

CONTRACT FOR SERVICES

THIS CONTRACT is made on September 27, 2022, by and between the CITY OF ROCKLIN a municipal corporation ("City"), and Chandler Asset Management, Inc. ("Contractor"), who mutually agree as follows:

1. SCOPE OF SERVICES

Subject to the terms and conditions set forth in this agreement, Contractor shall provide to the City the services described in the Scope of Work, Exhibit A. Contractor shall provide the services at the time, place and in the manner specified in Exhibits A and/or B. Contractor shall not be compensated for services outside the scope of Exhibit A unless prior to the commencement of the services: (a) Contractor notifies the City and City agrees the services are outside the scope of Exhibit A; (b) Contractor estimates the additional compensation required for these additional services; and (c) City after notice, approves in writing a supplemental agreement specifying the additional services and the amount of compensation therefore. City shall have no obligation whatsoever under this agreement or any supplemental agreement, unless and until the agreement or supplemental agreement is approved by the City Manager, the City Manager's authorized designee, or by the Rocklin City Council, as required by the Rocklin Municipal Code or other local law or policy.

2. COMPENSATION

A. The City shall pay Contractor for the services rendered pursuant to this agreement at the times and in the manner set forth in the Scope of Services, Exhibit A, the Schedule for Performance, Exhibit B, and in accordance with the Schedule of Fees in Exhibit C, but in no event shall the total compensation exceed the total sum of three hundred eighty-eight thousand dollars (\$388,000). The payments specified in Exhibits A and/or B shall be the only payments to be made to Contractor for the services rendered pursuant to this Agreement unless pursuant to Section 1, above, City approves additional compensation for additional services.

B. Contractor shall furnish City with invoices for all expenses as well as for all materials authorized by this Contract. The invoices shall be submitted with the monthly billings. Reimbursable expenses shall be limited to actual expenditures of Contractor for expenses that are necessary for the proper completion of the services and shall only be payable if specifically authorized in advance by City.

C. Contractor shall submit all billings/invoices for services to City in the manner specified in Exhibit B. Contractor's fees shall be as specified in the Scope of Work, Exhibit A or the Schedule of Fees as set forth in Exhibit C. All invoices submitted by Contractor shall contain the following information:

- (1) Job/project name or description;
- (2) City's current purchase order and/or work order number (if applicable);
- (3) Contractor's invoice number;
- (4) Date of invoice issuance;
- (5) Description of services billed under invoice, including the description of tasks performed and the corresponding rate charged for the completion of that task;
- (6) Amount of invoice, itemizing all authorized reimbursable expenses; and

(7) Total billed to date under agreement.

D. City shall make payment to Contractor net 30 days from receipt of an acceptable invoice. If Contractor's performance is not in conformity with the Scope of Work, Exhibit A, or the Schedule of Performance, Exhibit B, or the provisions set forth above, payments may be delayed or denied, unless the Contractor's failure to perform is a documented result of the City's failure to conform with the Schedule of Performance, or if the Schedule of Performance is extended pursuant to Section 4. City shall not be responsible for delays in payment to Contractor resulting from Contractor's failure to comply with the invoice format described above, or as set forth in the Schedule of Performance.

E. During performance of the agreement and for a period of three (3) years after completing all services, Contractor shall maintain all accounting and financial records related to this Agreement, including but not limited to records of Contractor's costs for all services performed under this agreement and records of Contractor's reimbursable expenses, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the City upon reasonable written notice.

F. Contractor shall pay when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of payment upon request. Contractor hereby agrees to indemnify City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Contractor's breach of this section.

3. FACILITIES AND EQUIPMENT

Contractor shall at its sole cost and expense, furnish all facilities and equipment that may be required for Contractor to perform services pursuant to this agreement. City shall furnish to Contractor, only the facilities and equipment listed in Exhibit A (if any) according to any terms and conditions set forth in Exhibit A.

4. TERM OF CONTRACT

A. This agreement shall become effective on the date that it is approved by both parties, set forth on the first page of the agreement and shall continue in effect until August 30, 2025 unless sooner terminated as provided herein.

B. The services of Contractor are to commence upon execution of this Contract and shall be undertaken and completed in accordance with the Schedule of Performance attached hereto and incorporated herein by this reference as **Exhibit B**.

C. The City, in its sole discretion, may opt to renew the contract for two additional one-year terms.

5. SUSPENSION/TERMINATION:

A. City shall have the right at any time to temporarily suspend Contractor's performance hereunder, in whole or in part, by giving written notice of suspension to Contractor. If City gives such notice, Contractor shall immediately suspend its activities under this agreement.

