

**AGREEMENT WITH MAZE & ASSOCIATES
FOR ACCOUNTING SERVICES
FOR
TEMPORARY SUPPORT DURING ERP IMPLEMENTATION, GASB 87 IMPLEMENTATION, AND YEAR-END
CLOSING SUPPORT**

This Agreement, made and entered into this day of _____ 2022, by and between the **CITY OF SAN MATEO**, a municipal corporation existing under the laws of the State of California ("CITY"), and **MAZE & ASSOCIATES**, a corporation ("CONTRACTOR"), whose address is 3478 Buskirk Avenue, Suite 215, Pleasant Hill, CA 94523.

RECITALS:

A. CITY desires certain accounting services hereinafter described.

B. CITY desires to engage CONTRACTOR to provide these accounting services by reason of its qualifications and experience for performing such services and CONTRACTOR has offered to provide the required services on the terms and in the manner set forth herein.

NOW, THEREFORE, IT IS AGREED as follows:

SECTION 1 - SCOPE OF SERVICES

The scope of services to be performed by CONTRACTOR under this Agreement is as described in Exhibit A to this Agreement, which is attached and incorporated by reference.

SECTION 2 - DUTIES OF CONTRACTOR

CONTRACTOR shall be responsible for the professional quality, technical accuracy and coordination of all work furnished by CONTRACTOR under this Agreement. CONTRACTOR shall, without additional compensation, correct or revise any errors or deficiencies in its work.

CONTRACTOR represents that it is qualified to furnish the services described under this Agreement.

CONTRACTOR shall be responsible for employing or engaging all persons necessary to perform the services of CONTRACTOR.

CONTRACTOR agrees to comply with the City's minimum wage ordinance as codified in Municipal Code Chapter 5.92, which differs from the state minimum wage and includes a Consumer Price Index escalator.

SECTION 3 - DUTIES OF CITY

CITY shall provide pertinent information regarding its requirements for the project.

CITY shall examine documents submitted by CONTRACTOR and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of CONTRACTOR'S work.

SECTION 4 - TERM

The services to be performed under this Agreement shall commence on April 1, 2022 and be completed on or about December 31, 2022.

SECTION 5 - PAYMENT

Payment shall be made by CITY only for services rendered and upon submission of a payment request upon completion and CITY approval of the work performed. In consideration for the full performance of the services set forth in Exhibit A, CITY agrees to pay CONTRACTOR a fee not to exceed the amount of \$144,115, pursuant to rates stated in Exhibit B, attached and incorporated by reference.

SECTION 6 - TERMINATION

Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY shall have the right to terminate this Agreement or suspend work on the Project for any reason, upon ten (10) days' written notice to CONTRACTOR. CONTRACTOR agrees to cease all work under this Agreement upon receipt of said written notice.

SECTION 7 - OWNERSHIP OF DOCUMENTS

All documents prepared by CONTRACTOR in the performance of this Agreement are and shall be the property of CITY, whether the project for which they are made is executed or not.

SECTION 8 - CONFIDENTIALITY

All reports and documents prepared by CONTRACTOR in connection with the performance of this Agreement are confidential until released by CITY to the public. CONTRACTOR shall not make any such documents or information available to any individual or organization not employed by CONTRACTOR or CITY without the written consent of CITY before any such release.

SECTION 9 - INTEREST OF CONTRACTOR

CONTRACTOR covenants that it presently has no interest, and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services under this Agreement.

SECTION 10 - CONTRACTOR'S STATUS

It is expressly agreed that in the performance of the services required under this Agreement, CONTRACTOR shall at all times be considered an independent contractor as defined in Labor Code Section 3353, under control of the CITY as to the result of the work but not the means by which the result is accomplished. Nothing herein shall be construed to make CONTRACTOR an agent or employee of CITY while providing services under this Agreement.

SECTION 11 - INDEMNITY

CONTRACTOR agrees to hold harmless and indemnify CITY, its elected and appointed officials, employees, and agents from and against any and all claims, loss, liability, damage, and expense arising out of CONTRACTOR's performance of this Agreement, except for those claims arising out of CITY's sole negligence or willful misconduct. CONTRACTOR agrees to defend City, its elected and appointed officials, employees, and agents against any such claims.

