

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made on May 5, 2026 by and between MDG Associates, Inc., a California Corporation (“Contractor”) and the City of Santa Maria, a California Municipal Corporation and charter city (“City”), in Santa Maria, California, based on the following recitals:

- Whereas, the City seeks to expedite project delivery, alleviate staff workloads, and coordinate grant administration across a wide range of grant sources through contracting for Grants Compliance Management for the Santa Maria Sports Complex Project (the “Project”); and
- Whereas, the Contractor has the experience, skills, resources, and the necessary professional licenses and certifications to qualify as Contractor to perform the needed services, and is willing to provide those services on mutually agreeable terms.

NOW, THEREFORE, IT IS AGREED:

1. **Recitals true.** The above recitals are true.

2. **General.**

2.01. Term and Termination. The term of this contract is one (1) year, beginning on the date first written above. This contract may be extended for up to two (2) periods of one (1) year each by mutual consent of the parties. This contract may be terminated for breach of its terms or conditions, or because of discovery of any act which violates local, state or federal law. Termination is effective 14 days after deposit of notice as specified in this Agreement.

2.02. Services to be Performed. Contractor shall determine the method, details and means of providing the needed services. More specifically, Contractor agrees to perform the specific services listed in Exhibit “A,” consistent with the proposal attached in Exhibit “D.”

2.03 City’s Duties. City’s duties under this Agreement are to cooperate with Contractor in the performance of the contract and timely pay invoices.

2.04 Scope of Work. Services to be performed are listed in “Exhibit A.”

2.05 Payment. Terms under this Agreement are listed in Exhibit “B.”

2.05 Insurance. Contractor shall provide insurance as listed in Exhibit “C.”

2.06 Proposal. Proposal included in “Exhibit D.”

2.07 Exhibits. Exhibits “A,” “B,” “C,” and “D” are attached and incorporated.

3. Contractor's Obligations.

3.01. Minimum Amount of Service. Contractor should devote sufficient time to perform services under this agreement efficiently and effectively. Contractor may represent, perform services for and be employed by additional individuals or entities, in Contractor's sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with City's business.

3.02. Timeliness. For services related to the management of the various local, state, and federal grants associated with the Sports Complex Project, each grant has unique compliance requirements and spending timelines. The Contractor will be responsible for grants administration, compliance monitoring, reporting, fiscal oversight, and grant closeout. This role does not include construction management, scheduling, or contractor oversight.

3.03. Tools and Equipment. Except as otherwise stated in this Agreement, Contractor will supply all tools and equipment necessary to perform this Agreement.

3.04. Status. Contractor (including its employees) is an independent contractor. No employer/employee relationship exists between Contractor and the City. Contractor's assigned personnel shall not be entitled to any benefits payable to employees of the City. The City is not required to make any deductions or withholdings from the compensation payable to Contractor under this agreement.

3.05. Indemnification. To the fullest extent permitted by law, the Contractor shall indemnify, defend (with independent counsel approved by the City) and hold harmless the City, and its directors, officers, and employees from and against all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs including, but not limited to, reasonable attorneys' fees, court costs and costs of alternative dispute resolution) regardless of nature or type that arise out of, pertain to, or relate to the negligence, reckless, or willful misconduct of the Contractor or the acts or omissions of an employee, agent or subcontractor of the Contractor. The provisions of this paragraph survive completion of the services or the termination of this contract. The provisions of this Section are not limited by the provisions of the Section relating to insurance.

3.06. Conflict of Interest. Contractor will comply with all conflict of interest laws and regulations including, without limitation, the City's Conflict of Interest Code (on file in the City Clerk's Office). All officers, employees and/or agents of Contractor who will be working on behalf of the City pursuant to this Agreement, may be required to file Statements of Economic Interest. Therefore, it is incumbent upon the Contractor to notify that City of any staff changes relating to this Agreement.

- A. In accomplishing the scope of services of this Agreement, all officers, employees and/or agents of Contractor unless as indicated in Subsection B, will be performing a very limited and closely supervised function, and, therefore, unlikely to have a conflict of interest arise. No disclosures are required for any officers, employees, and/or agents of Contractor, except as indicated in Subsection B.

Initials

- B. In accomplishing the scope of services of this Agreement, Contractor will be performing a specialized or general service for the City, and there is substantial likelihood that the Contractor's work product will be presented, either written or orally, for the purpose of influencing a governmental decision. As a result, the following Contractor shall be subject to Disclosure Category "1" of the City's Conflict of Interest Code.

Initials

4. Miscellaneous

4.01. Notices. All communication relating to the day-to-day activities of this Agreement shall be exchanged between a designated representative of the City and a representative of Contractor, listed below. All notices shall be addressed as follows unless a written change is filed with the City:

To City:

City of Santa Maria
Community Development Department
Attn: Community Programs Division
110 S. Pine Street, Suite 103
Santa Maria, CA 93458

To Contractor:

MDG Associates, Inc.
Attn: David Muñoz
10722 Arrow Route, Suite 822
Rancho Cucamonga, CA 91730

If the designated Representative or address of either party changes during the term of this agreement, a written notice shall be given to the other party prior to the effective date of change. Any written notices required under this agreement shall be effective five (5) days after deposit into United States mail, postage prepaid, addressed to the designated Representative, or upon confirmation of receipt of delivery if another notification process is used.

