



**FISCAL IMPACT ANALYSIS
CITY OF SPARKS, NEVADA**

THIS CONTRACT made and entered into on this 12th day of February, 2018, by and between the City of Sparks, Nevada, a municipal corporation, existing under and by virtue of the laws of the State of Nevada, hereinafter called "City", and **Economic & Planning Systems, Inc.**, a qualified consultant in the class of work required, hereinafter called "Consultant".

W I T N E S E T H

WHEREAS, the City desires to engage Consultant in the performance of providing Professional Services which are more fully described in Consultant's Proposal dated January 23, 2018, attached hereto and incorporated herein by reference. (Hereinafter referenced to as "Proposal");

WHEREAS, Consultant's legal status is an Independent Contractor and Consultant is in good standing in the State of Nevada;

WHEREAS, Consultant desires to perform the Program under the terms and conditions set forth herein;

NOW, THEREFORE, IT IS AGREED as follows:

1. Scope of Work:

The scope of work for this contract is generally defined as **Fiscal Impact Analysis**. The City's Contract Documents and Consultant's Entire Proposal are on file with the City of Sparks and may be located within "Attachment A." All terms, conditions and requirements contained in these Documents, including any and all addenda issued by the City, are hereby incorporated into this Contract. The work scope will include, but not be limited to the tasks outlined in Attachment A.

The Consultant shall perform within the time stipulated, the Contract as herein defined and shall provide and furnish any and all of the labor, materials, methods or processes, equipment implements, tools, machinery and equipment, and all utility, transportation and other services required to complete all of the work covered by the Contract in connection with strict accordance with the plans, specifications or proposals, which were approved by said City and are on file with the City, including any and all addenda issued by the City, and with the other contract documents hereinafter enumerated. Consultant will have the right to control or direct the manner and the order in which it provides the services contemplated under this Agreement.

Consultant represents and warrants that Consultant is engaged in an independent calling and has complied and will continue to comply with all local, state and federal laws regarding business permits and licenses that may be required to carry out the independent calling and to perform the services to be performed under this Agreement.

Consultant understands that the services it has been retained to perform may be dangerous or may entail a peculiar unreasonable risk of harm to others unless special precautions are taken and Consultant agrees to exercise reasonable care to take such precautions.



2. Payment for Project Services

As full consideration for the Professional Services to be performed by Consultant, City agrees to pay Consultant as set forth in accordance with the Fee Schedule set forth in the proposal and not to exceed fee of **\$71,240.00** for the project. The City will not hire or directly compensate the Consultant's employees, assistants or subcontractors, if any. It is expressly understood and agreed that all work done by Consultant shall be subject to review as to its result by the City at the City's discretion. Payment of any invoice shall not be taken to mean that the City is satisfied with Consultant's services to the date of payment and shall not forfeit City's right to require the correction of any service deficiencies.

3. Term

This Agreement shall become effective upon contract execution and will continue in effect until

MO/DY/YR, or

The Project is completed (Approximately 5 months), or unless earlier terminated as provided herein.

4. Time Devoted to Work:

In performing the services contemplated under this Agreement, the services and the hours Consultant is to work on any given day will be on a mutually agreed upon basis, except for attendance at scheduled meetings, and City will rely upon Consultant to put in such number of hours as is reasonably necessary to fulfill the spirit and purpose of this Agreement.

City understands that Consultant is engaged in the same or similar activities for others and that City may not be Consultant's sole client or customer. However, Consultant represents and warrants that it is under no obligation or restriction, nor will it assume any such obligation or restriction, that would in any way interfere or be inconsistent with the services to be performed under this Agreement.

5. No Unfair Employment Practices:

In connection with the performance of work under this Agreement, Consultant agrees not to discriminate against any employee or applicant because of race, creed, color, national origin, sex, sexual orientation, disability or age. Any violation of these provisions by Consultant shall constitute a material breach of this contract.

6. No Illegal Harassment:

Violation of the City's harassment policy, which is incorporated by reference and available from the Human Resources Division, by the Consultant, its officers, employees, agents, consultants, subcontractors and anyone for whom it is legally liable, while performing or failing to perform Consultant's duties under this Contract shall be considered a material breach of this contract.

7. Lawful Performance:

Vendor shall abide by all Federal, State and Local Laws, Ordinances, Regulations, and Statutes as may be related to the performance of duties under this agreement. In addition, all applicable permits and licenses required shall be obtained by the vendor, at vendor's sole expense.

8. Status of Consultant:

It is the intent of the parties that Consultant shall be considered an independent contractor and that



Consultant, and anyone else for whom it is legally liable, shall not be considered employees, servants or agents of the City for any purpose. Furthermore, this Agreement shall not be construed to create a partnership or joint venture between the Consultant and the City.

Neither Consultant nor any of its employees or contractors shall be eligible to participate in City's industrial insurance, unemployment, disability, medical, dental, life or other insurance programs, or any other benefit or program that is sponsored, financed or provided by City for its employees.

