

## **PERSONAL SERVICES AGREEMENT BETWEEN THE COUNTY OF SHASTA AND PROCURE AMERICA, LLC**

This agreement is entered into between the County of Shasta, through its Support Services, Purchasing division, a political subdivision of the State of California (“County”) and Procure America LLC, a Delaware limited liability company (“Consultant”) (collectively, the “Parties” and individually a “Party”) for the purpose of providing cost recovery and expense reductions services.

### **Section 1. RESPONSIBILITIES OF CONSULTANT**

A. Pursuant to the terms and conditions of this agreement, Consultant shall:

1. Offer expertise to deliver expense reduction and/or operational efficiency in one or all of the following Expense Categories, only as directed by the County:
  - a. Utilities
  - b. Telecommunications (landline, data, and wireless)
  - c. Waste Services
  - d. Print/Copy Management
  - e. Technology Optimization
  - f. Treasury Services
2. Not obligate the County to initiate any reviews, nor obligate the County to implement or pursue any of the review findings or recommendations.
3. Gather and organize historical billing data for any service providers as requested by County.
4. Analyze any and all applicable tariffs and existing rate structures using the historical data collected.
5. Benchmark the actual costs of services to accurately measure expense reductions.
6. Review supplier contract terms, when applicable, to define a more equitable position for the County based on industry standards.
7. Provide a site visit to gather/confirm data, when necessary.
8. Submit a report summarizing the results and recommendations of the completed review(s). This report shall contain legal grounds for reduction opportunities and calculations of estimated savings and/or potential refunds.
9. Implement and recover costs by preparing documentation to initiate past cost recovery and future expense reductions.

10. Provide these services to achieve the objective(s) as outlined in Attachment A, Program Summary, and in compliance with all applicable Federal, State, and local laws and regulations.
- B. As required by Government Code section 7550, each document or report prepared by Consultant for or under the direction of County 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 COUNTY**

Pursuant to the terms and conditions of this agreement, County shall:

- A. Designate a contact person to facilitate countywide or departmental reviews.
- B. Compensate Consultant as prescribed in Sections 3 and 4 of this agreement and shall monitor the outcomes achieved by Consultant.
- C. Provide advance authorization to vendor in writing to initiate each review.

## **Section 3. COMPENSATION**

- A. For each targeted Expense Category, which may each have a different implementation date, Consultant will be paid thirty percent (30%) of actual refunds and/or savings as achieved by the County for a period of sixty (60) months, when such work was authorized in advance by the County.
- B. Consultant shall be paid a thirty percent (30%) revenue share for any one-time credits or refunds actually recovered through the analysis and implementation for the services described in this agreement, when such work was authorized in advance by the County.
- C. Consultant shall be paid a thirty percent (30%) revenue share for any ongoing cost savings actually realized through the analysis and implementation for the services described in this agreement for a period of sixty (60) months, when such work was authorized in advance by the County.
- D. Consultant shall be paid via electronic invoice payment; automated clearing house ("ACH"), County credit card, or Commerce Bank virtual card. ACH payments require submission of the completed Auditor-Controller ACH/Direct Deposit authorization form within five days of execution of this agreement.

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

**Section 4. BILLING AND PAYMENT**

- A. Consultant shall submit to County quarterly statements or invoices for Utility savings achieved. County shall make payment within 30 days of receipt of Consultant's correct and approved statement or invoice.
- B. Consultant shall submit to County monthly statements or invoices for other Expense Categories. County shall make payment within 30 days of receipt of Consultant's correct and approved statement or invoice.
- C. Compensation under this agreement shall be solely based on reductions in expenditures or costs County achieved under this agreement.
- D. Should County, or the state or federal government, disallow any amount claimed by Consultant, Consultant shall reimburse County, or the state or federal government, as directed by County, or the state or federal government, for such disallowed cost.

**Section 5. TERM OF AGREEMENT**

The initial term of this agreement shall be for three years as of the last date it has been signed by all Parties. The term of this agreement may be extended by County for two additional one-year terms at the end of the initial term, under the same terms and conditions unless written notice of non-renewal is provided by either Party to the other Party at least 30 days prior to the expiration of the initial term or the then current term.

