

**MEMORANDUM OF UNDERSTANDING (MOU)**

This Memorandum of Understanding (**MOU**) is made and entered into by and between Global Retirement Partners, LLC d/b/a Shuster Advisory Group, a HUB International Company (**Consultant**), and the City of Stockton, a municipal corporation (**City**), as of November 1, 2026. The Consultant and the City are sometimes referred to herein individually as a "**Party**" or collectively as the "**Parties**."

**1. Recitals**

WHEREAS, City of Stockton is partnering with Consultant for deferred compensation consulting services and

WHEREAS, Consultant possesses the necessary expertise and qualifications to provide the required services, and

WHEREAS, the parties wish to establish the terms and conditions under which Consultant will provide said services to the City of Stockton

NOW, THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**2. Scope of Services****1.1 General Governance Consultation**

- 1.1.1 Consultant shall provide compliance recommendations to ensure that the City's Deferred Compensation Plan is consistent with all laws and regulations of the United States Department of Labor, the Securities and Exchange Commission, the Internal Revenue Service as well as other necessary regulatory bodies.
- 1.1.2 Consultant shall advise the City regarding fiduciary responsibilities to further the performance, transparency, and accountability of the Deferred Compensation Plan program.
- 1.1.3 Consultant shall review and recommend necessary changes including but not limited to the City's documentation, design, and operation of its Deferred Compensation Plan, written Investment Policy Statement, strategic goals, communication methods, detailed investment education programs, Industry best practices for both Internal and Plan provider procedures, Implementation of new federal laws and regulatory changes, etc.

**1.2 Oversight and Regular Reporting**

- 1.2.1 Consultant shall analyze existing plans, Identify, and develop

cost- saving alternative benefit strategies and plans.

- 1.2.2 Consultant shall provide innovative approaches to benefit challenges facing the City and recommend benefit Plan changes.
- 1.2.3 Consultant shall assist in the development of short and long-range goals and strategies, including projects of potential savings.
- 1.2.4 Consultant shall provide analysis as described in Section 3 - Major Deliverables and Section 4 - Tasks that Support Major Deliverables.
- 1.2.5 Consultant shall provide a high level of customer service to Include evaluation of data, submission of executive reports, and reconciliation of investments and plan accounts.

### 1.3 Investment Return Summaries

- 1.3.1 Consultant shall provide Investment return summaries as described In Section 4 – Tasks that Support Major Deliverables.

### 1.4 Requests for Proposal (RFP)

- 1.4.1 Consultant shall develop an RFP In accordance with the City's Procurement Policy for a Deferred Compensation Plan Provider(s) as described In Section 4 - Tasks that Support Major Deliverables.

### 1.5 Education and Training

- 1.5.1 Consultant shall develop and conduct training as needed to educate members and potential members of the benefits of the deferred compensation plan. Consultant may hold training In-person using a web- based video platform (e.g. Skype, Zoom, GoToMeeting, Microsoft Teams, etc.).
- 1.5.2 Consultant shall conduct outreach and provide educational materials as necessary to keep members, including the City's various bargaining unit representatives informed.
- 1.5.3 Consultant shall be available to discuss Investment, education, and governance with City employees, and bargaining unit representatives as necessary.
- 1.5.4 Consultant shall recommend Innovative solutions to better meet member needs.

## 2.1 **Specifications**

Consultant shall perform the following fiduciary services:

- 2.1.1 Consultant shall develop an Investment Policy Statement (IPS). The IPS establishes the Investment policies and objectives for the Plan(s) and shall set forth the asset classes and investment categories to be offered under the Plan(s), as well as the criteria and standards for selecting and monitoring the Investments. The City will have the ultimate responsibility and authority to establish such policies and objectives and to adopt the Investment policy statement.