Consultant agrees that it shall be Consultant's exclusive responsibility to pay all federal, state, or local payroll, social security, disability, industrial insurance, self-employment insurance, income and other taxes and assessments related to this Agreement. Neither FICA (Social Security), FUTA (Federal Employment), nor local, state or federal income taxes will be withheld from payments to Consultant. Consultant shall at Consultant's expense pay and be fully liable and responsible for, and indemnify and hold harmless City from, any assessments, fines or penalties relating to Consultant's failure to uphold any of these responsibilities.

9. City Ownership of Proprietary Information:

All reports, drawings, plans, specifications, and other documents prepared by Consultant as products of service under this Agreement shall be the exclusive property of the City and all such materials shall be remitted to the City by Consultant in a timely manner upon completion, termination or cancellation of this Agreement. Consultant shall not use, willingly allow or cause to have such materials used for any purpose other than performance of Consultant's obligations under this Agreement without the prior written consent of the City.

10. Public Records:

Consultant understands that City is subject to the provisions of NRS 239.010. As such, the City may have the duty to disclose the Consultant's reports or recommendations.

11. Insurance:

BIDDERS' ATTENTION IS DIRECTED TO THE INSURANCE REQUIREMENTS BELOW. IT IS HIGHLY RECOMMENDED THAT BIDDERS CONFER WITH THEIR RESPECTIVE INSURANCE CARRIERS OR BROKERS TO DETERMINE IN ADVANCE OF BID SUBMISSION THE AVAILABILITY OF INSURANCE CERTIFICATES AND ENDORSEMENTS AS PRESCRIBED AND PROVIDED HEREIN. IF THE APPARENT LOW BIDDER FAILS TO COMPLY STRICTLY WITH THE INSURANCE REQUIREMENTS, THAT BIDDER MAY BE DISQUALIFIED FROM AWARD OF THE CONTRACT.

Should work be required on City premises or within the public right-of-way, upon award of the contract, the bidder shall provide proof of insurance for the types of coverage, limits of insurance and other terms specified herein, prior to initiation of any services under City, Bid, Proposal or Contract. Coverage shall be from a company authorized to transact business in the State of Nevada and the City of Sparks and shall meet the following minimum specifications:

Contractor shall at its own expense carry and maintain at all times the following insurance coverage and limits of insurance no less than the following or the amount customarily carried by Contractor or any of its



subcontractors, whichever is greater. Contractor shall also cause each subcontractor employed by Contractor to purchase and maintain insurance of the type specified herein. All insurers must have AM Best rating not less than A-VII, and be acceptable to the City. Contractor shall furnish copies of certificates of insurance evidencing coverage for itself and for each subcontractor. Failure to maintain the required insurance may result in termination of this contract at City's option. If Contractor fails to maintain the insurance as set forth herein, City shall have the right, but not the obligation, to purchase said insurance at Contractor's expense.

Contractor shall provide proof of insurance for the lines of coverage, limits of insurance and other terms specified below prior to initiation of any services. Coverage shall be from a company authorized to transact business in the State of Nevada and the City of Sparks. Contractor and any of its subcontractors shall carry and maintain coverage and limits no less than the following or the amount customarily carried by Contractor or any of its subcontractors, whichever is greater.

Applicable to this Contract	Insurance Type	Minimum Limit	Insurance Certificate	Additional Insured	Waiver of Subrogation
Yes	General Liability/Umbrella (Excess) Liability	\$2,000,000	✓	✓	✓
Yes	Automobile Liability	\$1,000,000	✓	✓	
Yes	Workers' Compensation	Statutory	✓	N/A	✓
Yes	Employer's Liability	\$1,000,000	✓	N/A	
No	Professional Liability	\$1,000,000	✓	N/A	N/A
No	Pollution Legal Liability	\$1,000,000	✓	N/A	N/A

Commercial General Liability

Contractor shall carry and maintain Commercial General Liability (CGL) and, if necessary to meet required limits of insurance, commercial umbrella/excess liability insurance with a total limit of not less than the limits specified herein.

For contracts that are for the construction or improvement of public facilities, the Contractor shall obtain and maintain products and completed operations liability coverage through the statute of repose after completion of the project.

There shall be no endorsement or modification of the CGL limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage, employment-related practices, or damage to the named insured's work unless Subcontractor carries and maintains separate policies providing such coverage and provides Contractor evidence of insurance confirming the coverage.



Minimum Limits of Insurance

\$2,000,000 Each Occurrence Limit for bodily injury and property damage

\$2,000,000 General Aggregate Limit

\$2,000,000 Products and Completed Operations Aggregate Limit

\$10,000 Medical Expense Limit

If Commercial General Liability Insurance or other form with a general aggregate limit is used, it shall be revised to apply separately to this PROJECT or LOCATION.

Coverage Form

Coverage shall be at least as broad as the unmodified Insurance Services Office (ISO) Commercial General Liability (CGL) "Occurrence" form CG 00 01 04/13 or substitute form providing equivalent coverage and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

Additional Insured

City, its officers, agents, employees, and volunteers are to be included as insureds using the applicable ISO additional insured endorsement(s) or substitute forms providing equivalent coverage, in respects to damages and defense arising from: activities performed by or on behalf of Contractor, including the insured's general supervision of Contractor; products and completed operations of Contractor; premises owned, occupied, or used by Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, or volunteers. Additional insured status for City shall apply until the expiration of time within which a claimant can bring suit per applicable state law.

