RESOLUTION - ACTION REQUESTED 2018-176

MEETING: April 24, 2018

TO: The Board of Supervisors

FROM: Dallin Kimble, County Administrative Officer

RE: Approve an Agreement with NBS to Provide Consulting Service on the County Development Fee Schedules

RECOMMENDATION AND JUSTIFICATION:
Approve an Agreement with NBS to provide consulting service on the County Development Fee Schedules and Collections Processes in the Not-To-Exceed Amount of $48,995; and Authorize the Board of Supervisors Chair to Sign the Agreement.

The County Planning Department (PD), County Building Department (BD), County Environmental Health Division of the Health Department (EHD), and County Public Works Department (PWD) have primary responsibility for regulating and permitting land development activities within the County’s jurisdiction. The Departments are responsible for reviewing applications, issuing permits and performing inspections related to encroachments, new construction, public infrastructure, code enforcement, and food handling, to name just a few.

PD, BD, EHD, and PWD collect fees from permit applicants and other users that directly benefit from the services they are receiving. Collected fees are intended to offset the costs incurred in providing these services. Fees collected by the Departments are based on the County’s adopted Fee Schedules.

The goal of county fees schedules is to collect fees that fairly and equitably recover development services costs incurred by the County. Many of the fees and fee deposit amounts in the current fee schedules are based on analyses that are over 5 years old, some much older, and no longer correspond to current operating conditions. Since the time of the last fee study, the County’s operating costs have increased significantly. In addition, the structure in which the County is organized to provide land development services has changed in a variety of ways, and there are some services provided today that were not provided at all for which no fees have been established in the fee schedules. Because fee schedules have not been comprehensively reviewed and updated recently, it is anticipated that the adjustments to many existing fees and inclusion of some new fees will likely be required to meet this goal.

Solicitation for proposals was distributed by email to professional organizations and networks and a few individual consulting firms. Three proposals were received by the end of the bid period on March 8, 2018. A review team including representatives from administration, public works, planning,
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health, and building departments have read the proposals, interviewed the top candidates, and checked at least two references for each bidder. Based on this process, staff recommends entering an agreement with NBS. It is the appropriate time to award the contract and begin the process.

The recommended contract period for the successful bidder will be in effect from April 24, 2018 to December 31, 2018. Sufficient funding for the contract has been included in the Administration budget.

BACKGROUND AND HISTORY OF BOARD ACTIONS:
The County frequently contracts with outside to consultants to assist with special tasks including fee schedule review and updating.

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
Do not award the bid; direct staff to perform another RFP; or forgo assessment of Mariposa County fee schedules and collections processes at this time.

FINANCIAL IMPACT:
Sufficient funding has been identified in the 17-18 budget in the Administration Budget in Professional Services 001-0102-412.04-18

ATTACHMENTS:
Mariposa Co Fee Study_Signed by NBS (PDF)

RESULT: ADOPTED BY CONSENT VOTE [UNANIMOUS]
MOVER: Merlin Jones, District II Supervisor
SECONDER: Kevin Cann, District IV Supervisor
AYES: Smallcombe, Jones, Long, Cann, Menetrey
AGREEMENT FOR MARIPOSA COUNTY FEE SCHEDULE ASSESSMENT

THIS AGREEMENT ("Agreement") is made and entered into this 24th day of April, 2018, by and between the County of Mariposa, a political subdivision of the State of California, ("County"), and NBS, ("Contractor"), pursuant to the following terms and conditions.

WITNESSETH:

1. TERM

PROJECT OPTION: The term of this Agreement shall commence on the date first hereinabove written, and shall continue until all authorized work is approved by the County or December 31, 2018, whichever is earlier.

2. SERVICES

Contractor shall provide consulting service on the County Planning Department, County Building Department, County Environmental Health Division of the Health Department, and County Public Works Department fee schedules and collections processes as described in Exhibit A, "Scope of Work," which is attached hereto and incorporated herein by reference. Contractor shall provide all staffing and materials necessary to perform the Scope of Work.

3. COMPENSATION

Contractor shall be compensated for services performed in an amount not to exceed $48,995. The Contractor’s hourly rates are listed in Exhibit B, "Cost Proposal." The County shall pay Contractor within thirty (30) days of receipt of an approved invoice. In the event payments equal the “not to exceed” amount, Contractor shall complete all services required under this Agreement without further compensation or cost reimbursement.

4. INSURANCE

Contractor shall procure and maintain for the duration of the agreement 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, its agents, representatives, or employees.

A. MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

(1) Commercial General Liability (CGL): Insurance Services Office (ISO)Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal and 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: 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 limits no less than $1,000,000 per accident for bodily injury and property damage.

(3) Workers’ Compensation insurance 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 appropriates to the Contractor’s profession, with limit no less than $2,000,000 per occurrence or claim, $2,000,000 aggregate.

If the Contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or 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 County.

B. OTHER INSURANCE PROVISIONS

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

(1) Additional Insured Status: The County, 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 if not available, through the addition of both CG 20 10 and CG 20 37 forms if a later edition is used).

(2) Primary Coverage: For any claims related to this Agreement, the Contractor’s insurance coverage shall be primary insurance as respects the County, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the County, 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 state that coverage shall not be canceled, except with notice to the County.

(4) Waiver of Subrogation: Contractor hereby grants to County a waiver of any right to subrogation which any insurer of said Contractor may acquire against the County 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 County has received a waiver of subrogation endorsement from the insurer.
(5) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the County. The County 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.

(6) 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 County.

(7) Verification of Coverage: Contractor shall furnish the County 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 County 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 County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

(8) Subcontractors: Contractor shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Contractor shall ensure that County is an additional insured on insurance required from subcontractors.

(9) Special Risks or Circumstances: County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

5. HOLD HARMLESS/INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall hold harmless, defend at its own expense, and indemnify County and its officers, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney’s fees, arising from all acts or omissions Contractor or its officers, agents, or employees in rendering services under this Agreement; excluding, however, such liability, claims, losses, damages, or expenses arising from sole negligence or willful acts.

6. INDEPENDENT CONTRACTOR

It is the expressed intention of the parties that Contractor is an independent contractor and not an employee, agent, joint venturer or partner of County. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between County and Contractor or any employee or agent of Contractor. Both parties acknowledge that Contractor is not an employee for state or federal tax purposes. Contractor shall retain the right to perform services for others during the term of this Agreement.
7. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS)

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement is determined by a court of competent jurisdiction or the Public Employees Retirement System (CalPERS) to be eligible for enrollment in CalPERS as an employee of the County, Contractor shall indemnify, defend, and hold harmless County for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of County.

8. STATE AND FEDERAL TAXES

As Contractor is not County's employee, Contractor is responsible for paying all required state and federal taxes. In particular:

   a. County will not withhold FICA (Social Security) from Contractor’s payments;
   b. County will not make state or federal unemployment insurance contributions on behalf of Contractor;
   c. County will not withhold state or federal income tax from payment to Contractor;
   d. County will not make disability insurance contributions on behalf of Contractor;
   e. County will not obtain workers’ compensation insurance on behalf of Contractor.

9. ASSIGNMENT

It is understood and agreed that this Agreement contemplates personal performance by the Contractor and is based upon a determination of its unique personal competence and experience and upon its specialized personal knowledge. Assignments of any or all rights, duties or obligations of the Contractor under this Agreement will be permitted only with the express written consent of the County.

10. NOTICE

Any and all notices, reports or other communications to be given to County or Contractor shall be given to the persons representing the respective parties at the following addresses:

**CONTRACTOR:**
Nicole Kissam, Director
Michael Rentner, President
NBS
870 Market Street, Suite 1223
San Francisco, CA 94102

**COUNTY:**
Dallin Kimble, County Administrative Officer
County of Mariposa
5100 Bullion Street
Mariposa, CA 95338
11. COMPLIANCE

Contractor shall comply with all federal, state and local laws, codes, ordinance and regulations applicable to Contractor’s performance under this Agreement, including, but not limited to, laws related to prevailing wages. Specifically, Contractor shall not engage in unlawful employment discrimination, including, but not limited to, discrimination based upon a person’s race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, citizenship or sexual orientation, as prohibited by state or federal law.