- 2.1.2 Consultant shall select the initial investment options within the Plan(s) consistent with the Investment Policy statement.
- 2.1.3 Consultant shall periodically review the Investments within the Plan(s) and shall be responsible for making additions/deletions thereto.
- 2.1.4 Consultant shall provide periodic Investment advisory reports that document consistency of fund management and performance to the guidelines set forth in the IPS, and to make recommendations to maintain or remove and replace Investment options. Reports to Include: Market Overview, In-Depth Portfolio Summary, Plan Asset Allocation Analysis, and Fund Performance Comparison to the Index.
- 2.1.5 Consultant shall meet with City on a periodic basis to discuss reports and recommendations.
- 2.1.6 Consultant shall annually review the IPS With the City to ensure it continues to meet the City's needs.
- 2.1.7 Consultant shall select a default Investment for participants who fail to make an investment election.
- 2.1.8 Consultant shall coordinate the Deferred Compensation quarterly meetings, record the meeting minutes, and provide minutes to the attending members.
- 2.2 Consultant shall perform the following Non-Fiduciary services:
  - 2.2.1 Education Program Strategy – Consultant shall assist in the education of the participants in the Plan(s) about general investing principles and the investment alternatives. This shall include on-site meetings, webinars, and one-on-one consultations.
  - 2.2.2 Consultant shall distribute Plan(s) level newsletters to the City.
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  - 2.2.6 Consultant shall provide vendor management/issue resolution to the City.
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  - 2.2.10 Consultant shall provide RFP services in accordance with the City's Procurement Policy and Plan(s) fee negotiations on behalf of the City.
  - 2.2.11 Consultant shall perform incumbent vendor audit and fee review.
  - 2.2.12 Consultant shall provide retiree meeting and consultations.
  - 2.2.13 Consultant shall provide contract review support.

### 3.1 Major Deliverables

- 3.1.1 Investment Policy Statement
- 3.1.2 Regular Reporting
  - 3.1.2.1 Market overview
  - 3.1.2.2 In Depth Portfolio Summary
  - 3.1.2.3 Plan Asset Allocation
  - 3.1.2.4 Fund Performance Comparison •
- 3.1.3 Investment Return Summaries
- 3.1.4 Deferred Compensation RFP
- 3.1.5 Deferred Compensation Meeting Minutes
- 3.1.6 Plan Communications

### 4.1 Tasks That Support the Deliverables

#### Investment Policy Statement

- 4.1.1 Consultant shall develop an Investment Policy Statement (IPS). The IPS establishes the Investment policies and objectives for the Plan(s) and shall set forth the asset classes and Investment categories to be offered under the Plan(s), as well as the criteria and standards for selecting and monitoring the Investments. The City will have the ultimate responsibility and authority to establish such policies and objectives and to adopt the Investment policy statement.

### 4.2 Regular Reporting

- 4.2.1 Consultant shall document consistency of fund management and performance to the guidelines set forth in the IPS and to make recommendations to maintain or remove and replace Investment options.
- 4.2.2 Consultant shall provide analysis and recommendations based on utilization and performance reports, statistical and financial reports, and Plan specific data.
- 4.2.3 Consultant shall monitor and analyze experience trends, providing timely alerts on changing patterns, and making appropriate recommendations.
- 4.2.4 Consultant shall provide, maintain and update comparison reports of other public and private companies' benefit Plan offerings, and costs, to determine their competitiveness with the City's options.
- 4.2.5 Consultant shall prepare, provide and present various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, or experience reports, as well as new products and audits, as requested.
- 4.2.6 Consultant shall monitor and evaluate performance measures and guarantees for the Plan provider(s).