B. This Contract may be terminated by either party, provided that the other party is given not less than **thirty (30)** calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. If the agreement is terminated by the City:

- i. Contractor shall immediately cease rendering services pursuant to this agreement;
- ii. Contractor shall, not later than five days after such notice of termination, deliver to City copies of all information prepared pursuant to this agreement;
- iii. City shall pay Contractor the reasonable value of services rendered by Contractor prior to termination; provided however, City shall not in any manner be liable for lost profits that might have been made by Contractor had the agreement not been terminated or had Contractor completed the services required by this agreement. Contractor shall furnish to City such financial information as in the judgment of the City is necessary for City to determine the reasonable value of the services rendered by Contractor. The foregoing is cumulative and does not affect any right or remedy that city may have in law or equity.

C. Notwithstanding any provisions of this Contract, Contractor shall not be relieved of liability to the City for damages sustained by the City by virtue of any breach of this Contract by Contractor, and the City may withhold any payments due to Contractor until such time as the exact amount of damages, if any, due the City from Contractor is determined.

6. INDEPENDENT CONTRACTOR

Contractor enters into this Contract as an independent contractor and not as an employee of the City. Except as expressly permitted herein, Contractor shall have no power or authority by this Contract to act on behalf of City in any capacity whatsoever as an agent, or to bind the City in any respect or to any obligations whatsoever. Nothing in this Contract shall be construed to be inconsistent with this relationship or status. All employees, agents, contractors or subcontractors hired or retained by the Contractor are employees, agents, contractors or subcontractors of the Contractor and not of the City. The City shall not be obligated in any way to pay any wage claims or other claims made against Contractor by any such employees, agents, contractors or subcontractors, or any other person resulting from performance of this agreement.

7. AMENDMENTS, CHANGES OR MODIFICATIONS

Amendments, changes or modifications in the terms of this Contract may be made at any time by mutual written agreement between the parties hereto and shall be signed by the persons authorized to bind the parties hereto.

8. EXTENSIONS OF TIME

Contractor may, for good cause, request extensions of time to perform the services required hereunder. Such extensions shall be authorized in advance by the City in writing and shall be incorporated in written amendments to this Contract or the attached Work Program in the manner provided in Section 7.

9. PROPERTY OF CITY

It is mutually agreed that all materials prepared by the Contractor under this Contract shall become the property of the City, and the Contractor shall have no property right therein whatsoever. Immediately upon termination, the City shall be entitled to, and the Contractor shall deliver to the City, all data, drawings, specifications, reports, estimates, summaries and other such materials as may have been prepared or accumulated to date by the Contractor in performing this Contract which is not Contractor's privileged information, as defined by law, or Contractor's personnel information, along with all other property belonging exclusively to the City which is in the Contractor's possession.

10. COMPLIANCE WITH ALL LAWS:

Contractor shall keep itself fully informed of, shall observe and comply with, and shall cause any and all persons, firms or corporations employed by it or under its control to observe and comply with, all applicable laws, ordinances, and codes of federal, State and local governments, which in any manner affect those engaged or employed on the work described by this Contract or the materials used or which in any way affect the conduct of the work, and shall commit no trespass on any public or private property in performing any of the work authorized by this Contract.

For all leases and purchases of materials, equipment, supplies or other tangible personal property used to perform the agreement and shipped from outside California, the Contractor and any subcontractors leasing or purchasing such materials, equipment, supplies or other tangible personal property shall obtain a Use Tax Direct Payment Permit or Seller's Permit from the California State Board of Equalization, in accordance with the applicable SBE criteria and requirements. This provision applies in all instances unless prohibited by the funding source for the agreement.

11. WARRANTIES AND RESPONSIBILITIES - CONTRACTOR

A. Contractor agrees and represents that it is qualified to properly provide the services set forth in **Exhibit "A"** in a manner which is consistent with the generally accepted standards of Contractor's profession.

B. Contractor is duly licensed, qualified and experienced to perform the services set forth in the Scope of Services, Exhibit A. Contractor represents and warrants that Contractor has all licenses, permits, qualifications and approvals of whatsoever nature that are legally required for Contractor to practice its profession or provide any services under this agreement. Contractor represents and warrants that Contractor shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this agreement, any licenses, permits and approvals that are legally required for Contractor to practice its profession or provide such services. If Contractor is an out of state corporation, Contractor further warrants and represents that it possesses a valid certification of qualification to transact business in the State of California issued by the California Secretary of State.