SECTION 12 - INSURANCE

Contractor shall procure and maintain for the duration of the contract the insurance specified in Exhibit C to this Agreement

SECTION 13 - NONASSIGNABILITY

Both parties hereto recognize that this Agreement is for the personal services of CONTRACTOR and cannot be transferred, assigned, or subcontracted by CONTRACTOR without the prior written consent of CITY.

SECTION 14 - RELIANCE UPON SKILL OF CONTRACTOR

It is mutually understood and agreed by and between the parties hereto that CONTRACTOR is skilled in the performance of the work agreed to be done under this Agreement and that CITY relies upon the skill of CONTRACTOR to do and perform the work in the most skillful manner, and CONTRACTOR agrees to thus perform the work. The acceptance of CONTRACTOR's work by CITY does not operate as a release of CONTRACTOR from said obligation.

SECTION 15 - WAIVERS

The waiver by either party of any breach or violation of any term, covenant, or condition of this Agreement or of any provisions of any ordinance or law shall not be deemed to be a waiver of such term, covenant, condition, ordinance or law or of any subsequent breach or violation of the same or of any other term, condition, ordinance, or law. The subsequent acceptance by either party of any fee or other money which may become due hereunder shall not be deemed to be a waiver of any preceding breach or violation by the other party of any term, covenant, or condition of this Agreement or of any applicable law or ordinance.

SECTION 16 - COSTS AND ATTORNEY FEES

Attorney fees in total amount not exceeding \$5000, shall be recoverable as costs (by the filing of a cost bill) by the prevailing party in any action or actions to enforce the provisions of this Agreement. The above \$5000 limit is the total of attorney fees recoverable whether in the trial court, appellate court, or otherwise, and regardless of the number of attorneys, trials, appeals, or actions. It is the intent of this provision that neither party shall have to pay the other more than \$5000 for attorney fees arising out of an action, or actions to enforce the provisions of this Agreement.

SECTION 17 - NON-DISCRIMINATION

CONTRACTOR warrants that it is an Equal Opportunity Employer and shall comply with applicable regulations governing equal employment opportunity. Neither CONTRACTOR nor any of its subcontractors shall discriminate in the employment of any person because of race, color, national origin, ancestry, physical handicap, medical condition, marital status, sex, or age, unless based upon a bona fide occupational qualification pursuant to the California Fair Employment and Housing Act.

SECTION 18 - MEDIATION

Should any dispute arise out of this Agreement, any party may request that it be submitted to mediation. The parties shall meet in mediation within 30 days of a request. The mediator shall be agreed to by the mediating parties; in the absence of an agreement, the parties shall each submit one name from mediators listed by either the American Arbitration Association, the State Mediation and Conciliation Service, or other agreed-upon service. The mediator shall be selected by a blind draw.

The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first meeting in mediation and making a good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but not more than 60 days, unless the maximum time is extended by the parties.

SECTION 19 - LITIGATION

CONTRACTOR shall testify at CITY's request if litigation is brought against CITY in connection with CONTRACTOR's services under this Agreement. Unless the action is brought by CONTRACTOR, or is based upon CONTRACTOR's wrongdoing, CITY shall compensate CONTRACTOR for preparation for testimony, testimony, and travel at CONTRACTOR's standard hourly rates at the time of actual testimony.

SECTION 20 - NOTICES

All notices hereunder shall be given in writing and mailed, postage prepaid, addressed as follows:

To CITY: Rich Lee
City of San Mateo
330 W 20th Ave
San Mateo, CA 94403

To CONTRACTOR: Maze & Associates
Attn: Katherine Yuen Krisch
3478 Buskirk Ave
STE 215
Pleasant Hill, CA 94523

**SECTION 21 - AGREEMENT CONTAINS ALL
UNDERSTANDINGS; AMENDMENT**

This document represents the entire and integrated agreement between CITY and CONTRACTOR and supersedes all prior negotiations, representations, and agreements, either written or oral.

This document may be amended only by written instrument, signed by both CITY and CONTRACTOR.