- 4.2.7 Consultant shall maintain full and accurate records with respect to all matters and services provided on behalf of the City's Plan(s). Consultant shall provide City staff and officials all spreadsheets, assumptions and calculations upon completion of any project performed on behalf of the City's Plan(s).
- 4.3 Investment Return Summaries
  - 4.3.1 Total return - Consultant shall provide a detailed breakdown of beginning market value, contributions and withdrawals, Income, capital gains/losses, and ending market value.
  - 4.3.2 Consultant shall compare returns in each asset category to their benchmarks Including, but not limited to, the following:
    - 4.3.2.1 Cash and cash Equivalents
    - 4.3.2.2 Stable Value/General Account/Fixed Account
    - 4.3.2.3 Bonds
    - 4.3.2.4 Domestic Equity
    - 4.3.2.5 International Equity
    - 4.3.2.6 Global Equity
    - 4.3.2.7 Pre-Set Asset Allocation
- 4.4 Deferred Compensation RFP
  - 4.4.1 Consultant shall develop an RFP in accordance with the City's Procurement policy for a Deferred Compensation Plan Provider(s) that will identify the record keeping, reporting, and investment choices to be provided to City employees.
  - 4.4.2 Consultant shall notify potential Deferred Compensation Plan providers of the RFP posting on Bid Flash.
  - 4.4.3 Consultant shall conduct written analysis of all responses.
  - 4.4.4 Consultant shall assist with the Plan provider Interviews.
  - 4.4.5 Consultant shall assist with service agreement negotiations.
  - 4.4.6 Consultant shall assist with the oversight of any transition and implementation period.
- 4.5 Consultant shall coordinate the Deferred Compensation meetings, record the meeting minutes and provide minutes to the attending member.

## **5.1 Internal and External Standards and Guidelines**

### **Excluded Assets**

- 5.1.1 Consultant shall have no responsibility to provide any services related to the following types of assets: employer securities; real estate (except for real estate funds and publicly traded REITs); stock brokerage accounts or mutual fund windows; in-plan guaranteed retirement income annuity products; participant loans; non-publicly traded partnership interests; other non-publicly traded securities (other than collective trusts and similar vehicles); or other hard-to-value securities or assets. Such assess

(except for real estate funds, publicly traded REITs, and collective trusts and similar vehicles) shall be referred to collectively as “Excluded Assets.” The Excluded Assets shall be disregarded in determining the fees payable to Consultant pursuant to this Memo of Understanding and the fees shall be calculated only on the remaining assets (the “Included Assets”).

## 5.2 Fiduciary Status: Limitations on Functions

- 5.2.1 In performing the Fiduciary Services, Consultant is acting as a fiduciary of the plan and as a registered Investment Advisor under the Investment Advisers Act of 1940.
- 5.2.2 In performing the Non-Fiduciary Services, Consultant is not acting as a fiduciary of the plan.
- 5.2.3 In performing both Non-Fiduciary Services and Fiduciary Services, Consultant does not act as, nor has Consultant agreed to assume the duties of, a trustee or the Plan Administrator, and Consultant has no discretion or responsibility to interpret the plan documents, to determine eligibility or participation under the plan, or to take any other action with respect to the management, administration or any other aspect of the plan.
- 5.2.4 Consultant shall not provide legal or tax advice.
- 5.2.5 Investments are subject to various market, political, currency, economic, and business risks, and may not always be profitable. As a result, Consultant does not and cannot guarantee financial results.
- 5.2.6 Consultant may, by reason of performing services for other clients, from time to time acquire confidential Information. City acknowledges and agrees that Consultant is unable to divulge to the City or any other party, or to act upon, any such confidential Information with respect to the performance of this Agreement.
- 5.2.7 Consultant is entitled to rely upon all information provided to Consultant (whether financial or otherwise) from reputable third parties or by City, City's representatives, or third-party service providers to City, the Plan or Consultant without independent verification. City agrees to promptly notify Consultant in writing of any material change in the financial and other information provided to Consultant and to promptly provide any such additional information as may be reasonably requested by Consultant.
- 5.2.8 Consultant shall not be responsible for voting (or recommending how to vote) proxies of any publicly traded securities (including mutual fund shares) held by the plan (or its trust). Responsibility for voting proxies of investments held by the plan or its trust remain with City (or, if applicable, the plan participants).

5.2.9 City understands that Consultant: (i) may perform other services for other clients, (ii) may charge a different fee for other clients, and (iii) may give advice and take action that is different for each client even when retirement plans are similar.

#### 5.2.10 Limitations on Fiduciary Services

5.2.10.1 Consultant shall not be responsible or liable for the recommendations of or services rendered by anyone other than Consultant. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to requests for information of City, Plan Sponsor, Record Keeper(s), and/or Third-Party Administrator(s).