C. Contractor shall perform all services required pursuant to this agreement in the manner and according to the standards currently observed by a competent practitioner of Contractor's profession in California. Contractor shall devote such time and effort to the

performance of services pursuant to this agreement as is necessary for the satisfactory and timely performance of Contractor's obligations under this agreement. Neither party shall be considered in default of this agreement to the extent that party's performance is prevented or delayed by any cause that is beyond the reasonable control of that party.

D. All products of whatsoever nature that Contractor delivers to City pursuant to this Agreement shall be prepared in a professional manner and conform to the standards of quality normally observed by a person currently practicing in Contractor's profession, and shall be provided in accordance with any scope of services or schedule of performance specified in Exhibits A or B.

E. Contractor shall assign only competent personnel to perform services pursuant to this agreement. Contractor shall designate a project manager who at all times shall represent the Contractor before the City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of the City, is no longer employed by Contractor, or is replaced with the written approval of the City, which approval shall not be unreasonably withheld. Contractor shall notify City in writing, of any other changes in Contractor's staff assigned to perform the services required under this agreement, prior to any such performance. In the event the City desires the removal of any person assigned by Contractor to perform services pursuant to this agreement, because the City in its sole discretion, determines that such person is not performing in accordance with the standards required herein, Contractor shall remove such person immediately upon receiving notice from the City of the desire for the removal of such person.

F. Contractor agrees and represents that the work performed under this Contract shall be in accordance with applicable federal, State and local law.

G. Contractor shall provide corrective services without charge to the City for services which fail to meet the above professional and legal standards and which are reported to Contractor in writing within sixty (60) days of discovery. Should Contractor fail or refuse to perform promptly its obligations, the City may render or undertake performance thereof and the Contractor agrees it has satisfied itself by its own investigation and research regarding the conditions affecting the work to be done and labor and materials needed, and that its decision to execute this agreement is based on such independent investigation and research. Contractor shall be liable for any expenses thereby incurred.

12. SUBCONTRACTING

None of the services covered by this Contract shall be subcontracted without the prior written consent of the City, which will not be unreasonably withheld. Contractor shall be as fully responsible to the City for the negligent acts and omissions of its contractors and subcontractors, and of persons either directly or indirectly employed by them, as it is for the negligent acts and omissions of persons directly employed by Contractor.

13. ASSIGNABILITY

Contractor shall not assign or transfer any interest in this Contract whether by assignment or novation, without the prior written consent of the City. The City has a strong interest in the qualifications and capability of the persons and entities that will fulfill the obligations imposed on Contractor under this agreement. However, claims for money due or to become due Contractor

from the City under this Contract may be assigned to a financial institution, or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the City.

14. INTEREST IN CONTRACT

Contractor covenants that neither it, nor any of its employees, agents, contractors, or subcontractors has any interest, nor shall they acquire any interest, direct or indirect, in the subject of the Contract, nor any other interest which would conflict in any manner or degree with the performance of its services hereunder. Contractor shall make all disclosures required by the City's conflict of interest code in accordance with the category designated by the City, unless the City Manager determines in writing that Contractor's duties are more limited in scope than is warranted by the category designated by the City code and that a narrower disclosure category should apply. Contractor also agrees to make disclosure in compliance with the City conflict of interest code if, at any time after the execution of this Contract, City determines and notifies Contractor in writing that Contractor's duties under this Contract warrant greater disclosure by Contractor than was originally contemplated. Contractor shall make disclosures in the time, place and manner set forth in the conflict of interest code and as directed by the City.

15. MATERIALS CONFIDENTIAL

To the extent permitted by law, all of the materials prepared or assembled by Contractor pursuant to performance of this Contract are confidential and Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City, except by court order.

16. LIABILITY OF CONTRACTOR-NEGLIGENCE

Contractor shall be responsible for performing the work under this Contract in a manner which is consistent with the generally-accepted standards of the Contractor's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors. The City shall have no right of control over the manner in which the work is to be done but only as to its outcome, and shall not be charged with the responsibility of preventing risk to Contractor or its employees, agents, contractors or subcontractors.

17. INDEMNITY AND LITIGATION, COSTS

To the fullest extent permitted by law, Contractor shall hold harmless, defend at its own expense, and indemnify the City, its officers, officials, agents, employees and volunteers against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation court costs and reasonable attorneys' fees, arising from all acts or omissions of Contractor, or its officers, agents or employees in rendering services under this Agreement; excluding however, such liability, claims, losses, damages or expenses arising from the City's sole negligence, or willful acts. The provisions of this paragraph shall survive termination or suspension of this Contract. These Indemnification provisions are independent of and shall not in any way be limited by the Insurance requirements of this agreement. City approval of the Insurance required by this Agreement does not in any way relieve the Contractor from liability under this section.