12. PUBLIC RECORDS ACT

Contractor is aware that this Agreement and any documents provided to the County may be subject to the California Public Records Act and may be disclosed to members of the public upon request. It is the responsibility of the Contractor to clearly identify information in those documents that it considers to be confidential under the California Public Records Act. To the extent that the County agrees with that designation, such information will be held in confidence whenever possible. All other information will be considered public.

13. ENTIRE AGREEMENT AND MODIFICATION

This Agreement contains the entire agreement of the parties relating to the subject matter of this Agreement and supersedes all prior agreements and representations with respect to the subject matter hereof. This Agreement may only be modified by a written amendment hereto, executed by both parties; however, matters concerning the scope of services which do not affect the agreed price may be modified by mutual written consent of the Contractor and the County Administrative Officer. If there are exhibits attached hereto, and a conflict exists between the terms of this Agreement and any exhibit, the terms of this Agreement shall control.

14. ENFORCEABILITY AND SEVERABILITY

The invalidity or enforceability of any term or provisions of this Agreement shall not, unless otherwise specified, affect the validity or enforceability of any other term or provision, which shall remain in full force and effect.

15. TERMINATION AND RIGHTS UPON TERMINATION

A. This Agreement may be terminated upon mutual written consent of the parties, or as a remedy available at law or in equity. In the event of the termination of this Agreement, Contractor shall immediately be paid all fees earned as of the effective date of termination.

B. Either party may terminate this Agreement for convenience upon fourteen (14) calendar days’ written notice to the other party. Upon termination for convenience, Contractor shall be entitled to compensation for services performed acceptably up to the effective date of termination, as set forth in Exhibit B.

C. Should Contractor default in the performance of this Agreement or materially breach any of its provisions, County, at its option, may terminate this Agreement by giving written notification to Contractor. The termination date shall be the effective date of the notice.
For the purposes of this subsection, default or material breach of this Agreement shall include, but not be limited to, any of the following: failure to perform required services in a timely manner, willful destruction of County property, dishonesty, or theft.

D. If County terminates this Agreement for default or material breach, then Contractor shall be liable for any reasonable costs in excess of the Agreement amount incurred by County in order to complete Exhibit A, “Scope of Work.” In addition, Contractor understands and agrees that County may, in County’s sole discretion, refuse to pay Contractor for that portion of Contractor’s services which were performed by Contractor prior to the termination date and which remain unacceptable to County as of the termination date.

16. NO WAIVER

The failure to exercise any right to enforce any remedy contained in this Agreement shall not operate as to be construed to be a waiver or relinquishment of the exercise of such right or remedy, or of any other right or remedy herein contained.

17. DISPUTES

Should it become necessary for a party to this Agreement to bring an action in connection with this Agreement, the prevailing party in any claim or action shall be entitled to reimbursement for all expenses so incurred, including reasonable attorney’s fees.

It is agreed by the parties hereto that unless otherwise expressly waived by them, any action brought to enforce any of the provisions hereof or for declaratory relief hereunder shall be filed and remain in a court of competent jurisdiction in the County of Mariposa, State of California.

18. CAPTIONS

The captions of this Agreement are for convenience in reference only and the words contained therein shall in no way be held to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Agreement.

19. NUMBER AND GENDER

In this Agreement, the neutral gender includes the feminine and masculine, the singular includes the plural, and the word “person” includes corporations, partnerships, firms or associations, wherever the context so requires.

20. MANDATORY AND PERMISSIVE

“Shall” is mandatory. “May” is permissive.

21. SUCCESSORS AND ASSIGNS

All representations, covenants and warranties specifically set forth in this Agreement, by or on behalf of, or for the benefit of any or all of the parties hereto, shall be binding upon and inure to the benefit of such party, its successors and assigns.
22.  COUNTERPARTS

This Agreement may be executed simultaneously and in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

23.  OTHER DOCUMENTS

The parties agree that they shall cooperate in good faith to accomplish the object of this Agreement and, to that end, agree to execute and deliver such other and further instruments and documents as may be necessary and convenient to the fulfillment of these purposes.

24.  CONTROLLING LAW

The validity, interpretation and performance of this Agreement shall be controlled by and construed under the laws of the State of California.

25.  AUTHORITY

Each party and each party’s signatory warrant and represent that each has full authority and capacity to enter into this Agreement in accordance with all requirements of law. The parties also warrant that any signed amendment or modification to the agreement shall comply with all requirements of law, including capacity and authority to amend or modify the Agreement.

26.  NEGOTIATED AGREEMENT

This Agreement has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this Agreement within the meaning of California Civil Code section 1654. Each party represents and warrants that in executing this Agreement it does so with full knowledge of the rights and duties it may have with respect to the other party. Each party also warrants and represents that it has received independent legal advice from its attorney with respect to the matters set forth in this Agreement and the rights and duties arising out of this Agreement, or that such party willingly foregoes any such consultation.

27.  NO RELIANCE ON REPRESENTATIONS

Each party warrants and represents that it is not relying and has not relied upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this Agreement, have been independently verified. Each party further understands that it is responsible for verifying the representations of law or fact provided by the other party.

28.  WARRANTY

County has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor hereby warrants that all work shall be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor’s work by County shall not operate as a waiver or release.
29. **FUNDING AVAILABILITY**

It is mutually agreed that if the County budget of the current fiscal year and/or any subsequent fiscal years covered under this Agreement does not appropriate sufficient funds for this Agreement, this Agreement shall terminate and be of no further force and effect upon the day notice is provided by County to Contractor of such event. Upon termination of this Agreement, the County shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement except for services rendered prior to such termination and Contractor shall not be obligated to perform any provisions of this Agreement. Contractor’s assumption of risk of possible non-appropriation is part of the consideration for this Agreement. County budget decisions are subject to the discretion of the Board of Supervisors.

If funding for any fiscal year is reduced or deleted by the County budget for purposes of this Agreement, the County shall have the option to either cancel this Agreement with no liability occurring to the County, except County must reimburse Contractor for services rendered prior to such reduction or modification of the County budget, or offer an Agreement amendment to Contractor to reflect the reduced amount.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first written above.

**COUNTY OF MARIPOSA**

Rosemarie Smallcombe, Chair
Board of Supervisors

**CONTRACTOR**

Michael Rentner, President
NBS

**ATTEST:**

Rene LaRoche
Clerk of the Board

**APPROVED AS TO FORM:**

Steven W. Dahlem
County Counsel

Exhibits Attached

A. SCOPE OF WORK
B. COST PROPOSAL
C. STATEMENT OF QUALIFICATION
D. CUSTOMER REFERENCES
E. ANTI-COLLUSION STATEMENT
F. INSURANCE CERTIFICATE WITH LETTER OF ENDORSEMENT
EXECUTIVE SUMMARY

The County is in need of a fee study that will accomplish the following objectives:

- Examine existing fee structures for fairness, clarity, simplicity, and defensibility.
- Bring existing fee structures and fee setting practices up to current industry standard.
- Identify the full cost of service in fee-related activities to fund all programmatic activities.
- Facilitate strategies and policy for recovery of costs based on local priorities.
- Review current procedures for collection of unpaid fees and identify opportunities for improvement.
- Benchmark current collections processes and fee amounts against similar agencies.

NBS will assist the County in establishing the total estimated cost of providing services, in accordance with State laws and statutes. The resulting information provided by this Study will determine the upper limit for user/regulatory fees charged to the public as well as assist in achieving the County’s policy position on appropriate levels of cost recovery at or beneath that ceiling.

