

## **AGREEMENT FOR CONSULTING SERVICES**

This agreement sets forth the agreement and understanding between City of Coalinga (Coalinga) and Interstate Gas Services, Inc. (also IGS or IGService) for the purpose of IGS providing utility-related consulting services to Coalinga.

### **SCOPE:**

The ongoing scope of services is summarized below by enterprise fund.

#### Natural Gas Enterprise

- Monthly gas procurement coordination with Shell Trading
- Summer season sale-back of excess Redwood-path pipeline capacity
- Verification of all supplier billing statements
- Monitor revenue and expense of the gas enterprise for rate setting
- Support with PHMSA gas safety compliance

#### Water Enterprise

- Negotiation and coordination with Westlands and USBR for water costs and volumes
- Negotiation and contract management with wholesale customers
- Annual disclosure reporting for Series 2012 Bonds
- Monitor revenue and expense of the water enterprise regarding rate setting
- Compile and submit monthly volume report to Water Resources Control Board
- Monitor and identify monthly billing detail for errors

#### Sewer Enterprise

- Annual disclosure reporting for Series 2012 Bonds
- Monitor revenue and expense of the gas enterprise for rate setting

In general, provide ongoing utility technical support to the City Manager, Public Works Director, and staff as requested. Beyond the above-identified areas, this letter agreement is general in nature. All additional work shall be as directed only by the Public Works Director or City Manager and agreed to by Dan Bergmann of IGS.

### **TERM:**

This agreement is effective upon full execution. This agreement supersedes all other agreements in place between IGS and Coalinga. This agreement shall continue until terminated by either party on 30 days written notice, with or without cause.

**FEES:**

For services provided by IGS:

\$185 per hour

For administrative services:

\$50 per hour

Lodging:

Actual cost, not to exceed \$125 per night

Meals:

Not included

Mileage:

\$0.545 per mile (2018), or the highest IRS approved rate

Driving time:

\$75 per hour

**CONFIDENTIALITY:**

IGS and Coalinga recognize and agree that during the term, both will gain access to certain information critical to the ongoing business operations of each entity. This may include, but not be limited to, customers, clients, and supplier identities, transportation arrangements and terms, and conditions of certain contractual arrangements relative to the above. Both parties to this agreement specifically agree to keep any and all such information strictly confidential throughout the term defined hereunder and subsequent to the termination of this Agreement. IGS and Coalinga further agree not to utilize any such information to circumvent such ongoing business activities of each other, either directly and/or through third parties.

**WARRANTY:**

IGS shall perform all services with due diligence in a good workmanlike manner under generally accepted industry professional standards and, where applicable, standards imposed by law for comparable or similar services. All materials incorporated into services shall be of good quality.

**INDEMNIFICATION:**

Coalinga agrees to defend, indemnify IGS and save it harmless from all losses, liabilities, or claims including attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims associated with agreements between Coalinga and entities other than IGS. Coalinga further agrees not to involve IGS in present or future litigation between Coalinga other entities, as a result of Coalinga utilizing IGS work products as evidence. IGS agrees to defend, indemnify Coalinga and

save it harmless from all Claims, from any and all persons, arising from or out of the work of IGS hereunder, including but not limited to, the claims of customers, suppliers, and IGS employees.

#### **INDEPENDENT CONTRACTOR:**

In performing under this agreement, IGS shall act at all times as an independent contractor. IGS shall not make any commitment or incur any charge or expense in the name of Coalinga.

IGS expressly agrees, acknowledges, and stipulates that neither this Agreement nor the performance of its obligations or duties thereunder shall ever result in IGS, or anyone employed by IGS, being:

- A. An employee, agent, servant or representative of Coalinga; or
- B. Entitled to any benefits from Coalinga, including, without limitation, pension, profit sharing, accident insurance, or health, medical, life, or disability insurance benefits or coverage, to which employees of Coalinga are entitled.