Any failure by the Contractor to comply with reporting provisions of the policies shall not affect its obligations to the additional insureds.

Primary and Non-Contributory

Contractor's insurance coverage shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to City, its officers, agents, employees, and volunteers. There shall be no endorsement or modification of the CGL to make it excess over other available insurance; alternatively, if the CGL states that it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insured. Any insurance or self-insurance maintained by City, its officers, employees, or volunteers shall be excess of Contractor's insurance and shall not contribute with it in any way.

Separation of Insureds

Contractor's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Waiver of Subrogation

Contractor waives all rights against City and its agents, officers, directors and employees for recovery of damages to the extent these damages are covered by the commercial general liability or commercial umbrella liability insurance maintained pursuant to this agreement. Insurer shall endorse CGL policy as required to waive subrogation against the City with respect to any loss paid under the policy.



Endorsements

A policy form or endorsement is required confirming coverage for all required additional insureds. The endorsement for CGL shall be at least as broad as the unmodified ISO additional insured endorsement CG 20 10 11/85 or substitute forms providing additional insured coverage for products and completed operations.

A waiver of subrogation in favor of City shall be endorsed to the policy using an unmodified Waiver of Transfer of Rights of Recovery of Others to Us ISO CG 24 04 05 09, or a substitute form providing equivalent coverage.

If any underground work will be performed, Contractor shall maintain electronic data liability insurance applicable to the Project and insuring against liability arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data. This coverage shall be maintained with a limit of liability of not less than \$1,000,000 and provide coverage at least as broad as electronic data liability coverage form CG 04 37 (or substitute form providing equivalent coverage).

Business Automobile Liability***Minimum Limits of Insurance***

\$1,000,000 Combined Single Limit per accident for bodily injury and property damage or the limit customarily carried by Contractor, whichever is greater. No aggregate limit may apply. Coverage may be combined with Excess/Umbrella Liability coverage to meet the required limit.

Coverage Form

Coverage shall be at least as broad as the unmodified Insurance Services Office (ISO) Business Automobile Coverage form CA 00 01 10/13, CA 00 25 10/13, CA 00 20 10/13 or substitute form providing equivalent coverage. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned autos).

Pollution liability coverage at least as broad as that provided under the ISO pollution liability—broadened coverage for covered autos endorsement (CA 99 48) shall be provided, and the Motor Carrier Act endorsement (MCS 90) shall be attached for all contracts involving transportation of “hazardous material” as this term is defined by applicable law, including, but not limited to, waste, asbestos, fungi, bacteria and mold.

Additional Insured

City, its officers, agents, employees, and volunteers are to be included as insureds with respect to damages and defense arising from the ownership, maintenance or use of automobiles owned, leased, hired, or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to City, its officers, employees, or volunteers. Additional insured status for City shall apply until the expiration of time within which a claimant can bring suit per applicable state law.

Endorsements

A policy endorsement is required listing all required additional insureds. The endorsement for Business Automobile Liability shall be at least as broad as the unmodified ISO CA 20 48 10/13 or a substitute form confirming City’s insured status for Liability Coverage under the Who Is An Insured



Provision contained in Section II of the coverage form ISO CA 00 01 10/13.

Workers' Compensation and Employer's Liability

Contractor shall carry and maintain workers' compensation and employer's liability insurance as required by NRS 616B.627 or provide proof that compliance with the provisions of Nevada Revised Statutes Chapters 616A-D and all other related chapters is not required. It is understood and agreed that there shall be no coverage provided for Contractor or any Subcontractor of the Contractor by the City. Contractor agrees, as a precondition to the performance of any work under this Agreement and as a precondition to any obligation of the City to make any payment under this Agreement to provide City with a certificate issued by an insurer in accordance with NRS 616B.627 and with a certificate of an insurer showing coverage pursuant to NRS 617.210.

It is further understood and agreed by and between City and Contractor that Contractor shall procure, pay for and maintain the above mentioned coverage at Contractor's sole cost and expense.

Should Contractor be self-funded for workers' compensation and employer's liability insurance, Contractor shall so notify City in writing prior to the signing of this Contract. City reserves the right to approve said retentions, and may request additional documentation, financial or otherwise, for review prior to the signing of this Contract.

Nevada law allows the following to reject workers' compensation coverage if they do not use employees or subcontractors in the performance of work under the contract:

- Sole proprietors (NRS 616B.627 and NRS 617.210)
- Unpaid officers of quasi-public, private or nonprofit corporations (NRS 616B.624 and NRS 617.207)
- Unpaid managers of limited liability companies (NRS 616B.624 and NRS 617.207)
- An officer or manager of a corporation or limited liability company who owns the corporation or company (NRS 616B.624 and NRS 617.207)

If a contractor has rejected workers' compensation coverage under applicable Nevada law, the contractor must indicate the basis for the rejection of coverage and complete, sign and have notarized an Affidavit of Rejection of Coverage. The Affidavit must be completed, signed and notarized prior to performance of any work.