Additionally, NBS can optionally engage the assistance of a subcontractor, Management Advisory Services (MAS) for review of the County’s fee collection processes. NBS and MAS have a long-standing relationship for engagements where a deeper dive into process improvement is requested or needed to make a project even more successful. We have included MAS’ company information and professional resumes within this document, and the following section which responds to the Scope of Service for the Study provides a separate task description of how the NBS and MAS team would approach review of and recommendations for improving current collections’ processes.

The solutions provided by our consulting team will accomplish the objectives for a comprehensive review of fee structures, fee amounts, and collections processes. The result of this engagement will provide information and discussion that can be used at many levels of the organization to improve overall administration of the fee program.

This Study is not only about re-calibrating fees to equate to their “estimated and reasonable” costs, as required by State law, it is also about exploring impacts and ideas regarding the County’s cost recovery policies as well as fluctuations in demand on services. These aspects of the operating environment influence both the costs required to provide services and success in collections for fee-related services.
STATEMENT OF QUALIFICATIONS – SCOPE OF WORK

The goal of this effort is to establish fees for service in accordance with the services, practices, and operations specific to the needs of the County’s Planning Department, Building Department, Environmental Health Division of the Health Department, and Public Works Department. The Study will identify the total estimated and reasonable costs of providing these County services, and facilitate the development of strategies/policy for recovery of those costs in user/regulatory fees.

Project Approach

The following summarizes NBS’ approach to each Fee Study:

- **Fee structure design** – reviewing existing fees for service, setting the best structure for cost recovery, adding new fee items where applicable
- **Organizational and service time analysis** – identification of who performs work, how it is performed, and how long it takes to provide aspects of service
- **Time valuation** – placing a value on an increment of time within different organizations providing service
- **Cost of service analysis** – determining the cost (minimum, average, and maximum, as needed) incurred or associated with individual fee-related services
- **Implementation Assistance** – meeting with selected stakeholders, conducting study sessions or informational workshops with elected officials, if needed.

In general, the scope of this Study includes analysis of all fees for service that correlate to a staff-time estimate per activity or service basis. The Scope of Services excludes taxes, penalties, fines, equipment rental, facility rental, and fees regulated or set by the State.

The key deliverables for this project include:

- A written report detailing the justification of fees to be considered for adoption
- Technical appendices displaying the analytical support for findings and action items
- Sufficient onsite events and/or meetings with staff during the analytical phases of the project to develop Study outcomes
- Future access to NBS experts as the need arises
Fee Study Work Plan

The outline below describes the step-by-step Work Plan to be followed by NBS in completion of the Study:

Task 1. Project Commencement and Data Collection

Acquire published or accessible data from the County, centering on adopted budgets, recent financial performance (revenues and expenditures), cost allocation plan information, current labor cost detail and classifications, organizational structures, existing relevant policies, existing time-tracking and volumetric data, and other items of a more global nature. Consultants will gather information independently as accessible through online resources, and issue a consolidated data request to the County.

Conduct a short project coordination meeting with County staff members, including those who will manage the progress, completion, and implementation of the Study’s findings. This meeting will include a discussion of expectations and an overview of the process for conducting the analysis, including: coordination for onsite and remote interactions with County personnel, timeline for project completion, global data needs, established policies and procedures, and other topics.

Task 2. Design Fee Structure

Conduct one onsite project commencement event with each department/division known to provide the fee-related services under review in this Study. Applying industry expertise, NBS consultants will suggest changes and/or discuss the County’s desired additions or deletions to the existing fee schedule. Topics specific to Mariposa County’s current fee lists will include:

- Planning – Difference between deposit-based and “standardized” fees (flat fees). Level of interest in changing the mix of fees more toward deposits, flat fees, or continuing as is.
- Building – Methodology and approach to validate valuation based fee structures. Level of interest in itemizing smaller residential and commercial improvement projects vs using the valuation scale. Opportunities for simplification on Mechanical, Plumbing, and Electrical trade permits.
- Environmental Health – Staff’s ideas for addition, revision, or deletion of existing fee categories. NBS has specific history and experience with other California County environmental health fee studies.
- Public Works – Opportunities for modernizing method of charging for improvement plan review and inspection. Level of interest in expanding fee structure to include more service categories for encroachment permits.

Applying industry expertise, NBS consultants will discuss the various key decision points and operational considerations regarding each department/division fee structure, and recommend and develop fee structures (as opposed to amounts) for the Study’s process. Facilitate one iterative review and confirmation of the updated fee schedule format with County staff.

Task 3. Conduct Time Study

NBS will develop an approach and tools for acquiring and/or developing the organizational, performance, and time-estimate information necessary for justifying fees, and conduct one round of onsite events to initiate data collection efforts. Acquire workload information from the last complete Fiscal Year and assimilate data into the NBS fee model. NBS will provide practical guidance and professional opinions on how to factor all types of time into fee calculations, including the particular concerns noted in the County’s RFQ such as GIS services, travel time, etc.
Task 4. Prepare Iterations and Time Study Module

Determine any necessary secondary course of action to continue and/or refine organizational, performance, and time data. Up to two iterations of the time study module are included to ensure that the cost of service analysis is defensible and reasonable. The product of this sub-task will be a model of the complete organizational, performance, and time requirements for the services under review in this Study.

Task 5. Develop Time/Cost Module

Determine the full cost of service on an annual basis for various divisions and/or functions of service as warranted to produce defensible results. Integrate County financial/budget data, payroll/labor data, and established overhead charges or cost allocations, as follows:

- **Direct costs** reflect those specifically related to the provision of service embodied by the activities reflected in the fee schedule, as well as any potential additions to that list.

- **Indirect costs** are those incurred to support the provision of direct service, and may be reflected in many functional forms, depending on the services in question. Examples of indirect functions include administrative support, customer service/public information, code/policy/standards maintenance, training, and management. Outside of discrete functions, indirect costs may also include tangible items such as materials and supplies.

- **County-wide indirect costs**, such as those defined by an overhead cost allocation plan or other analysis maintained by the County to determine appropriate shares of administrative, support services, and/or governance costs. The County is responsible for providing the consultants with this information.

- **Systems and Support Costs**, such as those required between departments for review of each other’s applications, Information Technology replacement and maintenance, General Plan maintenance and update, operating reserve requirements.

Once the full annual cost basis is compiled, translate relevant and recoverable costs related to the provision of the services under review in this study into a Fully Burdened Hourly Rate for each department/division. Consider the applicability of productive hours or direct-billed hours as the basis for the rate calculation, depending on the department, division or function in question.

Task 6. Determine Full Cost of Services

Establish the total estimated and reasonable (full cost) of service for each individual activity under review in this study. The full cost of service defined by NBS serves as the analytically-justified maximum amount that may be recovered through a user/regulatory fee adopted by the Board of Supervisors.

Apply performance/time estimates at the activity level to the fully-burdened hourly rates developed to determine the full cost of service for each fee-related service. Add any discrete materials/services costs not reflected in the time valuation for specific activities, such as substantial equipment and incremental contract services. Ensure all fee calculations include the cost of review services between Planning, Building, Environmental Health, and Public Works.

Provide a comparison between the County’s current fees and full cost recovery fee amount. Include a percentage of cost recovery conclusion for each fee item studied. Cross departmental support
Task 7. Comparative Fee Survey

Policy makers often desire a comparison of current, full-cost recovery, and recommended fee amounts to neighboring jurisdictions. Although an “apples-to-apples” comparison of cost recovery policy and fee structures between agencies is challenging, presence of a comparison may ensure a smoother implementation process and a sense of the “market” rate for various services.

NBS will utilize our industry expertise to compare similar user and regulatory fees in up to five (5) neighboring and comparable communities. A list of communities will be selected and approved by County staff. In general, NBS will download the respective fee schedules from the Internet. If schedules are not available on the Internet, NBS will make a reasonable attempt to contact the agency to obtain a copy of their current fee schedules. NBS will then compile a comparison of fee categories and amounts for the most readily comparable fee items that match the County’s existing fee structure, and make a reasonable attempt to contact each agency for clarification regarding fee categories and amounts. The County may also provide contact information to individuals known in each agency that may be available to assist NBS in confirming information regarding fee schedules and amounts.