#### 5.2.11 Limitations on Non-Fiduciary Services

5.2.11.1 Consultant shall not be responsible or liable for the recommendations of or services rendered by anyone other than Consultant. Consultant and Plan Sponsor will work together to determine mutually agreed upon for services requiring both parties coordinate and/or attend. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to requests for information of City, Plan Sponsor, Record Keeper(s), and/or Third-Party Administrator(s).

### 5.3 Representations of City

5.3.1 City represents and warrants as follows:

5.3.1.1 It is the responsible plan fiduciary for the control and/or management of the assets of the plan, and for the selection and monitoring of service providers for the plan. Consultant is entitled to rely upon this statement until notified in writing to the contrary.

### 5.4 Representation of Consultant

5.4.1 Consultant represents as follows:

5.4.1.1 Consultant is registered as an Investment Advisor (“**RIA**”) under the Investment Advisers Act of 1940.

5.4.1.2 Consultant agrees to take reasonable steps to protect Private Participant Information and Plan Investment Data in its possession;

Consultant is not responsible for the assessment of systems and procedures of third parties for the protection of plan and participant data;

Consultant is not responsible for the actions by or the failure to act by City, by other service providers, or by Plan participants to protect Data;

Consultant shall have no liability in the event of a Data breach or a violation of participant privacy rights (under the California Consumer Privacy Act or otherwise) unless said breach is the direct result of negligence, recklessness, or willful misconduct of an employee of Consultant

## 5.5 Standard of Care

- 5.5.1 Consultant shall perform the Fiduciary Services described in Section 5 in accordance with the standard of care of the prudent man rule set forth In the Investment Adviser Act of 1940.
- 5.5.2 Consultant shall perform the Non-Fiduciary Services described In Section 5 using reasonable business judgment and shall not be liable for any liabilities and claims arising thereunder, unless directly arising from Consultant's intentional misconduct or gross negligence.

## 5.6 Effect

- 5.6.1 This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, survivors, administrators and assigns.

## 5.7 Waiver of Limitation

- 5.7.1 Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which City or Plan or any other party may have under federal or state securities law.

# 6. Compensation and Payment

- 3.1 At the direction of the City, the annual fee of \$48,000.00 for service will be deducted from the Plan(s) assets and paid to Consultant by the Plan(s) record keeper. There is no cost to the City.

# 7. Insurance Requirements for Services

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

## MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “**occurrence**” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit 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 appropriate to the Consultant's profession, with limit no less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

### **Other Insurance Provisions**

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

#### ***Additional Insured Status***

The City of Stockton, 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 Consultant 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 Consultant'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, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37). Additional insured Name of Organization shall read "City of Stockton, its officers, officials, employees, and volunteers." Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.

#### ***Primary Coverage***

For any claims related to this contract, the **Consultant's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 12 19 as respects the City of Stockton, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies. The City of Stockton does not accept endorsements limiting the Consultant's insurance coverage to the sole negligence of the Named Insured.

#### ***Umbrella or Excess Policy***

The Consultant may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. The policies shall be provided on a true "following form" coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance.

***Notice of Cancellation***

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City of Stockton.

***Waiver of Subrogation***

Consultant hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation and provide a copy to the City of Stockton, but this provision applies regardless of whether or not an endorsement has been issued.

**The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City of Stockton for all work performed by the Consultant, its employees, agents and subcontractors. This provision applies regardless of whether or not an endorsement has been issued.

***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the City of Stockton. The City of Stockton may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Stockton.

***Acceptability of Insurers***

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

***Claims Made Policies (Does Not Apply to Commercial General Liability)***

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not replaced **with another claims-made policy form with a Retroactive Date prior to** the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of **five (5)** years after completion of work.

***Verification of Coverage***

Consultant shall furnish the City of Stockton with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All required documents are to be received and approved by the City of Stockton before work commences. However, failure to obtain the documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements, at any time.

***Subcontractors***

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City of Stockton is an additional insured on insurance required from subcontractors.

***Duration of Coverage***

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work**.