SECTION 22 - GOVERNING LAW AND VENUE


This Agreement shall be governed by the laws of the State of California and, in the event of litigation, venue will be in the County of San Mateo.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, CITY OF SAN MATEO and Maze & Associates have executed this Agreement the day and year first above written.

CITY OF SAN MATEO


CONTRACTOR



Drew Corbett
City Manager

5/19/22

Date



Timothy Krusch
Its Authorized Agent
Chief Executive Officer


4.12.22
Date

If a Corporation, can be either 1)
President or 2) Vice President plus
an additional corporate officer
(i.e., Secretary, Treasurer) who
shall sign below.

APPROVED AS TO FORM

ADDITIONAL CORPORATE
OFFICER


(if necessary per the above)



Linh Nguyen
Assistant City Attorney

5/17/22

Date



Katherine Yuen Krusch
Vice President

4/12/22
Date

Attachments:

- Exhibit A: Scope of Services
- Exhibit B: Payment Rates
- Exhibit C: Insurance Requirements

EXHIBIT A



April 7, 2022

Rich Lee
Finance Director
City of San Mateo
330 W. 20th Ave.
San Mateo, CA 94403

Dear Rich:

We are pleased to confirm our understanding of the additional services we are to provide for the City of San Mateo. This serves as an addendum to our Consultant Agreement dated July 22, 2021 please refer to that contract for our general terms and conditions.

We will continue to provide various accounting services for the City as deemed necessary up to 40 hours per week, from April 1, 2022 through September 30, 2022. The work is scheduled to be performed by Cindy Kato. Her billing rates for the above period are \$110 per hour in April and \$114 per hour from May to September.

In addition, we will provide the following services for the City as deemed necessary for the City, for the period April 1, 2022 through September 30, 2022:

- Support services for implementation of GASB 87. This task will be performed by Alex Lam at a rate of \$145/hr.
- Support services for the fiscal year 2021-22 year-end audit. In addition to Cindy Kato and Alex Lam, Maria Munoz will also assist with this task at a rate of \$160/hr.

The total contracted fees will not exceed \$144,115 for the period outlined above.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Yours very truly,

A handwritten signature in black ink that reads 'Maze & Associates' in a cursive, stylized font.

Maze & Associates

RESPONSE:

This letter correctly sets forth the understanding of the City.

By: _____

Title: _____

Date: _____

Accountancy Corporation
3478 Buskirk Avenue, Suite 215
Pleasant Hill, CA 94523

T 925.930.0902
F 925.930.0135
E maze@mazeassociates.com
W mazeassociates.com



July 22, 2021

Rich Lee
Finance Director
City of San Mateo
330 W. 20th Ave.
San Mateo, CA 94403

Dear Rich:

This letter is to confirm our understanding of the terms and objectives of our engagement with the City of San Mateo, California, (City) as well as the nature and limitations of the services we will provide.

For the period starting July 22, 2021, through approximately the end of November 2021, we will provide various accounting services for the City as deemed necessary by the City's Finance staff.

We understand this engagement requires approximately up to 32 hours per week. Work is scheduled to be performed primarily by Maria Munoz at a rate of \$155 per hour and Alex Lam at a rate of \$140 per hour. From time to time, other professionals of our firm may assist in the engagement. Their 2021 billing rates are as follows:

Staff Level	2021 Hourly Rates
Partner	\$250
Manager	\$185 to \$207
Supervisor	\$130 to \$155
Senior Associates	\$115
Associates	\$95

The total contracted fees will not exceed \$100,000 for the period of time outlined above.

Our engagement is limited to the period and the accounting services indicated above. As our services are limited in nature, we do not verify or audit any of the information you provide to us. If we notice that an amount appears unusual or out of the ordinary we will call it to your attention, but our engagement cannot be relied upon to disclose errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with laws and regulations that may have occurred. However, we will inform the appropriate level of management of any material errors and of any evidence or information that comes to our attention during the performance of our engagement that fraud may have occurred. We will also report to the appropriate level of management any evidence or information that comes to our attention regarding noncompliance with laws and regulations that may have occurred unless it is clearly inconsequential. By your signature below, you understand and agree that you are responsible for preventing and detecting fraud. Should you wish us to expand our procedures to include additional work and investigations, we will arrange this with you in a separate engagement letter.