Task 8. Conduct Divisional Meetings / Revisions

Conduct one round of review events to review the draft results of the Study. Based on review with County staff, revise core analytical modules and finalize the activity costs of service. Calculate the final unit costs of service that will serve as the foundation for any revised fee amounts and/or fee structure. This task represents one planned iteration of the analytical work products. Obtain final approval of analytical fee models from the County’s project manager.

Discuss pricing objectives from the County’s perspective, i.e., comfort with full cost recovery or some alternative level of cost recovery. Consultants will facilitate this conversation by discussing public/private benefits or causation of each activity, potential market sensitivity, interaction with established County goals or policies, behavior modification influence, and other considerations. Collect one round of input related to recommendations for implementation of each fee at, or below, the full cost recovery fee amount.

Obtain final sign off on the numerical analysis portion of the Study and proceed to documentation of the results.

Task 9. Issue Study Documentation

Prepare a written report describing the complete work and findings of the project. Include an executive summary and detailed narrative sections that present current fees, recommended fees, percentage change, cost recovery percentage, revenue impacts, etc. Issue the draft report in electronic form to staff and management for review. Include one round of iterative changes to the draft final report to reflect management group input. Delivery of NBS Excel based fee model is not included.

Task 10. Assist with Implementation

NBS will actively support the County’s process to legislatively review, approve, and implement any changes to fees stemming from this Study. In anticipation of community stakeholder, County Board or Board subcommittee review, NBS will prepare foundational presentation materials for use in up to two (2) public meetings, and prepare for and attend the meeting to present study findings and respond to questions on behalf of or in support of County staff. In addition, per the RFQ’s request, NBS will advise on fee increase
metrics that can be used by County staff maintaining fees in between comprehensive study years, and a policy to address requests for fee waivers.

Task 11. Review Current Fee Collections Processes (Optional Task)

As mentioned previously, we recommend the services of Tom Sinclair from Management Advisory Services (MAS) for this optional task. MAS will complete the following tasks to review the County’s current fee collection practices:

- Meet with staff to develop an understanding of the current policies and practices regarding development application and permit processing fees, deposits, accounting, charges to deposits and collection practices.
- Obtain and review current County policies, ordinances and other written documents guiding current procedures for fee collection mechanisms.
- Use knowledge and experience in working with high performing agencies to provide recommendations for policies, procedures, mechanisms and practices that maximize collection of fees and unpaid accounts.
- Prepare a draft report identifying current practices, potential areas of improvement, and recommendations to implement a system designed to maximize County recovery and collection of the full cost of services.
- Meet with staff to review the draft report. Based on staff input on the draft report, prepare a final report with recommendations to implement a system designed to maximize County recovery and collection of fees.
Proposed Project Timeline

A Study of this nature typically requires 90 to 120 days to complete, not including public meetings and adoption hearings. This is a reasonable timeline allowing for quality data submittals to be accomplished by County staff amongst competing priorities. The following is a preliminary display of a 120 day timeline for consideration. Upon project commencement, NBS would provide a more detailed timeline for review and mutual acceptance.

*Note: This page is intentionally formatted differently to improve legibility of the table content below.*

<table>
<thead>
<tr>
<th>TASK DESCRIPTION</th>
<th>Days 1-30</th>
<th>Days 31 - 60</th>
<th>Days 61 - 90</th>
<th>Days 91 - 120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Task 1 Commencement and Data Collection</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 2 Design Fee Structure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 3 Conduct Time Study</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 4 Prepare Iterations and Time Study Module</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 5 Develop Time/Cost Module</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 6 Determine Full Cost of Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 7 Comparative Fee Survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 8 Conduct Divisional Meetings and Revisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 9 Issue Study Documentation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 10 Reassess with Implementation</td>
<td></td>
<td></td>
<td>t.b.d by County</td>
<td></td>
</tr>
<tr>
<td>Task 11 Review Current Fee Collection Practices*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Task is optional*
ITEMIZED COST ESTIMATE

Our professional fees reflect the effort we believe is necessary to complete the scope of services described. We express this honestly and transparently through our price proposal. **Should the proposed project cost noted here fall outside of the County's expectations, please let us know so we can discuss a scope and project fee that are mutually agreeable.**

Detailed Project Budget

For this effort, we propose a professional fee that is a fixed fee amount of $48,995 including Optional Task 11, or $39,590 excluding Optional Task 11. A fixed fee contract amount enables the County to have full disclosure and budget for the project. The detailed project budget below provides time estimates of hours for each task described in our Fee Study Work Plan:

*Note: This page is intentionally formatted differently to improve legibility of the table content below.*

<table>
<thead>
<tr>
<th>PROJECT COST DETAIL</th>
<th>Consultant Labor (Hours)</th>
<th>Consultant Cost</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>NBS - Director</td>
<td>NBS - Analyst</td>
<td>MAS - Subcontractor</td>
</tr>
<tr>
<td>Hour Rate</td>
<td>$205</td>
<td>$120</td>
<td>$225</td>
</tr>
<tr>
<td>USER FEES STUDY</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Task 1 Commencement and Data Collection</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Task 2 Design Fee Structure</td>
<td>24</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Task 3 Conduct Time Study</td>
<td>20</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Task 4 Prepare Iterations and Time Study Module</td>
<td>10</td>
<td>16</td>
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<tr>
<td>Task 5 Develop Time/Cost Module</td>
<td>8</td>
<td>16</td>
<td>-</td>
</tr>
<tr>
<td>Task 6 Determine Full Cost of Services</td>
<td>8</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Task 7 Comparative Fee Survey</td>
<td>4</td>
<td>26</td>
<td>-</td>
</tr>
<tr>
<td>Task 8 Conduct Divisional Meetings and Revisions</td>
<td>8</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Task 9 Issue Study Documentation</td>
<td>12</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Task 10 Assist with Implementation</td>
<td>12</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Task 11 Review Current Fee Collection Practices*</td>
<td>2</td>
<td>-</td>
<td>36</td>
</tr>
<tr>
<td>Subtotal</td>
<td>110</td>
<td>142</td>
<td>38.0</td>
</tr>
<tr>
<td>NBS Sub consultant Administrative Fee (10%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL ALL PROJECTS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Task is optional*
NBS applied the following hourly rates to derive the fixed pricing for the requested scope of services. NBS’ rates are inclusive of all costs associated with professional time, such as document production, and incidentals. Travel expenses, however, are billed separately at actual cost up to the amount shown in the table above. These rates will apply for the duration of our contract:

<table>
<thead>
<tr>
<th>Title</th>
<th>Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>$205</td>
</tr>
<tr>
<td>Associate Director</td>
<td>190</td>
</tr>
<tr>
<td>Consultant</td>
<td>140</td>
</tr>
<tr>
<td>Analyst</td>
<td>120</td>
</tr>
</tbody>
</table>

INVOICING

We invoice on a monthly basis, following recorded consultant time on the project, paralleling our completion of the work. At no time will we invoice for charges in excess of the fee to which the Mariposa County Department and NBS mutually agree. Should the County specifically request additional services beyond those described in this document, we will discuss those requests and associated costs at that later time and only invoice for additional fees upon separate written authorization from the County.