***Special Risks or Circumstances***

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

**Certificate Holder Address**

The address for mailing certificates, endorsements and notices shall be:

City of Stockton  
Its Officers, Officials, Employees, and Volunteers  
501 W Weber Avenue  
Building 1, 4th Floor  
Stockton, CA 95203

**8. Term**

Commences on November 1, 2026 and terminates on October 31, 2029.

5.1 The term is the MOU may be extended up to two (2) additional one (1) one-year terms by a written amendment executed by both parties.

**9. Amendments**

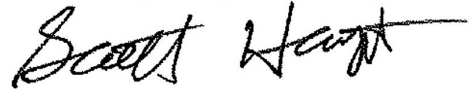
Any amendments or modifications to this MOU must be made in writing and signed by both parties.

**10. Signatures**

In witness whereof, the parties hereto have executed this MOU as of the date first above written.

City of Stockton:

Global Retirement Partners, LLC d/b/a  
Shuster Advisory Group, a HUB  
International Company:



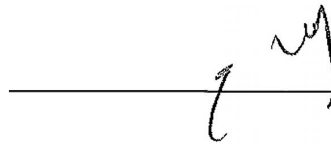
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Johnny Ford  
City Manager  
501 W. Weber Ave, Building 1, 5<sup>th</sup> Floor  
Stockton, CA 95203

Scott Hauptmann  
President  
155 N. Lake Ave, Suite 950  
Pasadena CA 91101

Acknowledged:

Mark Shuster, Investment Advisor  
Representative



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**EXHIBIT A**  
**STATEMENT OF WORK**

1. **Project Objectives**

The City, as the responsible plan fiduciary for the 457(b) Deferred Compensation, 401(a) Defined Contribution retirement plan and 457(b) Plan for Part-Time, Seasonal and Temporary Employees plan ("Plan(s)"), desires to engage Contractor to provide the services described in this Exhibit.

- 1.1 **Fiduciary Authority.** City as the responsible plan fiduciary has the authority to designate investment alternatives under the Plan and the related trust, and to enter into an Agreement with third parties to assist in these and related duties.

2. **Project Scope**

2.1 General Governance Consultation

- 2.1.1 Contractor shall provide compliance recommendations to ensure that the City's Deferred Compensation Plan is consistent with all laws and regulations of the United States Department of Labor, the Securities and Exchange Commission, the Internal Revenue Service as well as other necessary regulatory bodies.

- 2.1.2 Contractor shall advise the City regarding fiduciary responsibilities to further the performance, transparency, and accountability of the Deferred Compensation Plan program.

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- 2.2.5 Contractor shall provide a high level of customer service to include evaluation of data, submission of executive reports and reconciliation of investments and plan accounts.
- 2.3 Investment Return summaries
  - 2.3.1 Contractor shall provide Investment return summaries as described in Section 5, Tasks that Support Major Deliverables of this Exhibit
- 2.4 Requests for Proposal (RFP)
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#### **4. Major Deliverables**

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- 4.2 Regular Reporting
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## 5. Tasks That Support the Deliverables

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- 5.2.4 Contractor shall provide, maintain and update comparison reports of other public and private companies' benefit Plan offerings, and costs, to determine their competitiveness with the City's options.
- 5.2.5 Contractor shall prepare, provide and present various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, or experience reports, as well as new products and audits, as requested.
- 5.2.6 Contractor shall monitor and evaluate performance measures and guarantees for the Plan provider(s).
- 5.2.7 Contractor shall maintain full and accurate records with respect to all matters and services provided on behalf of the City's Plan(s). Contractor shall provide City staff and officials all spreadsheets, assumptions and calculations upon completion of any project performed on behalf of the City's Plan(s).

### 5.3 Investment Return Summaries

5.3.1 Total return - Contractor shall provide a detailed breakdown of beginning market value, contributions and withdrawals, Income, capital gains/losses, and ending market value.