**Section 6. TERMINATION OF AGREEMENT**

- A. If Consultant materially fails to perform Consultant's responsibilities under this agreement to the satisfaction of County, 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 County shall have the right to terminate this agreement for cause effective immediately upon the County giving written notice thereof to Consultant. If termination for cause is given by County 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. County may terminate this agreement without cause on thirty days written notice to Consultant.

- C. County may terminate this agreement immediately upon oral notice should funding cease or be materially decreased during the term of this agreement.
- D. County's right to terminate this agreement may be exercised by the County Executive Officer or the Director of Support Services.
- E. Should this agreement be terminated, Consultant shall promptly provide to County any and all finished and unfinished reports, data, studies, photographs, charts, and other documents prepared by Consultant pursuant to this agreement in a format acceptable to County.
- 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; EXHIBITS/APPENDICES**

- 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 the County Executive Officer or Director of Support Services provided that the amendment is in substantially the same format as the County'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 County. The waiver by County 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 County 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 County 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 County employee. County shall not be liable for deductions for any amount for any purpose from Consultant's compensation. Consultant shall not be eligible for coverage under County's workers' compensation insurance plan nor shall Consultant be eligible for any other County 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**

- A. To the fullest extent permitted by law, Consultant shall indemnify and hold harmless County, 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 County Counsel and counsel retained by County, 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 County. Consultant shall also, at Consultant's own expense, defend the County, its elected officials, officers, employees, agents, and volunteers, against any claim, suit, action, or proceeding brought against County, 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 County 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 County with respect to Consultant's "independent contractor" status that would establish a liability on County 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.

- B. This indemnification provision is independent of, and shall not in any way be limited by, Consultant's insurance coverage or lack of coverage, or by the insurance requirements of this agreement. County acknowledgement or approval of Consultant's evidence of insurance coverage required by this agreement does not in any way relieve Consultant from its obligations under this Section.

**Section 11. INSURANCE REQUIREMENTS**

Without limiting Consultant's duties of defense and indemnification:

- A. Consultant and any subcontractor shall carry Commercial General Liability Insurance, and other coverage necessary to protect County and the public, with limits of \$2 million per occurrence or claim. Such coverage shall:
1. Be equivalent to the current Insurance Services Office (ISO) form CG 00 01, assuring coverage for products and completed operations, property damage, bodily injury, and personal and advertising injury.
  2. Include an endorsement, or an amendment to the policy of insurance, naming Shasta County, its elected officials, officers, employees, agents, and volunteers as additional insureds; the additional insureds coverage shall be equal to the current ISO forms CG 20 10 for on-going operations, and CG 20 37 for completed operations.
  3. Apply separately to this project and location(s); in the event of a general aggregate limit, the general aggregate limit shall be twice the required per occurrence limit.
  4. Contain, or be endorsed to contain, a "separation of insureds" clause which shall read, or have the same effect as the following:  
  
"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."
- B. Consultant and any subcontractor shall carry Automobile Liability Insurance covering any auto, unless Consultant has no owned autos then covering at minimum hired and non-owned autos, with limits of \$1 million per occurrence or claim. Such coverage shall:

1. Include, or be endorsed to contain, Additional Insured coverage in favor of Shasta County, its elected officials, officers, employees, agents, and volunteers.
  2. Include, or be endorsed to contain, coverage for hazardous waste transportation, when appropriate to the work being performed.
- D. Consultant and any subcontractor shall carry statutorily required Workers' Compensation Insurance, and Employer's Liability Insurance with limits of \$1 million per occurrence or claim, to cover Consultant, subcontractor, Consultant's partner(s), subcontractor's partner(s), Consultant's employees, and subcontractor's(s') employees, covering the full liability for compensation for injury to those employed by Consultant or subcontractor. 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.
- E. Consultant shall carry Professional Liability (Errors and Omissions) Insurance, applicable to the Consultant's profession and the services/work being performed, with limits of not less than \$2 million per occurrence or claim, \$2 million aggregate.
- F. Consultant shall require its subcontractors, if any, to carry and maintain insurance coverage and evidence that equals or exceeds the coverage requirements imposed upon Consultant by this agreement.
- G. 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 Shasta County Risk Manager prior to the effective date of this agreement; policy shall provide, or be endorsed to provide, that any self-insured retention or deductible may be satisfied by either the named insured or County, and must also provide that defense costs satisfy the self-insured retention or deductible. Any and all deductibles and self-insured retentions shall be the sole responsibility of Consultant or subcontractor who procured such coverage, and shall not apply to the Indemnified Additional Insured Parties. County may deduct from any amounts otherwise due Consultant to fund the self-insured retention or deductible.
  2. If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Consultant or subcontractor shall maintain such 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 coverage for claims received and reported three years after the expiration date of this agreement.

3. In the event coverage is reduced or canceled, or otherwise materially changed, a notice of said reduction or cancellation or change shall be provided to County within 24 hours.
4. Consultant hereby grants to Shasta County, its elected officials, officers, employees, agents, and volunteers, a waiver of any right to subrogation or recovery which any insurer of said Consultant may acquire against County by virtue of the payment of any loss under such coverage, and agrees to obtain any endorsement that may be necessary to affect this waiver; this provision applies regardless of whether or not County has received such a waiver or endorsement.
5. Any available insurance proceeds in excess of the specified minimum limits and insurance coverage pursuant to the terms of this agreement shall be applicable to County.
6. Before the effective date of this agreement, Consultant shall provide County with certificates of insurance, and all amendatory endorsements or policy amendments, as evidence of meeting insurance coverage required of this agreement; for purposes of verification of Consultant meeting insurance requirements of this agreement, County reserves the right to require any policies, declarations, endorsements, and other documentation.
7. Coverage required herein shall be in effect at all times during the term of this agreement, and may be provided by programs of self-insurance when supported by adequate evidence meeting appropriate self-insurance and regulatory compliance. Insurance is to be placed with insurers authorized to transact business in California, with a current A.M. Best's rating of not less than A:VII, unless otherwise authorized by County.
8. In the event any insurance coverage expires at any time during the term of this agreement, Consultant shall provide County, 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, County may, in addition to any other remedies it may have, terminate this agreement upon the occurrence of such event.
9. For any claims related to this agreement, Consultant's coverage shall be primary and non-contributory. Any coverage maintained by Shasta County,



its elected officials, officers, employees, agents, and volunteers, shall be excess of the Consultant's coverage and shall not contribute with it.

10. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to Shasta County, its elected officials, officers, employees, agents, or volunteers.

**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 County, Consultant shall give prompt and timely notice thereof to County. 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 unlawfully 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. Furthermore, where applicable, Consultant represents and warrants all websites created for County, or used by Consultant to provide services pursuant to this agreement shall comply with the Americans with Disabilities Act of 1990 and shall specifically conform to the Web Content Accessibility Guidelines found at [www.w3.org.7.](http://www.w3.org.7.), and comply with section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), Subpart B, 1194.22.
- D. No funds or compensation received by Consultant under this agreement shall be used by Consultant for sectarian worship, instruction, or proselytization in a manner prohibited by law.

- 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. County, 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 County. Except where longer retention is required by federal or state law, Consultant shall maintain all records for five years after County makes final payment hereunder. This provision shall survive the termination, expiration, or cancellation of this agreement.
- B. Consultant shall maintain appropriate records to ensure 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 County during working days, 8:00 a.m. to 5:00 p.m. and at other times upon reasonable notice by County, 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 County audit directly related to the provisions of this agreement. Consultant agrees to repay County the full amount of payment received for duplicate billings, erroneous billings, audit exceptions, or false or deceptive claims. Consultant agrees that County 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 County 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 County. 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 County.