**County’s Responsibilities**

The County shall furnish NBS with any pertinent information that is available to County and applicable to the Services. The County shall designate a person to act with authority on its behalf in respect to the Services. The County shall promptly respond to NBS’ requests for reviews and approvals of its work, and to its requests for decisions related to the Services. The Client shall notify Consultant of the occurrence of any events listed in the Continuing Disclosure Certificate. County understands and agrees that NBS is entitled to rely on all information, data and documents (collectively, “Information”) supplied to NBS by County or any of its agents, contractors or proxies or obtained by NBS from other usual and customary sources including other government sources or proxies as being accurate and correct and NBS will have no obligation to confirm that such Information is correct and that NBS will have no liability to County or any third party if such Information is not correct.
EXHIBIT A: COMPLETE STATEMENT OF QUALIFICATION

STATEMENT OF QUALIFICATION – Exhibit A

Business Name: NBS Government Finance Group, DBA: NBS Phone #: 800.434.8349

Address: Regional Office: 870 Market Street, #1223

City: San Francisco State: CA ZIP: 94102

Federal Tax ID #: 33-0712512 Business License #: N/A

Business Status:

☒ Corporation (S-Corp) State of Incorporation: CA

☐ General Partnership

☐ Limited Partnership

☒ Sole Proprietorship

☐ Other: ______

Name and title of an officer or owner authorized to sign this proposal and any contract with the County that may result.

Name: Michael Rentner Title: President

Number of years in business under present business name: Since 1996, 22 years

Other business name(s): N/A

Number of years under prior name if any: N/A

Number of years of experience in providing required, equivalent, or related projects: Approx 9 years

Similar services/projects completed during the last five years? Please list completion date, services provided, amount paid for services rendered, and agency name.

1. Santa Clara County Environmental Health Department User and Regulatory Fee Study Completion Date: 2017 Approx Amount Paid: $25,000

2. City of Los Angeles, Department of City Planning User Fee and Rate Study Completion Date: On-going Approx Amount Paid: $100,000

3. City of East Palo Alto Full Cost and OMB A-87 Cost Allocation Plan and User Fee Study Completion Date: On-going Approx Amount Paid: $50,000

4. City of San Carlos Cost Allocation Plan and User Fee Study Completion Date: On-going Approx Amount Paid: $45,000

5. City of Half Moon Bay Citywide Cost Allocation Plan and User Fee Study Completion Date: On-going Approx Amount Paid: $40,000
Have you, or your agency failed or refused to complete a contract?

☐ YES
✓ NO
If yes, explain:__________________________________________________________

Is your firm authorized to do business in the State of California?

✓ YES
☐ NO

Is your firm a State of California registered small business?

✓ YES
☐ NO

Is your firm located in Mariposa County?

☐ YES
✓ NO

Explain any litigation similar to the services requested by this proposal involving you, or your agency, or any principle officer(s) thereof:

None.____________________________________________________________________

Has your company filed any written declaration for bankruptcy protection, a potential merger or acquisition, office closure, pending lawsuits, financial loss that might affect your ability to perform under the contract?

☐ YES
✓ NO
If yes, explain:__________________________________________________________

Has your company changed names or license numbers in the past 10 years?

☐ YES
✓ NO

If yes, explain:__________________________________________________________
List the names and titles of the key personnel who would be assigned to the Project.

<table>
<thead>
<tr>
<th>Name</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nicole Kissam</td>
<td>Director</td>
</tr>
<tr>
<td>Greta Davis</td>
<td>Associate Director</td>
</tr>
<tr>
<td>Kevin Gardner</td>
<td>Financial Analyst</td>
</tr>
<tr>
<td>Arielle Plourde</td>
<td>Financial Analyst</td>
</tr>
<tr>
<td>Greg Davidson</td>
<td>Client Services Director</td>
</tr>
<tr>
<td>Tom Sinclair</td>
<td>Subcontractor</td>
</tr>
</tbody>
</table>

List all required business and professional licenses that pertain to this Project:

<table>
<thead>
<tr>
<th>License Number</th>
<th>Type</th>
<th>Expiration Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Do you and your agency agree to provide additional information as required by the County to make an informed determination of qualifications?

☑ YES
☐ NO

By signing this Statement of Experience, you are certifying that all information provided on this form and contained within your proposal are true, and you acknowledge that if the proposal contains any false statements, the County may declare any contract or agreement made as a result of the proposal to be void.

Signature: [Signature] Date: March 8, 2018

Print Name: Michael Rentner Title: President (authorized signer)
**EXHIBIT B: CUSTOMER REFERENCES**

**REFERENCE FORM – Exhibit B**

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Contact Person:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Santa Clara County</td>
<td>Michael Balliet, Interim Department Director</td>
</tr>
<tr>
<td>Environmental Health Department</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>Tel. Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1555 Berger Drive, Suite 300</td>
<td>408.918.1976</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, State, Zip:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Jose, CA 95112</td>
<td><a href="mailto:michael.balliet@deh.sccgov.org">michael.balliet@deh.sccgov.org</a></td>
</tr>
</tbody>
</table>

**Services Provided/Date(s) of Service:** User and Regulatory Fee Study, Fiscal years 2013, 2015, 2017. Over the years, NBS has completed several user fee analyses for the Santa Clara County Department of Environmental Health. Work completed on this project included calculation of the total estimated reasonable cost of providing all fee related services, including the calculation of fully burdened hourly rates, as well as consideration of appropriate fund balance targets, and a 10-year cash flow projection of the impact of cost recovery on fund balances.

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Contact Person:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Los Angeles, Department of City Planning</td>
<td>Jan Zatorski (Now Retired)</td>
</tr>
<tr>
<td></td>
<td>Ly Lam, Budget Officer (Jan’s replacement)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>Tel. Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>200 N. Spring Street</td>
<td>213.978.1206</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, State, Zip:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles, CA 90012</td>
<td><a href="mailto:ly.t.liam@lacity.org">ly.t.liam@lacity.org</a></td>
</tr>
</tbody>
</table>

**Services Provided / Date(s) of Service:** User Fee And Rate Study, 2011 - Present
In 2011, NBS was selected by the City of Los Angeles’ Planning Department to study fully burdened hourly rates and fee structure policies related to provision of expedited project review services. Key consulting tasks include development of a deliverable fully burdened hourly rate model, recommendation regarding a fair and equitable fee structure for specialized services, and consideration of an appropriate fund balance for off peak demand cycles. In 2013, NBS provided additional on-call consulting services related to development of a Case Management fee structure for development review services. In 2017, NBS completed a comprehensive review of all Department of City Planning hourly rates and application fees for services.

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Contact Person:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of East Palo Alto</td>
<td>Brenda Olwin, Finance Director</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>Tel. Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>2415 University Avenue</td>
<td>650.853.3122</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, State, Zip:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Palo Alto, CA 94303</td>
<td><a href="mailto:bolwin@cityofepa.org">bolwin@cityofepa.org</a></td>
</tr>
</tbody>
</table>

**Services Provided / Date(s) of Service:** Full Cost and AMB A-87 Cost Allocation Plan & User Fee Study, December 2012 – Present. In Fiscal Year 2012 -13, NBS completed a Cost Allocation Plan and User Fee Study. Included in the project was the development of a deliverable Overhead Cost Allocation Plan to identify and allocate the costs of central governmental and administrative services. The Plan included a Full Cost and OMB A-87 version of the plan. Fees included in the analysis stemmed from the following broad categories: administration/governmental, building and safety, engineering, land...
Key consulting tasks included development of a deliverable cost of service model justifying fully burdened hourly rates and activity/service unit costs, a master fee schedule identifying the maximum fee amount justified documentation of cost recovery and pricing objectives, and market comparison of all fees. In Fiscal Year 2017 – 18, NBS is currently under contract to update both the Cost Allocation Plan and User Fee Study projects.

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Contact Person:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of San Carlos</td>
<td>Rebecca Mendenhall, Administrative Services Director</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>Tel. Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>600 Elm Street</td>
<td>650.802.4128</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, State, Zip:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Carlos, CA 94070</td>
<td><a href="mailto:rmendenhall@cityofsancarlos.org">rmendenhall@cityofsancarlos.org</a></td>
</tr>
</tbody>
</table>

**Services Provided/Date(s) of Service:** Cost Allocation Plan & User Fee Study. January 2013 - Present. In May 2013, NBS completed a Cost Allocation Plan and User Fee Study for the City of San Carlos. Included in the project was the development of a deliverable Overhead Cost Allocation Plan to identify and allocate the costs of central governmental and administrative services. Fees included in the analysis stemmed from the following broad categories: administration/governmental, building and safety, engineering, land development, planning and land use, and police. Key consulting tasks included development of a deliverable cost of service model justifying fully-burdened hourly rates and activity/service unit costs, a master fee schedule identifying the maximum fee amount justified, documentation of cost recovery and pricing objectives, and market comparison of all fees. In May 2017, NBS presented an update of this Study to City Council for adoption.