4.02. Compliance With Laws, etc. Contractor shall comply with all laws including, but not limited to, the rules and policies of the City, in performing this agreement.

4.03. Integration. This agreement constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the parties.

4.04. Interpretation. This agreement shall be interpreted in accordance with the laws of the State of California.

4.05. Jurisdiction. Jurisdiction and venue of all disputes over the terms of this agreement shall be in the County of Northern Santa Barbara, State of California.

4.06. Warranty of authority. Each person signing this agreement on behalf of a party warrants that he or she has authority to do so.

4.07. No Waiver. Failure to enforce with respect to a default shall not be construed as a waiver.

4.08. Severability. The provisions of this agreement are severable. If any part of this agreement is held invalid by a court of competent jurisdiction, the remainder of the agreement shall remain in full force and effect unless amended or modified by mutual written consent of the parties.

4.09. Submittals. In addition to any other submittals required by this agreement, Contractor shall submit copies of its current business license and current certificate of workers compensation coverage to the City before beginning work on this project.

4.10 Prevailing Wage. If applicable, Contractor and all subcontractors are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code. The Director's determination is on file and open to inspection at www.dir.ca.gov and is referred to and made a part hereof; the wage rates therein ascertained, determined and specified are referred to and made a part hereof as though fully set forth herein.

IN WITNESS WHEREOF, this agreement is executed by the parties on the date first written above.

CONTRACTOR

By:

CITY OF SANTA MARIA

By: Chenin Dow, Director

APPROVED AS TO FORM:

City Attorney

EXHIBIT “A”
SCOPE OF WORK

The Grants Compliance Manager must have experience in grants administration and compliance, with a strong understanding of federal and state funding requirements. The Manager will oversee grant-related financial, administrative, and compliance tasks for the project, including but not limited to:

A. Financial and Compliance Oversight

1. Manage the full grant lifecycle through closeout, including tracking expenditures, ensuring timely use of funds, and preparing reimbursement requests in accordance with applicable federal, state, and local regulations.
2. Monitor expenditures to ensure costs are allowable, allocable, reasonable, and properly documented in compliance with all funding requirements.
3. Develop and implement internal controls and compliance procedures to ensure adherence to all applicable regulations and grant agreements.
4. Conduct ongoing compliance monitoring and risk assessments across all funding sources.
5. Ensure proper cash management practices, including alignment of expenditures with reimbursement timing requirements.
6. Prevent duplication of benefits and ensure appropriate allocation of costs across multiple funding sources.

Funding totals approximately \$18.5 million from the following sources

Funding Source	Funding Date	Amount	Spending Deadline
ARPA ¹	12/31/2024	\$2,145,820	12/31/2026
County of Santa Barbara	10/14/2025	\$1,500,000	12/31/2026
State of California ¹	7/1/2023	\$1,000,000	6/30/2027
City CDBG (FY 2024–25) ²	7/1/2024	\$457,906	6/30/2027
City CDBG (FY 2025–26) ²	7/1/2025	\$933,639	6/30/2028
City CDBG (FY 2026-27) ²	7/1/2026	\$861,393	6/30/2029
CA Department of Parks & Recreation	7/1/2020	\$6,100,000	6/30/2028
City of Santa Maria (Growth Mitigation Funds)	10/1/2025	\$5,530,000	N/A

¹Per Rec & Parks, initially priority funding sources require immediate support.

² The Community Programs Division of the City of Santa Maria will be managing all CDBG grants/requirements. Minimal tasks will be associated with this funding.

B. Budget and Contract/Grant Administration

1. Apply and interpret requirements across multiple funding sources, including identifying and reconciling conflicting regulatory provisions.
2. Develop and maintain cost allocation methodologies to ensure proper distribution of shared project costs.
3. Assist with grant amendments, budget modifications, extensions, and scope changes, ensuring proper documentation and approvals.

C. Reporting and Documentation

1. Verify that expenditures are eligible, properly documented, and reimbursable.
2. Maintain organized records and prepare monthly or quarterly progress reports.
3. Prepare and submit monthly or quarterly financial and compliance reports.
4. Track and report on required performance measures and program outcomes.
5. Maintain documentation to support reimbursement requests and drawdowns.

D. Stakeholder Coordination

1. Work with designated City staff to gather required documents.
2. Provide updates on grant expenditures and compliance status.

E. Deliverables

1. Reimbursement and drawdown tracking reports for each funding source.
2. Monthly or quarterly grant status reports.
3. Cost allocation and compliance documentation.
4. Final project closeout and completion documentation.