**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 County:                      Director of Support Services  
1450 Court Street, Suite 348  
Redding, CA 96001  
Telephone: (530) 225-5346  
Fax: (530) 225-5345

If to Consultant:               Procure America  
Todd Main, Executive Vice President  
31103 Rancho Viejo Rd., Suite D 2102  
San Juan Capistrano, CA 92675  
Telephone: (949) 388-2686

- 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 County as provided for in this agreement may be executed and/or exercised by the County Executive Officer or their designee.

**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 County'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 County decision which may affect Consultant's financial interests. If required by the County'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 County 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. COUNTY'S RIGHT OF SETOFF**

To the fullest extent permitted by law, County 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 County, any amount of any Federal or State audit liability owed by or claimed or asserted against the County or any amounts owed to County by Consultant or its subsidiaries.

**Section 25. CONFIDENTIALITY**

During the term of this agreement, both Parties may have access to information that is confidential or proprietary in nature. Both Parties agree to preserve the confidentiality of and to not disclose any such information to any third party without the express written consent of the other Party or as required by law. This provision shall survive the termination, expiration, or cancellation of this agreement.

## **Section 26. 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 County and be delivered to the County upon completion of its authorized use pursuant to this agreement with the exception of informal communications such as emails and staff notes, whether those communications or notes are internal to Consultant's staff or between Consultant and any subconsultants. County may use Consultant's such work products for any purpose whatsoever. County acknowledges that its alteration of documents without consent of Consultant, or use of the documents for any purpose unrelated to this agreement's purposes, is at the County's own risk and without liability to Consultant. 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 County 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 27. USE OF COUNTY PROPERTY**

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

## **Section 28. COUNTERPARTS/ELECTRONIC, FACSIMILE, AND PDF SIGNATURES**

This agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this agreement agrees to the use of electronic signatures, such as digital signatures that meet the requirements of the California Uniform Electronic Transactions Act ("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this agreement. The Parties further agree that the electronic signatures of the Parties included in this agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to the CUETA as amended from time to time. The CUETA authorizes use of an electronic signature for transactions and contracts among Parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (h) of Section 1633.2 of the Civil Code. Facsimile signatures or signatures transmitted via pdf document shall be treated as originals for all purposes.

**IN WITNESS WHEREOF**, County and Consultant have executed this agreement on the dates set forth below. By their signatures below, each signatory represents that they have the authority to execute this agreement and to bind the Party on whose behalf their execution is made.

**COUNTY OF SHASTA**

Date: \_\_\_\_\_

\_\_\_\_\_  
KEVIN W. CRYE, CHAIR  
Board of Supervisors  
County of Shasta  
State of California


ATTEST:


DAVID J. RICKERT  
Clerk of the Board of Supervisors

By: \_\_\_\_\_  
Deputy


Approved as to form:  
JOSEPH LARMOUR  
County Counsel

**RISK MANAGEMENT APPROVAL**

DocuSigned by:  
By:   
\_\_\_\_\_  
3EA8930A101C40F...  
Trisha C. Weber  
Senior Deputy County Counsel  
07/17/2024 | 12:27 PM PDT

DocuSigned by:  
By:   
\_\_\_\_\_  
63C541BCE38944C...  
Dolyene Lane  
Risk Manager  
07/17/2024 | 11:39 AM PDT

Date: 07/17/2024 | 11:38 AM PDT  
\_\_\_\_\_

DocuSigned by:  
By:   
\_\_\_\_\_  
7FF4AD07E7FA465...  
Alfredo C. Armendariz Jr.  
President and Secretary  
Procure America LLC  
Tax I.D.#: 45-2052536

# Expense Reduction and Recovery Services

Utilities, Telecommunications, Print Management,  
Technology, Waste Services, and Treasury Services

## PROGRAM SUMMARY



Prepared by:



**PROCUREAMERICA**  
BUSINESS INTELLIGENCE SERVICES

**ProcureAmerica, Inc.**

31103 Rancho Viejo Rd., #D2102  
San Juan Capistrano, CA 92675

Contact: Todd Main  
Office: 949-388-2686



April 12, 2024

Ms. Leticia Swanson  
Purchasing Manager II  
County of Shasta  
1450 Court Street – Room 348  
Redding, CA 96001-1676

Re: Program Summary for Expense Reduction and Recovery Services

Dear Ms. Swanson:

Thank you for the opportunity of working with the County of Shasta to identify cost reduction opportunities through a comprehensive analysis of the county's specific costs and operations. We would find it an honor to have an opportunity to provide business intelligence services to your organization.