18. CONTRACTOR TO PROVIDE INSURANCE

Contractor agrees to have and maintain the policies set forth below, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees. All policies, endorsements, certificates, and/or binders shall be subject to approval by the City as to form and content. A lapse in any required insurance coverage during this Agreement shall be a breach of this Agreement.

A. MINIMUM SCOPE AND LIMIT OF INSURANCE

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability:** Insurance Services Office Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9), with limit no less than **\$1,000,000** per accident for bodily injury and property damage.

3. **Workers' Compensation** as required by the State of California, with Statutory Limits and Employer's Liability Insurance with limit of no less than **\$1,000,000** per accident for bodily injury or disease. If Contractor has no employees, Contractor must notify City if an employee is hired, verify proof of coverage for any subcontractors, and agrees to hold City harmless and defend City from claims arising from failure to provide workers' compensation benefits.

4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor's profession, with limit no less than **\$5,000,000** per occurrence or claim, **\$5,000,000** aggregate. Professional liability coverage shall extend for at least five years after completion of the Contractor's services under this Agreement.

5. **Crime Insurance; Employee Dishonesty Insurance; Fidelity Bond.** Insurance coverage or fidelity bond protecting City funds or securities from theft, including employee theft, computer fraud, funds transfer loss, cyber extortion, impersonation fraud, and other related crime risks. Coverage shall be not less than \$5,000,000 per occurrence. The City must be named as a loss payee. Policy must cover Contractor's officials, agents, and employees with access to, and/or control over, funds controlled by Contractor. Coverage must include, but not be limited to, third party fidelity coverage, including coverage for loss due to theft and must not contain a requirement for an arrest and/or conviction.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or the higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

B. OTHER INSURANCE PROVISIONS

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured Status.** The City, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).

2. **Primary Coverage.** For any claims related to this contract, the Contractor's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees, or volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. **Notice of Cancellation.** Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to the City, with ten days' for notice of cancellation due to non-payment.

4. **Waiver of Subrogation.** Contractor hereby grants to City a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

5. **Self-Insured Retentions.** Self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

6. **Acceptability of Insurers.** Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

7. **Claims Made Policies.** If any of the required policies for professional liability insurance provide claims-made coverage:

- i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- iii. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract

effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

8. **Verification of Coverage.** Contractor shall furnish the City with original Certificate of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to the City before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Contractor’s obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

9. **Subcontractors.** Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that City is an additional insured on insurance required from subcontractors.

10. **Special Risks or Circumstances.** City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

19. GENERAL/MISCELLANEOUS PROVISIONS:

A. **Contract Documents.** This agreement and its exhibits shall be known as the “Contract Documents.” Terms set forth in any Contract Document shall be deemed to be incorporated in all Contract Documents as if set forth in full therein. In the event of conflict between terms contained in these Contract Documents, the more specific term shall control. If any portion of the Contract Documents shall be in conflict with any other portion, provisions contained in the Contract shall govern over conflicting provisions contained in the exhibits to the Contract. In the event of any conflict between the terms or conditions of this written agreement and any terms or conditions of any document prepared or provided by Contractor and made a part of this agreement, including without limitation any document relating to the scope of services or payment therefor, the written terms of this document shall control over those terms or conditions.

B. **Non-Discrimination in Employment and Equal Employment Opportunity.** Contractor shall not engage in unlawful employment discrimination. Such unlawful employment discrimination includes, but is not limited to, employment discrimination based upon a person’s race, color, ancestry, national origin, religious creed, sex (including pregnancy, childbirth breastfeeding or related medical condition), sexual orientation, gender, gender identity, gender expression and age (over 40), disability (mental and physical), medical condition, marital status, citizenship, and military and veteran status.

C. **Inspection of Records.** Contractor shall maintain and make available for inspection by the City and its auditors accurate records of all of its costs, disbursements and receipts with respect to any work under this Contract. Such inspections may be made during regular office hours at any time until six (6) months after the final payments under this Contract are made to the Contractor.

D. **Entire Agreement.** This Contract constitutes the entire agreement between the parties relative to the services specified herein and supersedes whatever oral or written understanding they may have had prior to the execution of this agreement. No alteration or modification of this agreement shall be valid or effective unless and until such modification is evidenced by a writing signed by both parties to this Contract, by persons authorized to act on behalf of the parties. There are no understandings, agreements, conditions, representations, warranties or promises, with respect to this Contract, except those contained in or referred to in the writing.

E. **Severability.** If any portion of this agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

F. **Waiver.** Neither City's acceptance of, or payment for, any service performed by Contractor, nor any waiver by either party of any default, breach, or condition precedent, shall be construed as a waiver of any provision of this agreement, nor as a waiver of any other default, breach or condition precedent or any other right hereunder.