Minimum Limits of Insurance

Workers' Compensation:	Statutory Limits
Employer's Liability:	\$1,000,000 Bodily Injury by Accident – Each Accident
	\$1,000,000 Bodily Injury by Disease – Each Employee
	\$1,000,000 Bodily Injury by Disease – Policy Limit

Coverage Form

Coverage shall be at least as broad as the unmodified National Council on Compensation Insurance (NCCI) Workers Compensation and Employer's Liability coverage form WC 00 00 07/11 or substitute form providing equivalent coverage.



OTHER INSURANCE COVERAGES (IF APPLICABLE)

Professional Liability Insurance (if Applicable) \$1,000,000 per occurrence limits of liability or whatever limit is customarily carried by the Contractor, whichever is greater, for design, design-build or any type of professional services with a minimum of three (3) years reporting of claims following completion of the project.

Contractors Pollution Liability Insurance (If Applicable)- \$1,000,000 per occurrence and \$2,000,000 aggregate or whatever amount is acceptable to the City for any exposure to “hazardous materials” as this term is defined in applicable law, including but not limited to waste, asbestos, fungi, bacterial or mold.

Lower tier sub-subcontractors, Truckers, Suppliers: Evidence confirming lower tier subcontractors, truckers and suppliers are maintaining valid insurance prior to beginning work on the project to meet the requirements set forth herein on Subcontractor, including but not limited to all additional insured requirements of Subcontractor.

ALL COVERAGES

Coverage shall not be suspended, voided, canceled, or non-renewed by either CONTRACTOR or by the insurer, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to CITY except for ten (10) days' notice for nonpayment of premium.

OTHER INSURANCE PROVISIONS

Should City and Contractor agree that higher coverage limits are needed warranting a project policy, project coverage shall be purchased and the premium for limits exceeding the above amount may be borne by City. City retains the option to purchase project insurance through Contractor's insurer or its own source.

Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officers, agents, employees, or volunteers.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of no less than A-VII and acceptable to the City.. City, with the approval of the Risk Manager, may accept coverage with carriers having lower Best's ratings upon review of financial information concerning Contractor and insurance carrier. City reserves the right to require that Contractor's insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

VERIFICATION OF COVERAGE

Contractor shall furnish City with certificates of insurance and with original endorsements affecting coverage required by this contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

Prior to the start of any Work, Contractor must provide the following documents to City of Sparks, Attention: Purchasing Division, P.O. Box 857, Sparks, NV 89432-0857:



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- A. Certificate of Insurance.** Contractor must provide a Certificate of Insurance form to the City of Sparks to evidence the insurance policies and coverage required of Contractor.
- B. Additional Insured Endorsements.** An original Additional Insured Endorsement, signed by an authorized insurance company representative, must be submitted to the City of Sparks, by attachment to the Certificate of Insurance, to evidence the endorsement of the City of Sparks as additional insured.
- C. Policy Cancellation Endorsement.** Except for ten (10) days' notice for non-payment of premium, each insurance policy shall be endorsed to specify that without thirty (30) days prior written notice to the City of Sparks, the policy shall not be suspended, voided, cancelled or non-renewed, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address specified above. A copy of this signed endorsement must be attached to the Certificate of Insurance.
- D. Bonds (as Applicable).** Bonds as required and/or defined in the original bid documents.

All certificates and endorsements are to be addressed to the City of Sparks, Purchasing Division and be received and approved by City before work commences. The City reserves the right to require complete certified copies of all required insurance policies at any time.

SUBCONTRACTORS

Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

MISCELLANEOUS CONDITIONS

1. Contractor shall be responsible for and remedy all damage or loss to any property, including property of City, caused in whole or in part by Contractor, any Subcontractor, or anyone employed, directed, or supervised by Contractor.
2. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any Subcontractors under it.
3. In addition to any other remedies City may have if Contractor fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option:
 - a. Purchase such insurance to cover any risk for which City may be liable through the operations of Contractor under this Agreement and deduct or retain the amount of the premiums for such insurance from any sums due under the Agreement;
 - b. Order Contractor to stop work under this Agreement and/or withhold any payments which become due Contractor here under until Contractor demonstrates compliance with the requirements hereof; or,
 - c. Terminate the Agreement.



12. Indemnity:

To the fullest extent permitted by law, upon award, Contractor shall hold harmless, indemnify, defend and protect City, its affiliates, officers, agents, employees, volunteers, successors and assigns (“Indemnified Parties”), and each of them from and against any and all claims, demands, causes of action, damages, costs, expenses, actual attorney’s fees, losses or liabilities, in law or in equity, of every kind and nature whatsoever (“Claims”) arising out of or related to any act or omission of Contractor, its employees, agents, representatives, or Subcontractors in any way related to the performance of work under this Agreement by Contractor, or to work performed by others under the direction or supervision of Contractor, including but not limited to:

1. Personal injury, including but not limited to bodily injury, emotional injury, sickness or disease, or death to persons;
2. Damage to property of anyone, including loss of use thereof;
3. Penalties from violation of any law or regulation caused by Contractor’s action or inaction;
4. Failure of Contractor to comply with the Insurance requirements established under this Agreement;
5. Any violation by Contractor of any law or regulation in any way related to the occupational safety and health of employees.