5.3.2 Contractor shall compare returns In each asset category to their benchmarks Including, but not limited to, the following:

6.3.4.1 Cash and cash Equivalents

5.3.4.2 Stable Value/General Account/Fixed Account

5.3.4.3 Bonds

5.3.4.4 Domestic Equity

5.3.4.5 International Equity

5.3.4.6 Global Equity

5.3.4.7 Pre-Set Asset Allocation

### 5.4 Deferred Compensation RFP

5.4.1 Contractor shall develop an RFP in accordance with the City's Procurement policy for a Deferred Compensation Plan Provider(s) that will identify the record keeping, reporting and investment choices to be provided to City employees.

5.4.2 Contractor shall notify potential Deferred Compensation Plan providers of the RFP posting on Bid Flash.

5.4.3 Contractor shall conduct written analysis of all responses.

5.4.4 Contractor shall assist with the Plan provider Interviews.

5.4.5 Contractor shall assist with service agreement negotiations.

5.4.6 Contractor shall assist with the oversight of any transition and Implementation period.

5.5 Contractor shall coordinate the Deferred Compensation meetings, record the meeting minutes and provide minutes to the attending member.

## **6. Internal and External Standards and Guidelines**

### **6.1 Excluded Assets**

6.1.1 Contractor shall have no responsibility to provide any services related to the following types of assets: employer securities; real estate (except for real estate funds and publicly traded REITs); stock brokerage accounts or mutual fund windows; in-plan guaranteed retirement income annuity products; participant loans; non-publicly traded partnership interests; other non-publicly traded securities (other than collective trusts and similar vehicles); or other hard-to-value securities or assets. Such assets (except for real estate funds, publicly traded REITs, and collective trusts and similar vehicles) shall be referred to collectively as “Excluded Assets.” The Excluded Assets shall be disregarded in determining the Fees payable to Contractor pursuant to this Agreement, and the Fees shall be calculated only on the remaining assets (the “Included Assets”).

### **6.2 Fiduciary Status: Limitations on Functions**

- 6.2.1 In performing the Fiduciary Services, Contractor is acting as a fiduciary of the Plan and as a registered investment advisor under the Investment Advisers Act of 1940.
- 6.2.2 In performing the Non-Fiduciary Services, Contractor is not acting as a fiduciary of the Plan.
- 6.2.3 In performing both Non-Fiduciary Services and Fiduciary Services, Contractor does not act as, nor has Contractor agreed to assume the duties of, a trustee or the Plan Administrator, and Contractor has no discretion or responsibility to interpret the Plan documents, to determine eligibility or participation under the Plan, or to take any other action with respect to the management, administration or any other aspect of the Plan.
- 6.2.4 Contractor does not provide legal or tax advice.
- 6.2.5 Investments are subject to various market, political, currency, economic, and business risks, and may not always be profitable. As a result, Contractor does not and cannot guarantee financial results.
- 6.2.6 Contractor may, by reason of performing services for other clients, from time to time acquire confidential information. City acknowledges and agrees that Contractor is unable to divulge to the City or any other party, or to act upon, any such confidential information with respect to the performance of this Agreement.

- 62.7 Contractor is entitled to rely upon all Information provided to Contractor (whether financial or otherwise) from reputable third parties or by City, City's representatives or third-party service providers to City, the Plan or Contractor without Independent verification. City agrees to promptly notify Contractor in writing of any material change in the financial and other Information provided to Contractor and to promptly provide any such additional information as may be reasonably requested by Contractor.
- 62.8 Contractor shall not be responsible for voting (or recommending how to vote) proxies of any publicly traded securities (including mutual fund shares) held by the Plan (or its trust). Responsibility for voting proxies of Investments held by the Plan or its trust remain with City (or, if applicable, the Plan participants).
- 62.9 City understands that Contractor: (i) may perform other services for other clients, (ii) may charge a different fee for other clients, and (iii) may give advice and take action that is different for each client even when retirement plans are similar.
- 62.10 Limitations on Fiduciary Services
  - 6.2.10.1 Contractor shall not be responsible or liable for the recommendations of or services rendered by anyone other than Contractor. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to requests for information of City, Plan Sponsor, Record Keeper(s), and/or Third-Party Administrator(s).
- 62.11 Limitations on Non-Fiduciary Services
  - 6.2.11.1 Contractor shall not be responsible or liable for the recommendations of or services rendered by anyone other than Contractor. Contractor and Plan Sponsor will work together to determine mutually agreed upon for services requiring both parties coordinate and/or attend. The ability to perform the above services is contingent upon the rules, policies, processes, and responsiveness to requests for Information of City, Plan Sponsor, Record Keeper(s), and/or Third-Party Administrator(s).
- 6.3 Representations of City
  - 6.3.1 City represents and warrants as follows:

6.3.1.1 It is the responsible plan fiduciary for the control and/or management of the assets of the Plan, and for the selection and monitoring of service providers for the Plan. Contractor is entitled to rely upon this statement until notified in writing to the contrary.

6.4 Representation of Contractor

6.4.1 Contractor represents as follows:

6.4.1.1 Contractor is registered as an investment advisor (“RIA”) under the Investment Advisers Act of 1940.

6.5 Standard of Care

6.5.1 Contractor shall perform the Fiduciary Services described in Section 6 in accordance with the standard of care of the prudent man rule set forth in the Investment Adviser Act of 1940.

6.5.2 Contractor shall perform the Non-Fiduciary Services described in Section 6 using reasonable business judgment and shall not be liable for any liabilities and claims arising thereunder, unless directly arising from Contractor's intentional misconduct or gross negligence.

6.6 Effect

6.6.1 This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors, survivors, administrators and assigns.

6.7 Waiver of Limitation

6.7.1 Nothing in this Agreement shall in any way constitute a waiver or limitation of any rights which City or Plan or any other party may have under federal or state securities law.

7. **Criteria of Acceptance for Deliverables**

7.1 Contractor shall email an electronic copy of each deliverable to [Marie.GuilloryJones@stocktonca.gov](mailto:Marie.GuilloryJones@stocktonca.gov). Contractor shall make hard copies of each deliverable available to the City upon request.

8. **Notices**

Pursuant to Exhibit C - General Terms and Conditions, Paragraph 15 - Notices, the mailing address for all required notices is as follows:

Contractor: Global Retirement Partners d/b/a Shuster Advisory Group, a HUB International Company  
Attn: Mark A. Shuster  
155 N. Lake Ave, Suite 950  
Pasadena, CA 91101

City: City of Stockton  
Attn: City Manager  
501 W. Weber Ave, Building 1, 5<sup>th</sup> Floor  
Stockton, CA 95203

9. Option to Renew

The term of the Agreement is for three (3) years. The term of the Agreement may be extended up to two (2) additional one (1) one-year terms by a written amendment executed by both parties.



**Exhibit B:**  
**Insurance Requirements for Professional Services**  
(Consultant)

Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees.

**MINIMUM SCOPE AND LIMIT OF INSURANCE**

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “**occurrence**” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than **\$2,000,000** per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. **Automobile Liability:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit 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 appropriate to the Consultant’s profession, with limit no less than **\$2,000,000** per occurrence or claim, **\$2,000,000** aggregate.

If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City of Stockton requires and shall be entitled to the broader coverage and/or the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City of Stockton.

**Other Insurance Provisions**

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

***Additional Insured Status***

The City of Stockton, 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 Consultant 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 Consultant'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, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37). Additional insured Name of Organization shall read "City of Stockton, its officers, officials, employees, and volunteers." Policy shall cover City of Stockton, its officers, officials, employees, and volunteers for all locations work is done under this contract.

***Primary Coverage***

For any claims related to this contract, the **Consultant's insurance coverage shall be primary and non-contributory** and at least as broad as ISO CG 20 01 12 19 as respects the City of Stockton, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City of Stockton, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies. The City of Stockton does not accept endorsements limiting the Consultant's insurance coverage to the sole negligence of the Named Insured.

***Umbrella or Excess Policy***

The Consultant may use Umbrella or Excess Policies to provide the liability limits as required in this agreement. The policies shall be provided on a true "following form" coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance.

***Notice of Cancellation***

Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City of Stockton.

