (if	\$



required)

12. Evaluation Factors for Award

12.1 Criteria

Any award to be made pursuant to this RFP will be based upon the proposal, with appropriate consideration given to operational, technical, cost, and management requirements. Evaluation of proposals will be based upon the Consultant's responsiveness to the RFP, ability of the Consultant to meet the needs of BBarWA, and fees covered by the RFP.

The following will be the primary considerations in evaluating proposals and in the selection of a Consultant:

1. An assessment of the Consultant's ability to deliver the indicated services in accordance with the specifications set out in this RFP. (25%)
2. The Consultant's stability, experiences, and record of past performance in delivering such services. (15%)
3. Availability of sufficient, high-quality Consultant personnel with the required skills and experience for the specific approach proposed. (15%)
4. Overall cost of Consultant's proposal. (25%)
5. Consultant's compliance with the response format requested in Section 14. (10%)
6. Completion of all required responses. (10%)



13. Exhibit A – Professional Services Agreement

**BIG BEAR AREA REGIONAL WASTEWATER AGENCY
PROFESSIONAL SERVICES AGREEMENT**

This Agreement is made and entered into as of [REDACTED], 2025 by and between the Big Bear Area Regional Wastewater Agency, a California joint powers authority with its principal place of business at 121 Palomino Drive, Big Bear City, California 92314 (“Agency”), and [***INSERT NAME***], a [***INSERT TYPE OF ENTITY - CORPORATION, PARTNERSHIP, SOLE PROPRIETORSHIP OR OTHER LEGAL ENTITY***] with its principal place of business at [***INSERT ADDRESS***] (hereinafter referred to as “Consultant”). Agency and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Agreement.

RECITALS

- A. Agency is a public agency of the State of California and is in need of professional services for the following project: **Professional Auditing Services for Fiscal Years Ending 2025 - 2029** (hereinafter referred to as “the Project”).
- B. Consultant is duly licensed and has the necessary qualifications to provide such services.
- C. The Parties desire by this Agreement to establish the terms for Agency to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services

Consultant shall provide the Agency with the services described in the Scope of Services attached hereto as Exhibit “A.”

2. Compensation

- a. Subject to paragraph 2(b) below, the Agency shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit “B.”
- b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of \$_____ [Insert amount of compensation]. This amount is to cover all printing and related costs, and the Agency will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work

If changes in the work seem merited by Consultant or the Agency, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the Agency by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall be prepared by the Agency and executed by both Parties before performance of such services, or the Agency will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records

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

5. Time of Performance

Consultant shall perform its services in a prompt and timely manner and shall commence performance upon receipt of written notice from the Agency to proceed (“Notice to Proceed”). Consultant shall complete the services required hereunder within **[Insert number of calendar days for performance of the services – if more detail is required attach “Activity Schedule” as Exhibit C, otherwise delete Exhibit C.]** The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance

- a. Neither Agency nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.
- b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law

- a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

- b. If required, Consultant shall assist the Agency, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.
- c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. 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.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the Agency, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of Agency. No employee or agent of Consultant shall become an employee of Agency. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from Agency as herein provided.

11. Insurance

Consultant shall not commence work for the Agency until it has provided evidence satisfactory to the Agency it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

- i. The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the Agency.
- ii. Coverage for Commercial General Liability insurance shall be at least as broad as the following:

1. Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.
- iii. Commercial General Liability Insurance must include coverage for the following:
1. Bodily Injury and Property Damage
 2. Personal Injury/Advertising Injury
 3. Premises/Operations Liability
 4. Products/Completed Operations Liability
 5. Aggregate Limits that Apply per Project
 6. Explosion, Collapse and Underground (UCX) exclusion deleted
 7. Contractual Liability with respect to this Agreement
 8. Property Damage
 9. Independent Consultants Coverage
- iv. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.
- v. The policy shall give Agency, its officials, officers, employees, agents and Agency designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.
- vi. The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the Agency, and provided that such deductibles shall not apply to the Agency as an additional insured.
- b. Automobile Liability
- i. At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the Agency.
 - ii. Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

- iii. The policy shall give Agency, its officials, officers, employees, agents and Agency designated volunteers additional insured status.
 - iv. Subject to written approval by the Agency, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the Agency as an additional insured, but not a self-insured retention.
- c. Worker's Compensation/Employer's Liability
- i. Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.
 - ii. To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.
- d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the Agency and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

- i. The following insurance limits are required for the Agreement:

Combined Single Limit

Commercial General Liability	\$1,000,000 per occurrence/ \$2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	\$1,000,000 per occurrence for bodily injury and property damage
Employer's Liability	\$1,000,000 per occurrence
Professional Liability	\$1,000,000 per claim and aggregate (errors and omissions)

- ii. Defense costs shall be payable in addition to the limits.
- iii. Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

g. Policy Provisions Required

- i. Consultant shall provide the Agency at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the Agency at least ten (10) days prior to the effective date of cancellation or expiration.
- ii. The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and

that any insurance, self-insurance or other coverage maintained by the Agency or any named insureds shall not be called upon to contribute to any loss.

