

## AMENDMENT NO. 2 TO AGREEMENT FOR PROFESSIONAL SERVICES

This Amendment No. 2 to the agreement with Lance, Soll & Lunghard, LLP, originally entered into on March 27, 2023, is made on the date signed below, by and between Lance, Soll & Lunghard, LLP, 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 is in need of financial statement preparation and accounting services; and

**WHEREAS**, on February 10, 2023, the City requested proposals for professional accounting consulting services relating to the preparation of the Fiscal Year End 2022 & 2023 Annual Comprehensive Financial Reports (hereinafter described as "ACFR"); and the Contractor submitted a proposal, which was accepted by the City for said services; and

**WHEREAS**, the City entered into a Professional Agreement on March 27, 2023; and

**WHEREAS**, it has been determined it is in the City's interest to continue with the financial statement preparation and accounting services; and

**WHEREAS**, the City has determined that the preparation of the City's financial statements involves a performance of professional and technical services; and

**WHEREAS**, the City has requested that the Contractor prepare the ACFR in accordance with the Governmental Finance Officers Association (GFOA) and the Governmental Accounting Standards Board (GASB) authority which establishes general accepted accounting principles for government; and

**WHEREAS**, the Contractor is a properly licensed certified public accounting firm in the State of California.

### **NOW, THEREFORE, IT IS AGREED:**

2.01. Term and Termination. The term of this agreement is not to exceed \$180,000 (amending the original contract and previous amendments by an additional \$105,000) through June 30, 2024, and up to and including the preparation of the financial statements ending on June 30, 2022, and June 30, 2023, and providing general accounting services, beginning on the date last signed below. This agreement may be extended up to an additional two (2) years by mutual consent of the parties. This agreement 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 ACFR financial statements. More specifically, Contractor agrees to perform the specific services listed in Exhibit "A."

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 Payment. Payment terms under this Agreement are listed in Exhibit "B."

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

2.06 Exhibits. Exhibits "A," "B," and "C" are attached and incorporated.

All other terms of the Agreement remain unchanged.

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

CONTRACTOR

CITY OF SANTA MARIA

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

\_\_\_\_\_  
By: XENIA BRADFORD  
Interim Director of Finance

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Risk Manager

**EXHIBIT "A"**

The Contractor shall provide accounting and consulting services to the City. The primary objectives for the amended consulting services include:

1. Preparation of the Fiscal Year 2021-22 Annual Comprehensive Financial Statements for the City in conformity with generally accepted accounting principles. These services do not include performance of the annual financial statement audit nor issuance of an audit opinion.
2. Assistance in finalization of the City's year end close for Fiscal Year 2022-23, including the analysis and preparation of entries to ensure accurate financial reporting, as needed.
3. Preparation of the Fiscal Year 2022-23 Annual Comprehensive Financial Statements for the City in conformity with generally accepted accounting principles. These services do not include performance of the annual financial statement audit nor issuance of an audit opinion.
4. Other professional accounting services identified, as needed.

**EXHIBIT "B"**  
**PAYMENT TERMS**

The City agrees to pay the Contractor within 30 days from the acceptance of the original invoice and acceptance by the City of the materials, supplies, and services provided by the Contractor (Net 30).

1. Contractor's services shall be as follows:
  - a) See Exhibit A
2. Fees for the Contractor's services shall be based on hourly rates and level of professional experience for the services requested. This agreement is not to exceed \$165,000 (\$75,000 for the original agreement and increasing the total by \$90,00 for the subsequent agreement) unless agreed upon ahead of time, by both parties, and is based on the following agreed upon estimated costs:

LSL 2023 Hourly Rates	
Title	Rates
Partner	\$340
Senior Manager	\$260
Manager	\$220
Supervisor	\$195
Senior	\$170
Experienced Staff	\$145
Staff	\$125
Clerical	\$90

These rates are effective through December 31, 2023. The hourly rates will be increased by CPI annually on January 1st using the November 12-month percentage change for the Consumer Price Index for the Los Angeles area as listed in the link below. All non-personnel related costs, if necessary, would be billed on a reimbursement basis as costs are incurred.

[https://www.bls.gov/regions/west/news-release/consumerpriceindex\\_losangeles.htm](https://www.bls.gov/regions/west/news-release/consumerpriceindex_losangeles.htm)

Progress payments will be made on the basis of hours of work completed during the course of the engagement and out-of-pocket expenses incurred in accordance with the firm's proposal.

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## **EXHIBIT "C"**

Contractor shall procure and maintain for the duration of the contact 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 shall 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 Agreement 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

1. 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

1. 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

1. 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.