The sole and only compensation and/or benefit of any nature to which IGS shall be entitled are the payments provided for herein. Coalinga shall have no direction or control of IGS or its employees and agents except in the results to be obtained subject to Coalinga's right to review/inspect the services. The actual performance and supervision of all services shall be by IGS, but the services shall meet the approval of Coalinga.

#### **SOCIAL SECURITY AND WAGE TAX LIABILITY:**

IGS agrees to pay timely and to accept exclusive liability for the payroll taxes, contributions for unemployment compensation insurance, old age benefits, social security, and any other payments now or hereafter imposed by the Government of the United States or by any state or political subdivision thereof, which are measured by the ages, salaries or other remuneration paid to IGS's employees. IGS agrees to indemnify Coalinga and save it free and harmless from and against any and all taxes, contributions, and/or payments imposed by law upon IGS.

#### **ASSIGNMENTS AND SUBCONTRACTS:**

The parties recognize that a substantial inducement to City for entering into this Agreement is the reputation, experience and competence of IGS. Assignments of any or all rights, duties or obligations of IGS under this Agreement is not permitted. However, IGS shall be permitted to subcontract Services under this Agreement with the express written consent of the City Manager, which will not be unreasonably withheld. If City consents to such subcontract, IGS shall be fully responsible to City for all acts or omissions of the subcontractor. Nothing in this Agreement shall: (1) create any contractual relationship between City and sub contractor; (ii) create any obligation on the part of the City to pay or to see to the payment of any monies due

to any such subcontractor; (iii) or relieve IGS of any of its obligations and responsibilities under this Agreement.

**PAYMENT:**

IGS shall bill Coalinga for work completed on a monthly basis. Payment is due 30 days after receipt of the invoice. Any overdue payments may, at IGS sole discretion, accrue a late charge of 1% per month.

**INSURANCE:**

IGS shall maintain insurance and shall submit certificates of insurance evidencing that insurance meeting the following requirements is being provided:

1. Errors and Omissions Insurance. If IGS is professionally licensed, IGS shall have such errors and omissions insurance as shall protect City, its officers, directors, employees and agents from claims based on errors or negligent acts or omissions which may arise from IGS' operations or performance under this Agreement, whether claims be made during or subsequent to the term of this Agreement, and whether such operations or performance be by IGS or its employees, Consultants, agents or anyone else directly or indirectly employed by any of the foregoing. The amount of this insurance shall not be less than \$1,000,000.

Said policy shall be continued in full force and effect during the term of this Agreement. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of IGS during the course of performing services under the terms of this Agreement.

2. Workers Compensation. IGS shall carry such insurance as will protect City and IGS from claims under Workers Compensation and Employer's Liability Acts; such insurance to be maintained as to the type and amount in strict compliance with State statutes.
3. General Liability. IGS shall obtain and keep in full force and effect general liability insurance including provisions for contractual liability, personal injury, independent Consultants and broad form property damage coverages. This insurance shall be on a comprehensive occurrence basis form with a stand cross liability clause or endorsement. The limit for this insurance shall be no less than \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
4. Automobile Liability. IGS shall maintain automobile liability insurance with coverage for any vehicle including those owned, leased, rented or borrowed. This insurance shall have a standard cross liability clause or endorsement. The limit amount for this insurance shall be no less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
5. Within thirty (30) days of the date of this Agreement, IGS shall provide the City with Certificates of Insurance demonstrating compliance with provisions 1 through 4 above.

Said certificates shall specify or endorse to provide that ten (10) days notice shall be given in writing to the City of any cancellations.

**NOTICES:**

**City of Coalinga**

City of Coalinga  
155 West Durian  
Coalinga, CA 93210  
Attn: City Manager

**Interstate Gas Services, Inc.**

Dan Bergmann / IGS  
15 Shasta Lane  
Walnut Creek, CA 94597

**SIGNATURES:**

If the above conditions and terms meet with your approval, please sign below:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name Printed

\_\_\_\_\_  
Title

\_\_\_\_\_  
Dan Bergmann  
President  
Interstate Gas Services, Inc.

\_\_\_\_\_  
Date