G. **Notice.** All notices that are required to be given by one party to the other under this Contract shall be in writing and shall be deemed to have been given if delivered personally or enclosed in a properly addressed envelope and deposited in a United States Post Office for delivery by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Contract may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

City: City of Rocklin
Administrative Services – Finance
3970 Rocklin Road
Rocklin, CA 95677

daniel.choe@rocklin.ca.us

City of Rocklin
Office of the City Attorney
3970 Rocklin Road
Rocklin, CA 95677

Contractor: Chandler Asset Management
Attn: Nicole Dragoo
6225 Lusk Boulevard
San Diego, CA 92121

H. **Enforcement of Agreement.** This Contract shall be interpreted, governed and enforced in accordance with the laws of the State of California. Venue of any action arising out of this Contract shall be brought and maintained in Placer County California, regardless of where else venue may lie. The parties consent to jurisdiction over their persons and over the subject

matter of any such litigation in such court, and consent to service of process issued by such courts.

I. **Attorney's Fees.** In any action brought by either party to enforce the terms of this Contract, each party shall bear responsibility for its attorney's fees and all costs regardless of whether one party is determined to be the prevailing party.

J. **Power and Authority to Enter into Agreement.** All parties to this Agreement warrant and represent that they have the power and authority to enter into this Agreement in the names, titles, and capacities herein stated and on behalf of any entities, persons, or firms represented or purported to be represented by such entity(ies), person(s), or firm(s) and that all formal requirements necessary or required by any state and/or federal law in order to enter into this Agreement have been fully complied with. Furthermore, by entering into this Agreement, Contractor hereby warrants that it shall not have breached the terms or conditions of any other contract or Agreement to which Contractor is obligated, which breach would have a material effect hereon.

K. **Counterparts; Electronic Signatures.** This Agreement may be executed in two or more counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same instrument. The words "execution," "signed," "signature," and words of like import in this Agreement or in any other certificate, agreement or document related to this Agreement, shall include digital electronic signatures (DocuSign). The use of digital electronic signatures and electronic records (including, without limitation, any contract or other record created, generated, sent, communicated, received, or stored by electronic means) shall be of the same legal effect, validity and enforceability as a manually executed signature or use of a paper-based record-keeping system to the fullest extent permitted by applicable law.

L. **Exhibits.** All exhibits referred to herein and attached hereto, are by this reference incorporated as if set forth fully herein.

CONTRACTOR

By: _____
Nicole Dragoo, President

By: _____
[Name, Title]

CITY OF ROCKLIN

By: _____
Aly Zimmermann, City Manager

ATTEST:

By: _____
Hope Ithurnburn, City Clerk

APPROVED AS TO FORM:

By: _____
Sheri Chapman, City Attorney

EXHIBIT A

Contractor Proposal/Scope of Work

1. Contractor shall serve as an Investment Manager and provide Advisory Services for the City and shall structure an investment portfolio with the goal of achieving performance that consistently exceeds the returns of a selected market benchmark, while maintaining City's risk profile at all times. Contractor shall reduce exposure to market risk by diversifying the portfolio by issuer and security type, and by establishing and maintaining a target portfolio duration that is consistent with City's risk profile and investment objectives.

2. Contractor shall act as a fiduciary in accordance with prudent investor standards, avoid conflicts of interest and put the City's needs first in all matters and responsibilities related to the investment management services provided. Contractor shall work as a fiduciary with the City on every aspect of the investment program, including investment policy development and review, cash flow analysis and forecasting, and portfolio optimization through the careful control of risk.

3. Contractor shall implement strategies that meet the City's risk and return requirements, provide comprehensive investment reporting to save City staff time, and conduct education and training for City staff enrichments.

4. In its capacity as Investment Manager, Contractor shall receive all instructions, directions, and other communications on City's behalf respecting City's account from the City Treasurer or his/her designee (Representative). Contractor is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.

5. Contractor is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.

6. Contractor shall conduct a "kick-off" meeting to gain an understanding of the City's investment objectives and constraints, and encapsulate the goals for the overall program.

- a. Contractor shall conduct detailed review of the City's Investment Policy as well as the current portfolio within thirty (30) days of the Effective Date to gain an understanding of cash flow needs, risk tolerances, permitted securities, credit profile, duration targets, and current maturity structure. Contractor shall confirm that the Investment Policy provides for the City's primary objectives of safety, liquidity, and return will be attained, and incorporates the industry best practices as identified by the Government Financial Officers' Association, the California Municipal Treasurers Association, the Association of Public Treasurers of the United States and Canada, and the California Government Code as it applies to

public agency investing public funds, and provide written recommendations for any necessary amendments to such policy.