The analysis provided through this project would include an Enterprise Strategic Plan that will address and support the county's objective of a proactive approach to cost reduction and service transparency, as it pertains to specific department expenses. ProcureAmerica's teams have conducted many similar types of reviews generating substantial savings and are certain we can be of assistance in this regard. ProcureAmerica's cost reviews are conducted by industry experts with decades of experience, analytics and regulatory insight that delivers results. We understand the current staffing issues being experienced by public sector agencies, and our process requires very little in terms of client staff time or resources. This project is presented on a shared-in-savings platform that is 100% self-funded with no obligation to move forward upon completion.

Thank you for the opportunity of presenting the following outline and I look forward to hearing your thoughts.

Best Regards,

Todd Main  
Executive Vice President





## COMPANY OVERVIEW

ProcureAmerica is the Nation's leading business intelligence firm supporting private and public sector organizations with Enterprise Strategic Plans specifically designed to deliver expense reduction and operational efficiency. With over 5 billion dollars of client expenses under management, our expertise and track record are second to none in this space. Each of the firm's 6 practice groups: Utilities, Telecommunications, Waste Services, Print Management, Technology Optimization and Treasury Services is staffed with highly experienced professionals who come directly from the industry in which they practice and deliver insight, innovation and intelligence that delivers results.

ProcureAmerica provides state and local government agencies with strategic expense reduction services on a self-funded, pure contingency basis. Through a partnership with California State Association of Counties (CSAC), a Cooperative Agreement – RCA 017-21010578 - is in place as a possible procurement vehicle for this project. This project is 100% self-funding and will deliver operational efficiency, fiscal transparency and expense reduction.

## OBJECTIVE

ProcureAmerica's mission objective is to deliver the County of Shasta an Enterprise Strategic Plan to minimize the county's costs while increasing vendor transparency and service levels.



### Utilities (Electricity, Water, Sewer & Natural Gas)

The Utility Division is quite unique in that their scope of work focuses exclusively on utility tariff rates, transmission fees and tax structures as mandated by the California Public Utility Commission (CPUC) and other oversight authorities. Our firm does not operate within the utility conservation space (behavioral, technology, operations, etc.) and concentrates solely on Tariff Rate Optimization Studies (TROS).

The Utility TROS is unique and highly specialized in that our work is primarily comprised of a legal review of tariff rates, transmission fees and surcharge structures. The study also includes a forensic legal review of the local governing body's rulings, interpretations, and regulations, as it applies to commercial tariff rate assignments and how the providers are applying said rates structures to the organization. Further, our firm has deep experience in municipal tax code applications and apply this expertise to our client's North American Industry Classification System (NAICS) designations in search of exemptions and cost mitigation opportunities through individual meter rate modeling and other measures.



### Telecommunications (Wireline & Wireless)

The Telecommunications Analysis seeks to reduce the county's landline, data, and wireless charges by applying industry best practices and competitive cost models to highlight government pricing, service opportunities, operations, usage reports and cost analytics.

Our telecommunications experts have experience and a proven method for identifying savings and creating efficiencies in telecommunications operations, specifically for government agencies. With over 25 years of experience in land line, data and wireless telecom cost reviews, our consultants specialize in billing error identification and recovery, identifying cost savings, and increasing efficiency.

Further our reviews provide a full inventory of your telecom equipment, services, and pricing by location and user. Our wireless review includes comparing actual utilization of services on a user-by-user basis, with capacity and strategic planning with recommendations that will align with our client's long-term goals.