In determining the nature of the claim against City, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against City.

If City’s personnel are involved in defending such actions, Contractor shall reimburse City for the time and costs spent by such personnel at the rate charged City for such services by private professionals.

In cases of professional service agreements, requiring professional liability coverage:

If the insurer by which a Consultant is insured against professional liability does not so defend the City and applicable agents and/or staff, and the Consultant is adjudicated to be liable by a trier of fact, the City shall be entitled to reasonable attorney’s fees and costs to be paid to the City by the Consultant in an amount which is proportionate to the liability of the of the Consultant.

Nothing in this contract shall be interpreted to waive nor does the City, by entering into this contract, waive any of the provisions found in Chapter 41 of the Nevada Revised Statutes.

13. Material Breach of Contract:

In the event Consultant fails to deliver the product and services as contracted for herein, to the satisfaction of the City of Sparks or otherwise fails to perform any provisions of this Contract, the City, after providing five (5) days written notice and consultant’s failure to cure such breach, may without waiving any other remedy, make good the deficiencies and deduct the actual cost of providing alternative products and/or services from payment due the Consultant. Non-performance after the first notice of non-performance shall be considered a material breach of contract.

14. Termination:

The City may terminate the Contract for material breach of contract upon ten (10) days written notice and recover all damages, deducting any amount still due the Consultant from damages owed to the City, or



seek other remedy including action against all bonds. The Consultant may terminate the Contract for material breach of contract upon thirty (30) days written notice to the City.

Notwithstanding the preceding paragraph, the City may immediately terminate the Agreement, and Consultant waives any and all claim(s) for damages, upon the Consultant's receipt of notice under the following conditions:

- a) If funding is not obtained, continued, or budgeted at levels sufficient to allow for purchase of the services contemplated under this Agreement per Section 23 of this Agreement;
- b) If any federal, state or local law, including but not limited to, statutes, regulations, ordinances and resolutions, is interpreted by a third party judicial, legislative or administrative authority in such a way that the services contemplated under this Agreement are no longer authorized for purchase or appropriate for City financial participation;
- c) If Consultant fails to comply with any local, state or federal law regarding business permits and licenses required to perform the services to be performed under this Agreement or
- d) If it is found that any quid pro quo or gratuities were offered or given by the Consultant to any officer or employee of the City with a view towards securing favorable treatment with respect to awarding, extending, amending or making any determination with respect to the performance of this Agreement.

The indemnity and conflict resolution obligations of this Agreement shall survive the termination of this Agreement and shall be binding upon the parties' and the parties' legal representatives, heirs, successors and assigns.

The City may terminate this agreement for any reason without penalty upon giving thirty (30) days written notice to the Consultant. In the event of termination, the full extent of City liability shall be limited to an equitable adjustment and payment for materials and/or services authorized by and received to the satisfaction of the City prior to termination.

15. Licenses and Permits:

The Consultant shall procure at his own expense all necessary licenses and permits and shall adhere to all the laws, regulations and ordinances applicable to the performance of this Contract.

All consultants doing business within the City of Sparks are required to obtain and maintain a current business license from the City of Sparks prior to commencement of this contract. Per Sparks Municipal Code Section 5.08.020A: "It is unlawful for any person to transact business in the City without first having obtained a license from the City to do so and without complying with all applicable provisions of this title and paying the fee therefore."

16. Drafting Presumption:

The parties acknowledge that this Agreement has been agreed to by both parties, that both parties have consulted or have had the opportunity to consult with attorneys with respect to the terms, and that no



presumption shall be created against the City as the drafter of the Agreement.

17. Governing Law:

The laws of the State of Nevada shall govern this Agreement without regard to conflicts of law principles.

18. Jurisdiction and Venue:

Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement must be brought against either of the parties in the courts of the State of Nevada, County of Washoe. Each of the parties consents to the jurisdiction of the court (and of the appropriate appellate court) in any such action or proceeding and waives any objection to venue laid therein.

19. Claims:

Pursuant to NRS 268.020, which the parties agree to abide by contractually, all demands and accounts against the City must be presented to the Council, in writing, within six (6) months from the time the demands or accounts become due. No demand or account may be audited, considered, allowed or paid by the City unless this requirement is strictly complied with.

20. Assignment:

All of the terms, conditions and provisions of this Contract, and any amendments thereto, shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns. The Consultant shall not assign this Contract without the written consent of the City which will not be unreasonably withheld.

21. Notices:

All notices required to be given in writing by this Contract shall be deemed to be received (i) upon delivery if personally delivered, or (ii) when receipt is signed for if mailed by certified or registered mail, postage prepaid, or by express delivery service or courier, when addressed as follows (or sent to such other address as a Party may specify in a notice to the others):

CITY OF SPARKS - PURCHASING DIVISION
431 PRATER WAY
PO BOX 857
SPARKS, NV 89432-0857

Andrew Knudsten
EPS
730 17th St., Suite 630
Denver, CO 80202-3511

22. Entire Contract:

This Contract and all associated documents associated by reference constitute the entire agreement of the parties and shall supersede all prior offers, negotiations, agreements and contracts whether written or oral. Any modifications to the terms and conditions of this Contract must be in writing and signed by both parties.