- iii. The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.
- iv. All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to waiver of subrogation in favor of the Agency, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against Agency, and shall require similar written express waivers and insurance clauses from each of its subconsultants.
- v. The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the Agency and shall not preclude the Agency from taking such other actions available to the Agency under other provisions of the Agreement or law.

h. Qualifying Insurers

- i. All policies required shall be issued by acceptable insurance companies, as determined by the Agency, which satisfy the following minimum requirements:
 - 1. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

- i. The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the

Agency, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

- ii. If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, Agency has the right but not the duty to obtain the insurance it deems necessary and any premium paid by Agency will be promptly reimbursed by Consultant or Agency will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, Agency may cancel this Agreement.
- iii. The Agency may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.
- iv. Neither the Agency nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements

Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the Agency that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the Agency as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, Agency may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification

- a. To the fullest extent permitted by law, Consultant shall defend (with counsel of Agency's choosing), indemnify and hold the Agency, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the Agency, its officials, officers, employees, agents, or volunteers.

- b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements

- a. 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 ("Prevailing Wage Laws"). 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. Consultant shall defend, indemnify and hold the Agency, its 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 (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.
- b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. 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. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

- c. This Agreement 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. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the Agency. Consultant shall defend, indemnify and hold the Agency, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Laws and Venue

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of Riverside, State of California.

16. Termination or Abandonment

- a. Agency has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, Agency shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. Agency shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by Agency and Consultant of the portion of such task completed but not paid prior to said termination. Agency 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.
- b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to Agency only in the

event of substantial failure by Agency to perform in accordance with the terms of this Agreement through no fault of Consultant.

17. Ownership of Materials and Confidentiality

- a. This Agreement creates a non exclusive and perpetual license for Agency to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). All Documents & Data shall be and remain the property of Agency, and shall not be used in whole or in substantial part by Consultant on other projects without the Agency's express written permission. Within thirty (30) days following the completion, suspension, abandonment or termination of this Agreement, Consultant shall provide to Agency reproducible copies of all Documents & Data, in a form and amount required by Agency. Agency reserves the right to select the method of document reproduction and to establish where the reproduction will be accomplished. The reproduction expense shall be borne by Agency at the actual cost of duplication. In the event of a dispute regarding the amount of compensation to which the Consultant is entitled under the termination provisions of this Agreement, Consultant shall provide all Documents & Data to Agency upon payment of the undisputed amount. Consultant shall have no right to retain or fail to provide to Agency any such documents pending resolution of the dispute. In addition, Consultant shall retain copies of all Documents & Data on file for a minimum of fifteen (15) years following completion of the Project, and shall make copies available to Agency upon the payment of actual reasonable duplication costs. Before destroying the Documents & Data following this retention period, Consultant shall make a reasonable effort to notify Agency and provide Agency with the opportunity to obtain the documents. Consultant shall require all subconsultants to agree in writing that Agency is granted a non exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or its subconsultants, or those provided to Consultant by the Agency.
- b. Agency shall not be limited in any way in its use or reuse of the Documents and Data or any part of them at any time for purposes of this Project or another project, provided that any such use not within the purposes intended by this Agreement or on a project other than this Project without employing the services of Consultant shall be at Agency's sole risk. If Agency uses or reuses the Documents & Data on

any project other than this Project, it shall remove the Consultant's seal from the Documents & Data and indemnify and hold harmless Consultant and its officers, directors, agents and employees from claims arising out of the negligent use or re-use of the Documents & Data on such other project. Consultant shall be responsible and liable for its Documents & Data, pursuant to the terms of this Agreement, only with respect to the condition of the Documents & Data at the time they are provided to the Agency upon completion, suspension, abandonment or termination. Consultant shall not be responsible or liable for any revisions to the Documents & Data made by any party other than Consultant, a party for whom the Consultant is legally responsible or liable, or anyone approved by the Consultant.

- c. Consultant shall defend, indemnify and hold the Agency, its directors, officials, officers, employees, volunteers and agents free and harmless, pursuant to the indemnification provisions of this Agreement, for any alleged infringement of any patent, copyright, trade secret, trade name, trademark, or any other proprietary right of any person or entity in consequence of the use on the Project by Agency of the Documents & Data, including any method, process, product, or concept specified or depicted.
- d. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of Agency, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use Agency's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of Agency.

18. Organization

Consultant shall assign **Christine Bennett, Finance Manager, as Project Manager**. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the Agency.

19. Limitation of Agreement

This Agreement is limited to and includes only the work included in the Project described above.

20. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

AGENCY:
Big Bear Area Regional Wastewater
Agency
121 Palomino Dr., P.O. Box 517
Big Bear City, CA 92314
Attn: Christine Bennett, Finance Manager

CONSULTANT:
[***INSERT NAME, ADDRESS &
CONTACT PERSON***]

and shall be effective upon receipt thereof.

21. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the Agency and the Consultant.

22. Equal Opportunity Employment

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

23. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of Agency and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

24. Severability

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

25. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However,

Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of Agency. Any attempted assignment without such consent shall be invalid and void.

26. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

27. Time of Essence

Time is of the essence for each and every provision of this Agreement.

28. Agency's Right to Employ Other Consultants

Agency reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

29. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Agency shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of Agency, during the term of his or her service with Agency, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

**SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT
BETWEEN
BIG BEAR AREA REGIONAL WASTEWATER AGENCY
AND *****INSERT NAME*******

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

**BIG BEAR AREA REGIONAL
WASTEWATER AGENCY, a
California Joint Powers Authority**

[INSERT NAME OF CONSULTANT]

By: _____
David Lawrence, General Manager

By: _____

Its: _____

Printed Name: _____

ATTEST:

By: _____
Bridgette Burton
Administrative Services Manager/Board Secretary

EXHIBIT A
Scope of Services

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice Agency on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform Agency regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

EXHIBIT C
Activity Schedule