### Print Management (Printers, Copiers, and Multifunctional Devices)

Printers, copiers, multifunctional devices, scanners, software programs along with their respective service and supply agreements are an integral and costly component to all agencies. Yet, most organizations lack the time, resources, or in-house expertise to implement a global print strategy to contain these costs. ProcureAmerica's Print Management Division is unique, in that our work product not only focuses on price, financing and terms, but also utilization, equipment disposition, volume and even tax structures. This study would not solely operate within the confinements of price and current utility (behavioral, technology, operations), but also incorporate best practices and rational solutions, providing a strategic plan that can be implemented for immediate cost savings and enhanced service levels. Further, our work product considers the client's unique operational and cultural needs while incorporating the county's policy goals.

Our team has experience working in both centralized and de-centralized environments and has the capability of working on a department-by-department basis. It is clearly understood that no two organizations are alike, and therefore each project result is unique to itself with the client always "steering the ship."



### Technology Optimization

Information Technology expenses are the fastest growing aspect of most organizations' budgets, and yet when it comes to supplier contract terms and conditions, service levels options, and net pricing, there is a wide and deep information gap.

The Technology Team conducts a financial review of the organization's existing software/hardware/outsourcing contracts and new purchases to compare to best-in-class industry pricing. Subject matter experts review the client's new purchases and annual maintenance renewals of hardware, software, consulting services, outsourcing, SAS, cloud computing, and other expenses within the IT portfolio.

Our technology experts coordinate with the county's IT team to develop an Enterprise Strategic Plan for the organization to achieve best in class agreements, programs, and cost structures. The review takes very little of the client's staff's time and will either validate that current costs and service levels are in line with current market rates or document clearly the opportunity to reduce costs, right size usage licenses, and secure deeper discounts.



### **Waste Services (Solids, Organics, Biohazard, Regulated Medical Waste, Laundry)**

ProcureAmerica's Waste Division takes a holistic approach to building an ESP. Each engagement and review are specifically tailored to each organization's stated requirements, facility profile, regional hauling community (both special services contracts and franchise agreement holders), as well as philosophical, cultural, and public policy initiatives. The assessment and subsequent designed ESP incorporate all aspects of the service and expense (contractual, operational, compliance and transparency) to build a system-wide program that achieves the client's stated objectives. ProcureAmerica has extensive experience assisting government clients with expense reduction strategies in the areas of solid, organics, recycling, shred, regulated medical waste and laundry and linens.

ProcureAmerica's Waste Services Division takes a three-stage approach to the review process:

- 1) Contract Review: A legal review to assess previous and current contract terms, conditions, compliance, and pricing platforms.
- 2) Operational Evaluation: Field testing and operational analysis to assess the client's equipment needs and optimal service levels.
- 3) Compliance Audit: Historical bill audit to ensure historical invoice to contract accuracy by the haulers and service providers. Regulatory review to confirm governmental legislative compliance.



### **Treasury Services**

ProcureAmerica's Treasury reviews typically combine three related, but distinct disciplines that will preserve and protect your organization's financial resources. This financial review method applied by ProcureAmerica can take a wide and holistic approach or can be applied in a narrowly tailored environment. Each review component (bank fees, taxes, and accounts payable audit) has specific testing and remedy applications that identify or correct billing errors, provide expense reduction opportunities and deliver supplier transparency.

Every organization needs to ensure their financial resources are preserved to the best of their ability. The fiduciary responsibility to taxpayers or stockholders requires periodic reviews to confirm proper controls are in place to avoid any leakage that may be occurring. Current staffing issues being experienced by government agencies and excessive workloads can make it difficult to complete these reviews. Banks have more than 3,000 fees they can potentially charge, with the average organization paying over 180 different banking fees per banking relationship.

Our Treasury analysis includes a review of all bank and credit card fees, the processing agreement's terms and conditions, pricing, accessorial fees, and other expense and service deliverables. The service provider's agreement protocols are then applied to your organization's operational needs and E-intake profile, quantifying, and evaluating card types, size of transactions, income volume, interchange levels, SIC/MCC analysis, regulatory compliance, technology assessments, and other important cost and service influencers. The result is a custom designed Enterprise Strategic Plan (ESP) for your organization that provides best-in-class cost structures and transparency. Further, the ESP is typically constructed without any need to change operations, incumbent processors, or banking institution, or invest in technology, providing a seamless and highly effective solution.