23. Waiver:

No waiver of any term, provision or condition of this Contract, whether by conduct or otherwise, in any one or more instances, shall be deemed to be nor shall it be construed as a further or continuing waiver of any such term, provision or condition of this Contract. No waiver shall be effective unless it is in writing and signed by the party making it.



24. Annual Appropriation of Funds:

Multi-year contracts and leases are subject to annual appropriation of funds by the City Council. The City plans and makes appropriations to the City Budget with respect to a fiscal year that starts July 1st and ends June 30th of each year. Payments made under term contracts and leases are considered items of current expense. Purchase Orders are funded when issued; therefore, they are current expense items and are not subject to any subsequent appropriation of funds. Continuance of a multi-year contract beyond the limits of funds available shall be contingent upon appropriation of the requisite funds in the ensuing fiscal year and the termination of this contract by lack of appropriation shall be without penalty.

25. Severability:

If any part of this Contract is found to be void it will not affect the validity of the remaining terms of this Contract which will remain in full force and effect.

26. Headings:

Paragraph titles or captions contained in this Contract are inserted only as a matter of convenience and for reference only, and in no way define, limit, extend, or describe the scope of this Contract or the intent of any provision hereof.

27. Singular Includes the Plural; Gender; Title Reference:

Whenever the singular number is used in this Contract and when required by the context, the same shall include the plural, and the use of any gender, be it masculine, feminine or neuter, shall include all of the genders, and the word "person" or "entity" shall include corporation, firm, partnership, or any other combination or association.

The use of the title "Bidder", "Vendor", "Contractor" or "Consultant" within this contract or associated bid documents shall be deemed interchangeable and shall refer to the person or entity with whom the City of Sparks is contracting for the service or product referenced within this contract.

28. Execution:

The parties agree to execute such additional documents and to take such additional actions as are reasonably necessary or desirable to carry out the purposes hereof. They also agree, acknowledge and represent that all corporate authorizations have been obtained for the execution of this Contract and for the compliance with each and every term hereof. Each undersigned officer, representative or employee represents that he or she has the authority to execute this Contract on behalf of the party for whom he or she is signing.



IN WITNESS WHEREOF, the City of Sparks has caused this Contract to be executed by its officers thereunto duly authorized and the Consultant has subscribed same, all on the day and year first above written.

(Consultant)

CITY OF SPARKS, NEVADA
A Municipal Corporation

By: _____

By: _____
Geno R. Martini, Mayor

(Title)

APPROVED AS TO FORM

ATTEST:

City Attorney

Teresa Gardner, City Clerk



Attachment A

Price and scope per written proposal provided by EPS, dated January 23, 2018 (attached).

The Economics of Land Use



To: Dan Marran, CPO, C.P.M., Contracts and Risk Manager

From: Andrew M. Knudtsen and Matt Prosser

Subject Sparks NV Fiscal Impact Analysis

Date: January 23, 2018

Project Proposal

Project Understanding

The City of Sparks is experiencing significant growth pressure as the region rebounds from the recession of 2008 and 2009. The renewed growth is leading to owners/developers seeking to annex to the City of Sparks or seek re-zonings for large parcels designated for employment and other commercial land uses. The City typically requires applicants to prepare a fiscal impact analysis for certain land use projects (e.g. large annexations or re-zonings), however the analyses are submitted in a variety of formats and using factors derived by the applicant. The analyses are not consistent across projects, making comparisons difficult. In addition, the analyses often conflate revenues and expenditures for regional partners (RTC, others) with those of Sparks.

The fiscal health of larger Nevada cities is tenuous, as cities have limited powers and controls over revenue generation. State taxation laws put cities in a position in which relying on new development becomes almost essential to fiscal sustainability. Two of the major drivers of revenues for cities in Nevada, sales (CTAX) and property tax, have unique collection and distribution approaches. Sales tax is collected by the State and distributed to counties, which then distribute sales tax generated in the county to cities based on population and growth in assessed value of property. Property tax is problematic for a variety of reasons: the value of improvements is depreciated yearly, which creates diminishing revenue from properties as they get older; value of properties do not reset upon sale; and the taxable value of improvements is based on replacement cost rather than market value. The only major revenue streams that cities typically control themselves are business license fees based on gross receipts of the business.

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The City of Sparks would like to have a consistent approach to evaluating the fiscal impact of developments. It is interested in a set of standards and assumptions that developers can use to estimate impacts that reflect the realities of Sparks' budget constraints. The City is not looking for an in-house fiscal impact model that they have to operate to review land use applications. Instead, a standard approach and factors is desired to provide to applicants for them to follow when submitting a fiscal impact analysis. This approach is consistent with the approach the City of Reno is exploring, as it is facing the same issues as Sparks. This is a great opportunity to create a similar approach for both cities but ones that are tailored to each community's fiscal structures and community goals.