<table>
<thead>
<tr>
<th>Company Name:</th>
<th>Contact Person:</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Half Moon Bay</td>
<td>Yulia Carter, Finance Director</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Address</th>
<th>Tel. Number:</th>
</tr>
</thead>
<tbody>
<tr>
<td>501 Main Street</td>
<td>650.726.8283</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>City, State, Zip:</th>
<th>Email Address:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Half Moon Bay, CA 94019</td>
<td><a href="mailto:ycarter@hmbcity.com">ycarter@hmbcity.com</a></td>
</tr>
</tbody>
</table>

**Services Provided/Date(s) of Service:** Citywide Cost Allocation Plan & User Fee Study. Fiscal Year 2014-15 - Current. NBS worked with Half Moon Bay to complete an Overhead Cost Allocation Plan for purposes of allocating the City’s administrative overhead costs (such as payroll, finance, city management, human resources, etc.) to beneficiaries of administrative services (such as police, fire, development review, utilities, etc.). NBS is in the process of updating the Plan with current budgetary information. Additionally, NBS completed a Citywide User Fee Study, which established the full cost of providing services for fee related services. City Council adopted the User Fee Study with a 5-0 vote in May 2017.

**Firm Name:** NBS Government Finance Group, DBA: NBS

**Authorized Name:** Michael Rentner  
**Title:** President

**Authorized Signature:** [Signature]  
**Date:** March 8, 2018
EXHIBIT C: ANTI-COLLUSION STATEMENT

ANTI-COLLUSION STATEMENT – Exhibit C

By signing this form, the Bidder agrees that this quote is made without any other understanding, agreement, or connection with any person, corporation, or firm submitting a quote for the same purpose and that the quote is in all respects fair and without collusion or fraud,


Name of Firm:  _NBS Government Finance Group, DBA: NBS
                          [Sign in ink in the space provided below]

Signature:  [Signature]

Print Name of Authorized Representative:  Michael Rentner

Title of Authorized Representative:  President

Address:  870 Market Street, #1223 (Regional)  32605 Temecula Parkway, Suite 100 (Headquarters)

City and State:  San Francisco, CA 94102  Temecula, CA 92592

Telephone:  800.434.8349
INSURANCE CERTIFICATE WITH LETTER OF ENDORSEMENT

NBS’ insurance certificate is attached on the following pages (pages 28 – 41).

Additions or Exceptions

NBS accepts the terms, conditions and general form of the Mariposa County standard Consultant Services Agreement with the following modification(s):

Under B. OTHER INSURANCE PROVISIONS, please remove the strikeout language noted below as we cannot obligate our carrier to make arbitrary changes to our policy.

(5) Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the County. The County 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.

Note: We declare our retention of $25,000.
NBSGOVE-01  SBB

CERTIFICATE OF LIABILITY INSURANCE

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFER NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # 0823506
NFP Property & Casualty Services, Inc
6050 Greenwich Drive, Suite 200
San Diego, CA 92122

(858) 869-8300
Contact: Janet Darby
Fax: 858-869-8301

INSURED
NBS Government Finance Group
32605 Temecula Parkway, Suite 100 & 101
Temecula, CA 92592

INSURERS
A: Hanover Insurance Company
22292

INSURER B: Allamerica Financial Benefit
41840

INSURER C: Gemini Insurance Company
10833

INSURER D: 

INSURER E: 

COVERAGE
CERTIFICATE NUMBER:

COVERAGES

A X COMMERCIAL GENERAL LIABILITY
CLAIM MADE 
X OCCUR  

OH3A43196302  9/24/2016  9/24/2017
EACH OCCURRENCE 2,000,000
PROPERTY DAMAGE TO RENTED POSSESSIONS 2,000,000
MED EX 10,000
PERSONAL & ADJ INJURY 2,000,000
GENERAL AGGREGATE 4,000,000
PRODUCTS COMMERIAL AGG 4,000,000

B X AUTOMOBILE LIABILITY
ANY AUTO 
 ALL OWNED 
 SCHEDULED AUTOS 
 Hired Autos 

AW3A42742602  9/24/2016  9/24/2017
COMBINED SINGLE LIMIT (CSL) 1,000,000
BODILY INJURY (Per Person) 3
BODILY INJURY (Per Accident) 3
PROPERTY DAMAGE (Per Accident) 3

A X UMBRELLA LIABILITY
CLAIM MADE 
X OCCUR  

OH3A43196302  9/24/2016  9/24/2017
EACH OCCURRENCE 1,000,000
AGGREGATE 1

A X WORKERS COMPENSATION
AND EMPLOYERS LIABILITY

WMAH3A42742602  9/24/2016  9/24/2017
MED EX 10,000

C Professional Liability

C Professional Liability

VCCPL004725  9/24/2016  9/24/2017
Each Wrongful Act 2,000,000
Annual Aggregate 2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES: (ACORD 101, Additional Remarks Schedule, may be attached if more space is required).

See attached page.

CERTIFICATE HOLDER

Proof of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVIDINGS.

AUTHORIZED REPRESENTATIVE

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ACORD 25 (2014/01)

The ACORD name and logo are registered marks of ACORD

NBS
Mariposa County
Fee Study
<table>
<thead>
<tr>
<th>DESCRIPTION OF OPERATIONS -</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBS Government Finance Group</td>
</tr>
<tr>
<td>32605 Temecula Parkway, Suite 100 &amp; 101</td>
</tr>
<tr>
<td>Temecula, CA 92592</td>
</tr>
<tr>
<td>Proof of Insurance</td>
</tr>
</tbody>
</table>

Blanket forms apply when required by written contract:

GENERAL LIABILITY:
- Additional Insured-Special Brokering End: 391-1006 06 09
- Additional Insured-Completed Operations: 391-1602 12 11
- Primary & Non-Contributory: 391-1331 06 09
- Waiver of Subrogation: BP0497 07 02

AUTO:
- Additional insured: 461-0478 12 12
- Primary & Non-Contributory: 461-0478 12 12
- Waiver of Subrogation: 461-0500 11 13

WORKERS' COMPENSATION:
- Waiver of Subrogation: WC040306 4-84

"CERTIFICATE ISSUED DUE TO POLICY RENEWAL"
BUSINESSOWNERS LIABILITY SPECIAL BROADENING ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SUMMARY OF COVERAGES

<table>
<thead>
<tr>
<th>Limits</th>
<th>Page</th>
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</tbody>
</table>

This endorsement amends coverages provided under the Businessowners Coverage Form through new coverages and broader coverage grants. This coverage is subject to the provisions applicable to the Businessowners Coverage Form, except as provided below.

1. Additional Insured by Contract, Agreement or Permit

Under SECTION II - LIABILITY, C. Who Is An Insured, Paragraph 4, is added as follows.

- Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract, agreement or permit that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
  - Your acts or omissions, or
  - The acts or omissions of those acting on your behalf,
  - but only with respect to:
    - "Your work" for the additional insured(s) at the location designated in the contract, agreement or permit, or
    - Premises you own, rent, lease, control or occupy.