## Enterprise Strategic Plan (ESP)

### Process:

- 1. Gathering Historical Data** – ProcureAmerica will gather and organize historical billing and usage information for all the client's accounts under review. Where data is not readily available, ProcureAmerica will dedicate staff to work with the individual departments and service providers to gather the needed billing information. This process would require limited time (several hours) from client staff with the vast majority of the required information available directly through online access with the providers.
- 2. Utility Tariff Rate Analysis** - ProcureAmerica analyzes the data accumulated in light of applicable tariffs, statutes, commission decisions and specific rate structures. All utility accounts are reviewed to determine whether they are being billed correctly, and whether they have been billed appropriately in the past. ProcureAmerica's analysis includes, but is not limited to, the investigation of billing calculations, inappropriate rate schedules, proper metering of services, optional rates, applicability of taxes and surcharges, baseline and lifeline allowance calculations, meter multipliers, and rules and regulations affecting billing. No on-site contact is required to conduct this analysis. Where the TROS review starts with the historical aspect of the client's expenses associated to rate structures, the more significant and long-term value associated to the study stems from the alternative rates available to the client moving forward. In the rate modeling component of a TROS review, the analyst mathematically tests alternative tariff rates the client is entitled to, per CPUC rules and regulations. These alternative tariffs are based on a myriad of qualifiers including various industry NAICS codes designations, specific usage rates, load

profiles, technology, 15-minute interval data and other influencers. The go-forward cost reduction aspect of the rate modeling element of a TROS review has an extended shelf life that will continue for many years or decades into the future.

3. **Benchmarking and Analysis** - Each project begins with the historical aspect of the specific category spend, providers, service levels and deliverables. The cost analysis team will analyze the accumulated data from a historical perspective to both create an inventory of devices, equipment and services and benchmark the actual costs of the specific service. Business intelligence and industry experts are utilized to create an ESP that addresses the stated goals of the county as well as expense reduction and service level enhancements wherever possible.
4. **Contract Compliance** – ProcureAmerica will review contract terms and compare industry best practices. Our auditors will analyze obscure, undefined terms and conditions and strategize how the contract points can be defined to create a more equitable position for the client.
5. **Site Visits** – Upon completion of the analysis, there may be a need for specific site visits to gather additional information or confirm data.
6. **Report Submission** – The ESP report will summarize the results and recommendations of the chosen cost reviews. The reports will contain an explanation of legal grounds for all refunds and expense reduction opportunities identified for each account and service provider; including calculations of the estimated savings and refunds expected to be achieved.
7. **Implementation of Changes/Recovery of Refunds** – ProcureAmerica takes all necessary steps to implement the client’s approved recommendations or operational changes and collects refunds for past billing errors. This work includes preparing documentation supporting ProcureAmerica’s identified refunds, rate changes and applications, and if necessary, meeting with the provider’s personnel to discuss each request. No involvement is required by client staff other than in an advisory capacity and for task approval.
8. **Compensation** – Revenue Share - The compensation structure is 100% contingency based and calculated exclusively on “actual realized savings”. The contingency fees are as follows:

Refunds or Credits. One-time credits or refunds (identified and recovered through ProcureAmerica’s analysis) ProcureAmerica’s shared savings would be 30% of the amount refunded or credited.

ESP - Go forward savings: For ongoing cost reduction strategies outlined in the ESP (IE alternative rate options, exemptions, calculations, programs...), should the county elect to pursue the specific ESP report recommendations, the go forward

savings would be 30% of the actual savings that accrue during the 60-month contract term.

As noted, the County of Shasta retains complete autonomy in pursuing part, none, or all the review findings under this program.

**Deliverables:**

1. Analysis of historical usage, service levels and costs of specified category
2. Strategic go-forward findings report with recommendations to reduce costs
3. Implement all the county's approved recommendations
4. Document and collect refunds for past overcharges
5. Monthly auditing of vendor invoices to verify actual cost reduction
6. Ongoing cost reduction review and consulting for 60 months