Our fees and costs for work will be billed monthly. The hourly rate stated covers all expenses including mileage reimbursement. No travel time will be included in our billing.

Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of 1.0% per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due us, you agree to reimburse us for our costs of collection, including attorneys' fees.

If billings are past due in excess of 90 days of the invoice date, at our election, we may stop all work until your account is brought current or withdraw from this engagement. The City acknowledges and agrees that we are not required to continue work in the event of the City's failure to pay on a timely basis for services rendered as required by this engagement letter. The City further acknowledges and agrees that in the event we stop work or withdraw from this engagement as a result of the City's failure to pay on a timely basis for services rendered as required by this engagement letter, we shall not be liable for any damages that occur as a result of our ceasing to render services.

It is our policy to keep records related to this engagement for seven years. However, we do not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. It is your responsibility to retain and protect your records (which includes any work product we provide to you as well as any records that we return) for possible future use, including potential examination by government or regulatory agencies. We do not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data, and records.

If a dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered within the county of Contra Costa, California, by a mediation organization, under its applicable rules for resolving professional accounting and related services disputes before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

If, after full consideration and consultation with counsel if so desired, you agree that the foregoing terms shall govern this engagement, please sign the copy of this letter in the space provided and return the original signed letter to me, keeping a fully executed copy for your records.

Thank you for your attention to this matter, and please contact me with any questions that you may have.

Very truly yours,

Maze & Associates

Maze & Associates

ACCEPTED AND AGREED:
RESPONSE:

This letter correctly sets forth the understanding of the City.

By: Drew G
Title: City Manager
Date: 8/4/21

EXHIBIT B

FY22 Year-End Closing Assistance

		2021 Actual Hours	2022 Estimated Hours	2022 Hourly Rate	2022 Estimated Project Cost
September	Alex	10	15	145	\$ 2,175
August	Katherine	5			-
	Maria	56	91.5	160	14,640
	Alex	76	114	145	16,530
	Senior Associate	8.5	12.75	120	1,530
July	Maria	4	6	160	960
	Alex	16	24	145	3,480
	Senior Associate	2.5	3.75	120	450
		<u>178</u>	<u>267</u>		<u>\$ 39,765</u>

GASB 87 Implementation

	Initial Evaluation	Calculation of Initial Measurement	Capitalization of Leases that are above Threshold	
Estimated Number of Leases	15	10	3	
Hours per lease	2	5	10	
	<u>30</u>	<u>50</u>	<u>30</u>	110 Estimated Hours
				\$ 145 Alex's Hourly Rate
				<u>\$ 15,950</u>

	Hourly rate	Average Number of Hours	Monthly Cost
<u>Temporary Accounting Support</u>			
April	\$ 110	130	\$ 14,300
May	114	130	14,820
June	114	130	14,820
July	114	130	14,820
Aug	114	130	14,820
Sept	114	130	14,820
			<u>\$ 88,400</u>

Year-end closing assistance	\$ 39,765
GASB 87 Implementation	\$ 15,950
Temporary accounting support	<u>\$ 88,400</u>
Total not to exceed amount	\$ 144,115

EXHIBIT C

INSURANCE REQUIREMENTS

MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 12 07 covering CGL on an "occurrence" basis, including products-completed operations, 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 or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, 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.
4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Contractor's profession, with limit no less than **\$1,000,000** per occurrence or claim, \$2,000,000 aggregate

If the contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the contractor.

Other Insurance Provisions

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

Additional Insured Status

The City, its elected and appointed officials, employees, and agents are to be covered as insureds on the auto policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and 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 and CG 20 37 forms if later revisions used).

Primary Coverage

For any claims related to this contract, the **Contractor's insurance coverage shall be primary** insurance as respects the City, its elected and appointed officials, employees, and agents. Any insurance or self-insurance maintained by the City, its elected and appointed officials, employees, or agents shall be excess of the Contractor's insurance and shall not contribute with it.

Notice of Cancellation

Each insurance policy required above shall provide that **coverage shall not be canceled, except after thirty (30) days' prior written notice** (10 days for non-payment) has been given to the City.

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 effect 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.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

Verification of Coverage

Contractor shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. 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.