The insurance applies on a primary basis if that is required by the written contract, agreement or permit.

b. This provision does not apply:

- (1) Unless the written contract or written agreement has been executed or permit has been issued prior to the "bodily injury", "property damage" or "personal
  - and advertising injury".
- (2) To any person or organization included as an insured by an endorsement issued by us and made part of this Policy;
- (3) To any person or organization included as an insured under Item 1.a.2. of this endorsement;
- (4) To any lessor of equipment:
  - (a) After the equipment lease expires; or
  - (b) If the "bodily injury", "property damage" or "personal and advertising injury" arises out of the sole negligence of the lessor.
(5) To any
   (a) Owners or other interests from
   whom land has been leased which
   takes place after the lease for that
   land expires, or
   (b) Managers or lessors of premises if:
   (i) The occurrence takes place after
   you cease to be a tenant in that
   premises; or
   (ii) The "bodily injury", "property
   damage" or "personal and
   advertising injury" arising out of
   structural alterations, new
   construction or demolition
   operations performed by or on
   behalf of the manager or lessor;
   or

(6) To "bodily injury", "property damage" or
"personal and advertising injury" arising out of the rendering of or the failure to
render any professional services.

c. Additional insured coverage provided by
this provision will not be broader than
coverage provided to any other insured.

d. All other insuring agreements, exclusions,
and conditions of the policy apply.

2. Additional Insured - Broad Form Vendors
Under SECTION II - LIABILITY, C. Who Is An
Insured; paragraph 5, is added as follows.

5. Any person or organization with whom you
agreed, because of a written contract or
written agreement to provide insurance, but
only with respect to "bodily injury" or
"property damage" arising out of "your
products" which are distributed or sold in
the regular course of the vendor's business.

The insurance afforded the vendor does not apply to
a. "Bodily injury" or "property damage" for
which the vendor is obligated to pay
damages by reason of the assumption of
liability in a contract or agreement. This
exclusion does not apply to liability for
damages that the vendor would have in
the absence of the contract or
agreement,
b. Any express warranty unauthorized by
you,
c. Any physical or chemical change in the
product made intentionally by the
vendor

d. Repackaging unless unpacked solely
for the purpose of inspection.
demonstration, testing, or the
substitution of parts under instruction
from the manufacturer, and then
repackaged in the original container,
e. Any failure to make such inspection,
adjustments, tests or servicing as the
vendor has agreed to make or normally
undertakes to make in the usual course of
business in connection with the
distribution or sale of the product.

f. Demonstration, installation, servicing or
repair operations except such
operations performed at the vendor's
premises in connection with the sale of
the product.

g. Products which, after distribution or sale
by you, have been labeled or relabeled
or used as a container, part or
ingredient of any thing or substance by
or for the vendor;

h. "Bodily injury" or "property damage"
arising out of the sole negligence of
the vendor for its own acts or omissions or
those of its employees or anyone else
acting on its behalf. However, this
exclusion does not apply to:

(1) The exceptions contained in
paragraphs 5.d. or 5.f.; or

(2) Such inspections, adjustments, tests
or servicing as the vendor has
agreed to make or normally
undertakes to make in the usual
course of business, in connection with
the distribution or sale of the
products.

This insurance does not apply to any
insured person or organization, from whom
you have acquired such products, or any
ingredient, part or container entering into,
accompanying or containing such products.

3. Alienated Premises
Under SECTION II - LIABILITY, B. Exclusions,
paragraph 1.k.(2) is replaced in its entirety with
the following:

(2) Premises you sell, give away or abandon, if
the "property damage" arises out of any part
of those premises and occurred from
hazards that were known by you, or should
have reasonably been known by you, at the
time the property was transferred or
abandoned.

4. Bodily Injury Redefined
Under SECTION II - LIABILITY, F. Liability and
Medical Expenses Definitions, definition 4, is
replaced in its entirety by the following.
4. "Bodily injury" means bodily injury, disability, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily Injury" includes mental anguish or other mental injury resulting from "bodily injury".

5. Broad Form Property Damage - Borrowed Equipment, Customers Goods, Use of Elevators
   a. Under SECTION II - LIABILITY, B. Exclusions, paragraph 1.k., the following is added:
      Paragraph (4) does not apply to "property damage" to borrowed equipment while at a job site and not being used to perform operations.
      Paragraph (3), (4) and (6) do not apply to "property damage" to "customers goods" while on your premises nor to the use of elevators.
   b. Under SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, the following additional definition is added:
      "Customers goods" means property of your customer on your premises for the purpose of being:
      a. Worked on; or
      b. Used in your manufacturing process.
   c. The insurance afforded by this provision is excess over any other valid and collectible property insurance (including deductible) available to the insured whether primary, excess, contingent or on any other basis.

6. Incidental Malpractice - Employed Nurses, EMT's and Paramedics
   Under SECTION II - LIABILITY, C. Who Is An Insured, paragraph 2 a (1)(d) does not apply to a nurse, emergency medical technician or paramedic employed by you if you are not engaged in the business or occupation of providing medical, paramedical, surgical, dental, x-ray or nursing services.

7. Personal and Advertising Injury - Broad Form
   Under SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, definition 15. "Personal and Advertising Injury", paragraph h. is added as follows:
   h. Discrimination or humiliation (unless insurance thereof is prohibited by law) that results in injury to the feelings or reputation of a natural person, but only if such discrimination or humiliation is (1) Not done intentionally by or at the direction of

   (a) The insured, or
   (b) Any officer of the corporation, director, stockholder, partner or member of the insured; and
   (2) Not directly or indirectly related to an "employee", nor to the employment, prospective employment or termination of any person or persons by an insured

8. Product Recall Expense
   a. Under SECTION II - LIABILITY, B. Exclusions, Paragraph 1.o. is replaced in its entirety by the following:
   c. Recall of Products, Work or Impaired Property
      Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
      (1) "Your product";
      (2) "Your work"; or
      (3) "Impaired property";
      If such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it, but this exclusion does not apply to "product recall expenses" that you incur for the "covered recall" of "your product". The exception to the exclusion does not apply to "product recall expenses" resulting from:
      (1) Failure of any product to accomplish their intended purpose.
      (2) Breach of warranties of fitness, quality, durability or performance;
      (3) Loss of customer approval, or any cost incurred to regain customer approval;
      (4) Redistribution or replacement of "your product" which has been recalled by like products or substitutes;
      (5) Caprice or whim of the insured.
      (6) A condition likely to cause loss of which any insured knew or had reason to know at the inception of this insurance.
      (7) Asbestos, including loss, damage or clean up resulting from asbestos or asbestos containing materials; or
(8) Recall of "your products" that have no known or suspected defect solely because a known or suspected defect in another of "your products" has been found.

b. Under SECTION II - LIABILITY, C. Who Is An Insured, paragraph 4.c. is added as follows:

   c. "Bodily injury" or "property damage" do not apply to "product recall expense" arising out of any withdrawal or recall that occurred before you acquired or formed the organization.

c. Under SECTION II - LIABILITY, E. Liability and Medical Expense General Conditions, 2. Duties in the Event of Occurrence, Offense, Claim or Suit, paragraph e is added as follows:

   e. You must see to it that the following are done in the event of an actual or anticipated "covered recall" that may result in "product recall expense":

      (1) Give us prompt notice of any discovery or notification that "your product" must be withdrawn or recalled. Include a description of "your product" and the reason for the withdrawal or recall.

      (2) Cause any further release, shipment, consignment or any other method of distribution of like or similar products until it has been determined that all such products are free from defects that could be a cause of loss under this insurance.

d. Under SECTION II - LIABILITY, F. Liability and Medical Expenses Definitions, the following additional definitions are added:

   "Covered recall" means a recall made necessary because you or a government body has determined that a known or suspected defect, deficiency, inadequacy, or dangerous condition in "your product" has resulted or will result in "bodily injury" or "property damage".

   "Product recall expenses" means:

      a. Necessary and reasonable expenses for

         (1) Communications, including radio or television announcements or printed advertisements including stationery, envelopes and postage.

      b. Shipping the recalled products from any purchaser, distributor or user to the place or places designated by you.

      c. Remuneration paid to your regular "employees" for necessary overtime.

      d. Hiring additional persons, other than your regular "employees".

      e. Expenses incurred by "employees" including transportation and accommodations.

      f. Expenses to rent additional warehouse or storage space.

      g. Disposal of "your product", but only to the extent that specific methods of destruction other than those employed for trash discarding or disposal are required to avoid "bodily injury" or "property damage" as a result of such disposal, you incur exclusively for the purpose of recalling "your product", and

   e. Under SECTION II - LIABILITY, D. Liability and Medical Expenses Limits of Insurance, the following is added:

      5. The limits of insurance and rules stated below fix the most that we will pay under this Product Recall Expense Coverage:

         (1) The Aggregate Limit is the most that we will reimburse you for the sum of all "product recall expenses" incurred for all "product recall expenses" initiated during the policy period.