- b. Contractor shall conduct a benchmark study that analyzes the risk/return characteristics of different investment approaches and their associated benchmarks for City's consideration that align with the City's investment goals and objectives.
- c. Multiple strategies will be proposed by the Contractor's team and considered and approved by the City. Contractor shall assist in drafting a management directive that will identify an appropriate benchmark and any other areas that the City will desire to add clarity that the City's Investment Policy may not address.

7. In investing and reinvesting City's assets, Contractor shall comply with the City's Investment Policy, which is attached hereto as Exhibit E. Contractor shall annually review, and provide City with written recommendations for any necessary amendments to the City's Investment Policy to ensure it captures any updates to the California Government Code as it applies to public agency investing public funds, as well as changes to the City's financial objectives and cash flow requirements. Contractor shall confirm that the Investment Policy provides for the City's primary objectives of safety, liquidity, and return will be attained, and incorporates the industry best practices as identified by the Government Financial Officers' Association, the California Municipal Treasurers Association, the Association of Public Treasurers of the United States and Canada.

8. Contractor shall utilize proprietary methods to conduct cash flow analysis and forecast of cash expenditures as an initial step and on an ongoing basis to effectively structure a portfolio that ensures liquidity and provides the City with opportunities for enhanced returns. Contractor shall conduct a statistical balance analysis informed by budgetary events.

9. Contractor shall continue ongoing discussions with City staff as needed to ensure that the investment strategy and allocation of funds to diversified fixed income sectors remains consistent with the City's investment goals and objectives. Contractor shall regularly consult with City staff on ways to expand investment guidelines with the intent to ensure they are exposed to the broadest opportunity, while still focusing on the primary objectives of safety of principal and access to cash.

10. Contractor shall manage the City's portfolio in a team structure and shall ensure that all investment team members and client service personnel are familiar with the City's portfolio management needs, provide continuity of the investment program and leverage the collective expertise of individual investment professional in the management of the City's portfolio.

11. Contractor's team shall work extensively with City staff to identify benchmarks that appropriately demonstrate the portfolio's progress relative to its objectives and risk profile. Contractor shall make decision on portfolio duration, term structure, and sector weightings relative to the selected benchmarks. In addition, Contractor shall monitor and report on portfolio

performance relative to the benchmark's performance. The benchmark's performance shall be reported to City monthly, along with portfolio performance.

12. Contractor's portfolio managers and investment management team shall provide ongoing portfolio management, employing a disciplined investment process designed to ensure that City's portfolio remains consistent with City's objectives over time.

- a. Contractor shall provide ongoing asset class analysis, employing a rigorous, proprietary process established to identify appropriate securities and adjust portfolios accordingly, with City's prior approval.
- b. Contractor shall conduct pre- and post-trade compliance testing, to safeguard against investment policy violations, and perform daily reconciliation with custodian records.
- c. Contractor's Investment Management Team shall daily compare the characteristics of the City's portfolio to its defined target structure.
- d. Contractor shall compile account data and highlight how the portfolio differs from its target duration, term structure and section allocation. Contractor shall then review and analyze the differences and work to tactically restructure the portfolio or holdings if it would benefit the City's investment portfolio.

13. From time to time, Contractor may be required to deliver certain documents to City such as account information, notices and required disclosures. City hereby consents to Contractor's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and City agrees that such notification will constitute "delivery". City further agrees to provide Contractor with City's email address(s) and to keep this information current at all times by promptly notifying Contractor of any change in email address(s).

City email addresses: daniel.choe@rocklin.ca.us; ted.williams@rocklin.ca.us

14. Contractor shall vote proxies on behalf of City unless otherwise instructed by Representative. Contractor has adopted and implemented written policies and procedures regarding proxy voting and will provide City with a description of the proxy voting procedures upon request. Contractor will provide information regarding how City's proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.

15. Contractor shall not have custody or possession of the funds or securities that City has placed under its management. City shall appoint a custodian to take and have possession of its assets. City recognizes the importance of comparing statements received from the appointed custodian to statements received from Contractor. City recognizes that the fees expressed in Exhibit C do not include fees City will incur for custodial services.

16. Contractor will value securities held in portfolios managed by Contractor no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Contractor to reflect fair market value.

17. Contractor may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Contractor to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Contractor may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Contractor makes no warranty or representation regarding commissions paid on transactions hereunder.

18. It is further understood that Contractor may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for City's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Contractor will have no obligation to purchase or sell for City's account any securities which it may purchase or sell for other clients.

19. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Contractor to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.