Evaluating the fiscal impact of individual projects and using it as a decision point for approval can be problematic in some cases, as overall fiscal balance and health cannot and should not be achieved on a project by project by basis. The reality is some projects will generate a net negative impact while others a positive one. With this in mind, Sparks is also interested in understanding the fiscal balance of their land use plan and understanding how major employment areas play into their overall fiscal health as they review proposed re-zonings. These two objectives of a standardized approach to fiscal impact analysis submittals and understanding the fiscal balance of the land use plan can be completed in separate phases, which are proposed below.

Project Approach

The City of Sparks would like to have the fiscal impact analysis submittal process in place as soon as possible; this scope of work is written to reflect that. However, there is a baseline level of analysis needed to develop the standard assumptions and factors. EPS proposes to first develop a baseline fiscal impact model. With this baseline model developed, EPS can then develop a set of factors and a proposed approach to fiscal impact analysis for developers to use. The second phase of the project will be an analysis of the fiscal balance of Spark's land use plan. Within this component is an understanding of the amount and mix of development likely to occur over the next 20 to 30 years and comparing that to the buildable lands the City has. This will provide market realities to the mix of development over this planning horizon. The fiscal balance of the land use plan will be assessed to identify major drivers of revenues and costs.

Project Scope of Work

The proposed Scope of Work is comprised of three phases:

- Component 1: Fiscal Impact Factors and Submittal Approach
- Component 2: Analysis of Long-Term Fiscal Health
- Component 3: Elected and Appointed Officials Work-Sessions

The tasks within each component are described below.

Component 1: Fiscal Impact Factors and Submittal Approach

Task 1: Project Initiation

EPS will review the City budget, financial reports, and other financial and budget documents, identifying the key components of the budget and the fiscal model. From a review of recent development applications, we will identify the range of land uses for which factors will need to be provided. EPS will then schedule a conference call with the City staff to review the work program, discuss the deliverables, and discuss project timing.

Task 2: Base Fiscal Model Construction

The purpose of the following subtasks is to develop a base fiscal model in order to determine factors needed to develop a process and methodology for fiscal impact analysis for development project submittals.

Task 2.1: Budget Analysis

EPS will analyze the City's annual budget and comprehensive annual financial report (CAFR) to identify the major revenues and expenditures and trends related to them. EPS may need more detailed expenditure data than is available in these public documents. EPS will assess what additional data may be needed to develop the model. The City's Funds (e.g., General Fund, Streets Fund) will be analyzed to identify ones that are impacted by development and are not cost recovery/enterprise funds where revenues and rates are tied to expenditures. These funds will be the focus of the fiscal impact analysis

Task 2.2: Expenditures Cost Factors

EPS will categorize expenditures within each relevant fund to identify the major expenditures that have a major impact on the budget and/or are directly impacted by new development. EPS will develop questions related to major expenditures to provide to staff in order to better understand how these expenditures are paid for and impacted by new development. For expenditures that have a major impact on fiscal balance and are impacted by new development, in depth case studies will be developed (as opposed to simple per capita type factors) to better align costs with land use. This will likely occur for fire, police, and roadway maintenance costs. Additional data will be needed to analyze the impact of development on these services for which EPS will work with City staff to obtain needed data. EPS will develop an initial approach to estimating costs for these major expenses, which will be reviewed by City staff.

Task 2.3: Revenue Factors

This task will involve determining the relationships between City revenues by source and new development by land use. EPS will identify the major revenue sources for the City and identify an approach for estimating revenues generated by new development. Real estate market inputs will be developed that are needed to estimate property and sales tax generation. EPS will use city-wide averages within the base line model. These factors will be evaluated by City staff to reach agreement on approach to estimating and to determine if variable factors can or should be used in submittals by developers.

Task 2.4: Model Construction

EPS will build a baseline fiscal model reflecting the preliminary cost and revenue assumptions related to new development. The model will determine the net fiscal impact by land use type (i.e., single family, multifamily, retail, office, and industrial) for the evaluated funds.

Task 3: Staff Work Session and Department Interviews

Throughout the research and model construction, EPS staff will be interacting with City staff. Once EPS develops a preliminary approach to estimate costs and revenues, the firm team will have an in-person meeting with City staff. The meeting will serve to review the fiscal model approach and factors in order to finalize approach and assumptions. Any needed interviews with specific departments to better understand how to estimate costs will be included. During this trip EPS will also have a strategy session with City staff to review potential approaches to developer-generated fiscal impact analysis. The strategy session will be used to review preliminary approaches and identify the preferred high-level approach. EPS will use the information and ideas gathered in this session to develop a draft fiscal impact approach and factors.

Task 4: Finalization of Model and Fiscal Impact Approach

Based on the takeaways from the in-person trip, EPS will finalize the fiscal model. EPS will then develop a recommended approach to fiscal impact analysis submittal process. EPS will prepare a memorandum to provide direction to City staff and ultimately developers that will explain how to estimate fiscal impact of new development and what to include in submittals. EPS will also prepare a memorandum for City staff that details how factors used were derived and recommendations for how to update factors and how often to update them.

Task 5: Findings Presentation

EPS will summarize the baseline findings from the fiscal analysis and approach to fiscal impact analysis submittals in a succinct slideshow for presentation. EPS will present the findings first to City staff leadership, and then make presentations to the City Council and the Planning Commission. The presentations will overview the model findings, review the recommended submittal approach, and solicit feedback. Any changes required as a result of the meeting will be made.