         (2) The Occurrence Limit shown on the Summary of Coverages is the most we will pay in connection with any one defect or deficiency.

            (a) All "product recall expenses" in connection with substantially the same general harmful condition will be deemed to arise out of the same defect or deficiency and considered one "occurrence"
(b) Any amount reimbursed for "product recall expenses" in connection with any one "occurrence" will reduce the amount of the Aggregate Limit available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

(c) If the Aggregate Limit has been reduced by reimbursement of "product recall expenses" to an amount that is less than the Occurrence Limit, the remaining Aggregate Limit is the most that will be available for reimbursement of "product recall expenses" in connection with any other defect or deficiency.

6. A deductible of $500 applies per each "Occurrence".

9. Unintentional Failure to Disclose Hazards
   Under SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions, paragraph 6. is added as follows:

   6. Representations
      We will not disclaim coverage under this Coverage Form if you fail to disclose all hazards existing as of the inception date of the policy provided such failure is not intentional.

10. Unintentional Failure to Notify
    Under SECTION II - LIABILITY, E. Liability and Medical Expenses General Conditions, 2. Duties in the Event of Occurrence, Offense, Claim or Suit, paragraph f. is added as follows:

    f. Your rights afforded under this Coverage Form shall not be prejudiced if you fail to give us notice of an "occurrence", offense, claim or "suit", solely due to your reasonable and documented belief that the "bodily injury" or "property damage" is not covered under this Policy.
POLICY #OH3 A43196302

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

<table>
<thead>
<tr>
<th>Name Of Additional Insured Person(s)</th>
<th>Location And Description Of Completed Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANY PERSON OR ORGANIZATION WHEN REQUIR</td>
<td>AS REQUIRED BY CONTRACT</td>
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</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph C. Who Is An Insured in Section II - Liability:

Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for “bodily injury” or “property damage” caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard"
OTHER INSURANCE - PRIMARY AND NON-CONTRIBUTORY
(ADDITIONAL INSURED) ENDORSEMENT

This endorsement modifies insurance provided under the following:
BUSINESSOWNERS COVERAGE FORM

The following is added to SECTION III - COMMON POLICY CONDITIONS:

M. Other Insurance

1. Additional Insureds

If you agree in a written contract, written agreement or permit that the insurance provided to any person or organization included as an Additional Insured under SECTION II - LIABILITY, Part C - Who is An Insured, is primary and non-contributory, the following applies:

If other valid and collectible insurance is available to the Additional Insured for a loss we cover under SECTION II - LIABILITY, Part A. Coverages, Paragraph 1. Business Liability our obligations are limited as follows:

a. Primary Insurance

This insurance is primary to other insurance that is available to the Additional Insured which covers the Additional Insured as a Named Insured. We will not seek contribution from any other insurance available to the Additional Insured except:

(1) For the sole negligence of the Additional Insured,

(2) When the Additional Insured is an Additional Insured under another primary liability policy; or

(3) When b.(2) below applies.

If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary.

Then, we will share with all that other insurance by the method described in b.(3) below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work.

(b) That is Fire insurance for premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner;

(c) That is insurance purchased by the Additional Insured to cover the Additional Insured's liability as a tenant for "property damage" to premises rented to the Additional Insured or temporarily occupied by the Additional Insured with permission of the owner,

(d) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of SECTION II - LIABILITY, Part A. Coverages, 1. Business Liability.

When this insurance is excess, we will have no duty under SECTION II - LIABILITY, Part A. Coverages, 1. Business Liability to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(2) The total amount that all such other insurance would pay for the loss in the absence of this insurance, and

(3) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not
described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name Of Person Or Organization:

ANY PERSON OR ORGANIZATION WHEN REQUIRED BY A WRITTEN CONTRACT OR WRITTEN AGREEMENT OF PERMIT


* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations

Paragraph K. Transfer Of Rights Of Recovery Against Others To Us in Section III - Common Policy Conditions is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

BLANKET ADDITIONAL INSURED - PRIMARY AND NON-CONTRIBUTORY

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE PART

A. The following is added to SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured:

Additional Insured if Required by Contract
If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, such person or organization is an "insured": but only to the extent that such person or organization qualifies as an "insured" under paragraph A.1.c. of this Section.

If you agree in a written contract, written agreement or written permit that a person or organization be added as an additional "insured" under this Coverage Part, the most we will pay on behalf of such additional "insured" is the lesser of:

(1) The Limits of Insurance for liability coverage specified in the written contract, written agreement or written permit; or

(2) The Limits of Insurance for Liability Coverage shown in the Declarations applicable to this Coverage Part.

Such amount shall be part of and not in addition to the Limits of Insurance shown in the Declarations applicable to this Coverage Part. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit of insurance for Liability Coverage shown in the Declarations.

B. The following is added to SECTION IV - BUSINESS AUTO CONDITIONS, Paragraph B. General Conditions, subparagraph 5. Other Insurance:

Primary and Non-Contributory
If you agree in a written contract, written agreement or written permit that the insurance provided to a person or organization who qualifies as an additional "insured" under SECTION II - LIABILITY COVERAGE, Paragraph A.1. Who Is An Insured, subparagraph Additional Insured if Required by Contract is primary and non-contributory, the following applies:

The liability coverage provided by this Coverage Part is primary to any other insurance available to the additional "insured" as a Named Insured. We will not seek contribution from any other liability insurance available to the additional "insured" except:

1. For the sole negligence of the additional "insured";

2. For negligence arising out of the ownership, maintenance or use of any "auto" not owned by the additional "insured" or by you, unless that "auto" is a "trailer" connected to an "auto" owned by the additional "insured" or by you; or

3. When the additional "insured" is also an additional "insured" under another liability policy.

C. The endorsement will apply only if the "accident" occurs:

1. During the policy period;

2. Subsequent to the execution of the written contract or written agreement or the issuance of the written permit; and

3. Prior to the expiration of the period of time that the written contract, written agreement or written permit requires such insurance to be provided to the additional insured.

D. Coverage provided to an additional "insured" will not be broader than coverage provided to any other "insured" under this Coverage Part.

ALL OTHER TERMS, CONDITIONS, AND EXCLUSIONS REMAIN UNCHANGED.
POLICY #AW3A42745802

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:
BUSINESS AUTO COVERAGE FORM
BUSINESS AUTO PHYSICAL DAMAGE COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
TRUCKERS COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.
This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:

<table>
<thead>
<tr>
<th>Named Insured:</th>
<th>NBS GOVERNMENT FINANCE GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endorsement Effective Date:</td>
<td>9/24/2016</td>
</tr>
</tbody>
</table>

SCHEDULE

<table>
<thead>
<tr>
<th>Name(s) Of Person(s) Or Organization(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANY PERSON OR ORGANIZATION WHEN REQUIRED BY A WRIT</td>
</tr>
</tbody>
</table>

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply to the person(s) or organization(s) shown in the Schedule but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.
WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT- CALIFORNIA

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2% of the California workers’ compensation premium otherwise due on such remuneration.

| Schedule |
|-----------------|-----------------|
| Person or Organization | Job Description |
| ONLY WHERE REQUIRED BY | CONTRACT |

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Insured: NBS GOVERNMENT FINANCE GROUP
Policy No: WH3A42745703
Endorsement No: Premium $

Endorsement Effective: 9/24/2016

Counterigned By: 

Janet Darby

WC 04 03 06 (Ed. 04-84)