F. Supplementary Tasks: Monitoring and Compliance Support³

The Consultant may provide services that include, but are not limited to, the following:

1. Subrecipient and Contractor Monitoring

- a. Conduct subrecipient risk assessments and develop monitoring plans.
- b. Review contractor invoices / supporting documentation for compliance.
- c. Perform desk reviews and/or on-site monitoring, as needed.
- d. Ensure contractors comply with federal, state, and local grant requirements.

2. Labor Compliance Monitoring

- a. Ensure adherence to applicable labor standards, including the Davis-Bacon Act and California Prevailing Wage Law.
- b. Perform quality assurance/quality control (QA/QC) on City review of certified payroll records and related labor documentation. Should the City request Contractor review of all certified payrolls, additional funding will be negotiated to cover the related costs.
- c. Coordinate with City staff to address labor compliance requirements.
- d. Support preparation of reporting and documentation required for labor compliance reviews, audits, or investigations.

³ It is noted that these additional tasks may require additional funding to cover the cost of managing these tasks.

EXHIBIT "B"

PAYMENT TERMS

I. Progress Authorization

- a. Upon written authorization from the City, the Consultant is authorized to perform work up to a not-to-exceed amount of **one hundred thousand dollars (\$100,000)** during the one-year term. Additional funding may be provided for any supplementary tasks identified in Exhibit "A".
- b. Billing will be based on the hourly rates set forth in Table 1 of the proposal (page 17) as captured below:

Table 1: Rate Schedule – 5 Year Schedule (Hourly Rates)					
Team Member Title	PY 2025-26	PY 2026-27	PY 2027-28	PY 2028-29	PY 2029-30
President/Sr. Exec. Vice-President	\$175.00	\$179.00	\$184.00	\$190.00	\$196.00
Vice-President	\$164.00	\$169.00	\$173.00	\$179.00	\$185.00
Senior Director	\$163.00	\$163.00	\$167.00	\$172.00	\$177.00
Director	\$154.00	\$158.00	\$162.00	\$167.00	\$172.00
Deputy Director	\$139.00	\$142.00	\$146.00	\$151.00	\$156.00
Manager	\$123.00	\$127.00	\$130.00	\$134.00	\$138.00
Deputy Manger	\$127.00	\$120.00	\$123.00	\$127.00	\$131.00
Senior Associate	\$111.00	\$114.00	\$117.00	\$121.00	\$125.00
Associate	\$100.00	\$103.00	\$106.00	\$110.00	\$114.00
Senior Analyst	\$82.00	\$84.00	\$86.00	\$89.00	\$92.00
Analyst	\$77.00	\$79.00	\$81.00	\$84.00	\$87.00
Secretary	\$54.00	\$56.00	\$58.00	\$60.00	\$62.00

- c. The administrative and/or delivery cost of the grant(s) used for this project will cover the cost of this professional service agreement. Therefore, proper documentation such as time and attendance records will be provided along with the firm's invoice to effectively account for the cost of these services.

II. Invoice procedure

- a. Payment shall be monthly based on the billable charges.
 - b. The Consultant shall present the bill for charges from the previous month.
 - c. The Consultant's bill shall be substantiated by appropriate documentation, and include an itemized listing of personnel, subcontractors, and other direct costs incurred.
 - d. City may withhold payment for disputed work. Payment of fees shall not constitute an acceptance of work.
- III.** Rates shall be billed according to Consultant's attached fee schedule, up to the not-to-exceed amount. Work Authorized by Change Order/Amendment shall be billed at on a time and materials basis according to the attached fee schedule, unless another payment method is agreed to in writing by the City.
- IV.** If Consultant's response to the City's RFP or RFQ is attached, all terms other than those concerning the Consultant's billing rates are null and void.

EXHIBIT "C"
INSURANCE

CONTRACTOR shall procure and maintain for the duration of the contract insurance 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, his/her agents, representatives, or employees. 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 higher limits maintained by the CONTRACTOR.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), including products and completed operations, property damage, bodily injury and personal & advertising injury.
2. Insurance Services Office Business Auto Coverage 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).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the CONTRACTOR's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

B. Minimum Limits of Insurance

CONTRACTOR should maintain limits no less than:

1. General Liability - \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability - \$1,000,000 per accident for bodily injury and property damage.
3. Workers' Compensation: Statutory limits.
4. Employer's Liability - \$1,000,000 per accident for bodily injury or disease.
5. Errors and Omissions Liability - \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

C. 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.

D. Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. 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 or 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 are used).
2. For any claims related to this project, 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 and 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. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled or reduced, except with notice **stating the title of this contract** to the CITY. **All notices provided pursuant to this MOU shall be given to the City representative listed for notice in this Agreement and shall specify the title of this Agreement.** Notice may be given by overnight mail, facsimile with confirmation of receipt, or certified mail with return-receipt requested.
4. 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. If any of the required policies provide claims-made coverage:
 - a) The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
 - b) Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
 - c) 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 work.

E. 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.

F. Verification of Coverage

CONTRACTOR shall furnish the CITY with original certificates and amendatory endorsements 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 effecting the coverage required by these specifications at any time.

G. Special Risks or Circumstances

Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

“EXHIBIT D”
PROPOSAL