20. City hereby acknowledges receipt of the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). City further acknowledges receipt of Contractor's Privacy Policy.

21. Contractor shall provide monthly portfolio accounting and performance statements to City. Monthly statements shall be accessible to City on the Contractor's Portal. The Contractor shall send City an email notification stating that each statement is available for download no later than the third business day following month-end. Each monthly statement shall include:

- a. Brief summary of portfolio characteristics that provides a thorough overview of the portfolio, including performance relative to the selected benchmark(s), followed by a statement of compliance;
- b. Full asset listing, including the fair market value of investments, issuer, maturity date, interest rate, transactions for the period, and a description of the funds and investment programs;

- c. Holdings Report, showing security description, par value, cost, book value, market value, accrued interest, gain/loss, book yield, duration, maturity, Moody's, Fitch, and S&P ratings, and percent of portfolio for each holding;
- d. Earned interest report, showing all interest earnings, including accrued and received interest, amortization and accretion in a detailed form and summarized;
- e. Cash flow project from upcoming investment maturities and interest payments;
- f. Transaction Ledger that reports all acquisitions, dispositions, interest payments, cash contributions and withdrawals, and any other transactions for the period; and
- g. Purchase yields and average market yields. Total rate of return shall be compared to the benchmark return for periods of one month, the most recent quarter, year to date, one year, three years, five years, ten years, and since inception for each portfolio.

22. Contractor shall provide City quarterly investment reports in a format designed to facilitate discussion between Contractor's investment professionals and City staff. The report shall present current economic data, portfolio characteristics, returns, compliance, and a summary of accounts under management using graphs, charts, and illustrations in a format that is effective for management, elected officials, Investment Advisory Committee, and interested members of the public. Contractor shall provide this report at its regular meetings with City staff.

23. Contractor shall generate a GASB 40 report that will satisfy the GASB requirement to report the different risk exposures, GASB 72 report on fair value reporting, and will provide all the data needed to meet the reporting requirements of GASB 31.

24. Contractor shall communicate regularly via email to City staff with updates which include:

- a. Weekly economic updates to provide a concise summary of economic and market news of the current week, key economic indicators, as well as topics for the next week's economic data releases;
- b. Monthly newsletter that includes a market summary, treasury yield curve graph and monthly percent changes, as well as economic data and statistics; and
- c. Ad hoc emails and communication such as Fed rate news, education pieces, white papers, technology, and product updates.

25. Contractor shall provide City access to their Client Portal that provides the City with secure online access to a variety of digital files, including customized reports, trade tickets and documents, as well as the ability to download daily transactions and holdings, historical monthly statements, and quarterly reports. Reports can be downloaded in Excel format that can be mapped to City's internal reporting requirements. Access to the Contractor's Client Portal will be available to individual contacts selected by the City.

26. Contractor's investment professional shall communicate with the City frequently about economic conditions and market trends and be available at any time during business hours to

answer questions about the portfolio and City's investment program. On a daily basis, members of the Contractor's Investment Management Team shall compare the characteristics of the City's portfolio to its defined target structure, using Contractor's proprietary system. The system compiles account data and highlights how the portfolio differs from its target duration, term structure and sector allocation. Contractor's team shall then review and analyze the differences. If the Contractor's teams decides that a change in portfolio structure or holdings would benefit the City, one of Contractor's Investment Management professionals shall contact City to discuss Contractor's recommendations.

27. Contractor shall provide City with trade confirmation generally a few days after the transaction; however, documentation of investment transactions, including Contractor's competitive bidding procedures, are available same day on trade tickets that can be accessed via Contractor's Client Portal.

28. Contractor shall provide City direct access to its lead portfolio managers and the back-up investment management team who are responsible for making the decisions for City's portfolio, allowing for customization and flexibility to change in City's investment program.

29. Contractor shall provide periodic, quarterly, and annual performance reports to City staff and Investment Advisory Committee which will include ad hoc educational presentations on investment and financial topics on a wide range of topics, including risk, duration, benchmarking and total return, corporate credit analysis, accounting and others. Contractor frequently conducts continuing professional education training at many forums, Contractor will notify City staff prior to these forums to give staff the opportunity to attend. Contractor will at least once a year provide training for City staff.

30. Contractor's Senior Portfolio Strategist and Relationship Manager shall regularly attend Investment Advisory Committee meetings and participate as needed. Contractor shall keep City informed of local issues, investment strategies, market conditions and developments that are relevant to City's investment program and that could potentially impact the City from a risk, opportunity, operational and statutory perspective. Contractor shall meet with City staff at least quarterly at such times and locations as determined by City. If necessary, as determined by City, Contractor shall provide additional presentations to City Council. Contractor shall maintain the flexibility to continue to meet with the City as often as preferred and will also attend any ad hoc or special meetings and present on fixed income topics throughout the year, as directed by City.