Component 2: Analysis of Long-Term Fiscal Health

The second component of the project will be to assess the fiscal health of the City's land use plan based on existing master plan land use designations and growth/development trends.

Task 1: High-level Estimates of Development Demand

EPS will review recent employment and housing trends for Washoe County and forecasts by the State Demographer, the Truckee Meadows Regional Planning Agency Consensus Forecast, and forecasts completed as part of EDawn's EPIC Study. EPS will also utilize the forecasts generated during the Reno Master Plan to provide a baseline estimate for future employment and housing growth. The housing forecasts will likely mirror or match the consensus forecast. EPS will analyze development trends for housing, retail, office and industrial in the region to understand Spark's historic capture of development by type. Forecast growth will be translated into demand for new housing units and non-residential square feet. Capture rates for Sparks will be applied to the

forecast demand to estimate development demand for Sparks. The estimate demand for Sparks will be translated into demand for acreage.

Task 2: Estimate of Development Capacity

EPS will work with City staff to develop an estimate of land capacity by land use designation per the City's adopted Comprehensive Plan and in considerations of land use amendments currently being reviewed by the City of Sparks. City staff will facilitate communication with Truckee Meadows Regional Planning Agency (RPA) staff, if needed, in order to obtain additional data the City cannot provide regarding development capacity. The estimated capacity will be compared to estimated demand to determine the number of years of capacity, based on forecasts, the City currently has designated.

Task 3: Fiscal Balance Assessment

EPS will apply the growth forecasts and development demand estimates to the fiscal model to understand the impact on fiscal balance the land use plan will have on Sparks over a 20- or 30-year planning horizon. Development will be phased in according to demand estimates and development values will be depreciated according to State of Nevada property value assessment procedures. The model can be created to allow for adjustable estimates for growth, development mix, and assumption factors so that scenarios can be developed to assess impact compared to the baseline forecast. EPS will model up to two additional scenarios based on input from City staff.

EPS will document its findings within a concise report that summarizes its methodology, findings of the scenarios, and high-level recommendations for issues that need to be addressed based on the findings.

Component 3: Elected and Appointed Officials Work-Sessions

Task 1: Work-Sessions

EPS will make a series of three presentations to City Council or Planning Commission to help them understand the fiscal impact model and the impacts of the land use plan. The first presentation will be an overview of the fiscal impact model approach and findings related to impact by use. The second presentation will be an overview of how the land use plan impacts fiscal health and issues to address. The third presentation is provided in Component 1 and will present the recommended approach to developer submittals estimating fiscal impact. The cost of this session is estimated in Component 1, but provided here to show how it could be included in a larger process. If the Component 1 is completed first, the process and focus of the meetings will be shifted accordingly. However, EPS estimates that three meetings will be needed regardless of sequence.

Budget and Schedule

EPS has provided a general budget below in **Table 1**. It is estimated that Component 1 will take two to three months to complete. Component 2 will require an additional two months. The presentations within Component 3 can be incorporated into the timeline for the other components. There may need to be additional time required depending on scheduling of city council or planning commission meetings.

Table 1
Project Budget

Tasks	Principal in Charge (Knudtsen)	Vice President (Prosser)	Associate	Research / Production	Total
Billing Rate	\$230	\$180	\$125	\$100	
Component 1 - Base Model and Submittal Approach					
Task 1 - Project Initiation	4	8	8	0	\$3,360
Task 2 - Base Fiscal Model Construction	2	24	40	8	\$10,580
Task 3 - Staff Work Session and Department Interviews	16	16	0	0	\$6,560
Task 4 - Finalization of Model and Fiscal Impact Approach	4	16	8	0	\$4,800
Task 5 - Findings Presentation	<u>24</u>	<u>24</u>	<u>8</u>	<u>4</u>	<u>\$11,240</u>
Subtotal	50	88	64	12	\$36,540
Component 2 - Long Term Fiscal Health					
Task 1 - High-Level Estimates of Development Demand	4	16	16	8	\$6,600
Task 2 - Estimate of Development Capacity	0	8	12	0	\$2,940
Task 3 - Fiscal Balance Assessment	<u>8</u>	<u>16</u>	<u>16</u>	<u>8</u>	<u>\$7,520</u>
Subtotal	12	40	44	16	\$17,060
Component 3 - Elected Officials Work Sessions					
Task 1 - Work-Sessions	24	24	0	8	\$10,640
Travel Expense					
Component 1 Travel (3, two-person trips at \$700 each person trip)					\$4,200
Component 3 Travel (2, two-person trips at \$700 each person trip)					\$2,800
Total					\$71,240

If our Scope of Work meets your needs and the not-to-exceed budget is acceptable, please sign below to indicate your approval.

Sincerely,

ECONOMIC & PLANNING SYSTEMS, INC.



ANDREW M. KNUDTSEN
MANAGING PRINCIPAL

Accepted:

City of Sparks, Nevada

DAN MARRAN, CPPO, C.P.M.
CONTRACTS AND RISK MANAGER