31. Contractor shall utilize its Compliance Team to ensure that Contractor complies with all regulatory requirements, City guidelines and firm policies and procedures. The Contractor's Chief Compliance Officer shall provide oversight of portfolio compliance and trade order management. These duties are conducted separately from the portfolio management team under the appropriate segregation of duties. Contractor shall provide City with a monthly detailed Statement of Compliance, based on Contractor's complete review of investments. This report shall detail adherence to requirements such as permitted investments, asset classification exposure, minimum credit quality, maximum maturities, issuer size and concentration limits, as well as

compliance with the City's investment guidelines and legal requirements. As part of a multi-level compliance process, Contractor shall perform the following to ensure compliance with state laws, City's investment policy and objectives:

- a. A daily reconciliation of transactions and cash balances with custodian information;
 - b. A month-end review of the portfolio to confirm compliance with the Investment Policy;
 - c. A continuous review process by the Contractor's Credit Committee to ensure credit quality meets policy standards as well as strict quality requirements;
 - d. A portfolio structure that satisfies liquidity objectives with short-maturity securities and return objectives with higher duration investments;
 - e. Frequent communication between Contractor and City to ensure Contractor stays informed of any new developments that may modify City objectives; and
 - f. Meetings with City staff as frequently as determined by City, in City's sole discretion, to provide additional opportunities to review portfolio composition and performance at a high level.
32. The key professionals who will be assigned to City include Chief Investment Officer, Senior Portfolio Manager, Senior Portfolio Strategist, Relationship Manager, Senior Client Service Manager, and Chief Compliance Officer.

EXHIBIT B

Schedule of Performance

Contractor shall perform the Services in accordance with the Scope of Work and the Schedule of Performance set forth below.

- Kick-off Meeting – Contractor shall conduct a Kick-off meeting with City no later than 30 days after the Effective Date of this Contract.
- Investment Policy Review – Contractor shall provide findings of Investment Policy Review at the Kick-off Meeting.
- Cash Flow Analysis – Contractor shall provide findings of Cash Flow Analysis at the Kick-off Meeting or within 30 days from the City providing the necessary data, whichever is later, to complete the initial Cash Flow Analysis.
- Benchmarks/strategies Options – Contractor shall provide Benchmark summary and strategies at the Kick-off meeting.
- Invest initial funds – Dependent on Market conditions.
- Conduct investment research – Daily.
- Reinvest funds – Ongoing as determined by Contractor in accordance with standard industry practices.
- Compliance review – Daily.
- Provide monthly reports – Monthly (by 3rd business day).
- Provide quarterly reports – Quarterly (by 20th business day).
- In-person presentations – Quarterly or as needed by City staff.
- Financial analysis of gains/losses – Monthly.
- Review/update cash flow forecasts – Annually or as needed.
- Ad hoc educational presentations – Quarterly and as needed. Contractor will help facilitate at least one training a year for City staff.
- Maintain proactive communication – Ongoing or as otherwise determined by City staff.

EXHIBIT C

Schedule of Fees

| Assets Under Management | Annual Asset Management Fee |
|---------------------------|-----------------------------|
| First \$50 million | 0.08 of 1% (8 basis points) |
| Next \$75 million | 0.05 of 1% (5 basis points) |
| Assets over \$125 million | 0.04 of 1% (4 basis points) |

The fee schedule is all-inclusive for the services that Contractor provides, including full-time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the Chandler's Client Portal, comprehensive reporting, meetings, personal visits, educational offerings for City staff, as well as the additional treasury support services described herein.

Fees are based on the amount of asset under management and are not based on transaction volume. Management fees will accrue as long as there are assets in the portfolio, even if there is no activity during the period. Fees are calculated based on the average balance of assets under management (market value including accrued interest). Fees are charged monthly in arrears.

In the event of suspension or termination, fees shall be prorated to the effective date of termination or suspension, whichever is earlier, on the basis of actual days elapsed, and any unearned portion of prepaid fees shall be refunded to City.

City is not required to pay Contractor any fees that are not expressly set forth in this Contract, including without limitation, start-up fees, closing fees, or penalty fees. Under no circumstances shall the aggregate amount paid under this Agreement exceed the amount specified in Section 2 of the Agreement.

EXHIBIT D

CERTIFICATE OF COMPLIANCE WITH LABOR CODE § 3700
[Labor Code § 1861]

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

CONTRACTORS

By: _____
[Title]