***Waiver of Subrogation***

Consultant hereby grants to City of Stockton a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City of Stockton by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation and provide a copy to the City of Stockton, but this provision applies regardless of whether or not an endorsement has been issued.

**The Workers' Compensation policy shall be endorsed with a waiver of subrogation** in favor of the City of Stockton for all work performed by the Consultant, its employees, agents and subcontractors. This provision applies regardless of whether or not an endorsement has been issued.

***Self-Insured Retentions***

Self-insured retentions must be declared to and approved by the City of Stockton. The City of Stockton may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City of Stockton.

***Acceptability of Insurers***

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

***Claims Made Policies (Does Not Apply to Commercial General Liability)***

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**
3. If coverage is canceled or non-renewed, and not replaced **with another claims-made policy form with a Retroactive Date prior to** the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of **five (5)** years after completion of work.

***Verification of Coverage***

Consultant shall furnish the City of Stockton with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All required documents are to be received and approved by the City of Stockton before work commences. However, failure to obtain the documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City of Stockton reserves the right to require complete, certified copies of all required insurance policies, including endorsements, at any time.

***Subcontractors***

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City of Stockton is an additional insured on insurance required from subcontractors.

***Duration of Coverage***

CGL & Excess liability policies **for any construction related work, including, but not limited to, maintenance, service, or repair work**, shall continue coverage for a minimum of 5 years for Completed Operations liability coverage. Such Insurance must be maintained and evidence of insurance must be provided **for at least five (5) years after completion of the contract of work.**

REV 2026-03-31

***Special Risks or Circumstances***

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

**Certificate Holder Address**

The address for mailing certificates, endorsements and notices shall be:

City of Stockton  
Its Officers, Officials, Employees, and Volunteers  
501 W Weber Avenue  
Building 1, 4th Floor  
Stockton, CA 95203

**EXHIBIT C**  
**GENERAL TERMS AND CONDITIONS**

1. **Goods, Equipment, and Services.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in Exhibit A of the Agreement. Contractor shall provide said services at the time, place, and in the manner specified in Exhibit A of the Agreement.
2. **City Assistance, Facilities, Equipment, and Clerical Support.** Except as set forth in Exhibit A, Contractor shall, at its sole cost and expense, furnish and maintain all facilities and equipment that may be required for furnishing services pursuant to this Agreement. If applicable, City shall furnish to Contractor only the facilities and equipment listed in Exhibit A to the Agreement.
3. **Compensation.** City shall pay Contractor for services rendered pursuant to this Agreement as described more particularly in Exhibit A and Exhibit E to the Agreement.
  - 3.1 Invoices submitted by Contractor to City must contain a brief description of work performed, time spent, and City reference number. Within thirty (30) days of receipt of Contractor's invoice, City will review the invoice, and if acceptable, make payment on the approved invoice.
  - 3.2 Upon completion of work and acceptance by the City, Contractor shall have sixty (60) days in which to submit final invoice(s) for payment. An extension may be granted by the City upon receiving a written request thirty (30) days in advance of said time limitation. The City shall have no obligation or liability to pay any invoice for work performed which the Contractor fails or neglects to submit within sixty (60) days, or any extension thereof granted by the City, after the work is accepted by the City.
4. **Sufficiency of Contractor's Work.** All Contractor services, work, and deliverables shall be performed in a good and workmanlike manner with due diligence in accordance with the degree of skill normally exercised by similar contractors supplying services and work of a similar nature, and in conformance with applicable laws, codes, and professional standards. Contractor's work shall be adequate and sufficient to meet the purposes of this Agreement.
5. **Ownership of Work.** All reports, work product, all other documents completed or partially completed by Contractor or its approved subcontractors, in performance of this Agreement, and if applicable, drawings, designs, and plan review comments shall become the property of the City. Any and all copyrightable subject matter in all materials is hereby assigned to the City and the Contractor and its approved subcontractors agree to execute any additional documents that may be necessary to evidence such assignment. All materials shall be delivered to the City upon completion or termination of the work under this Agreement. If any materials are lost, damaged, or destroyed before final delivery to the City, the Contractor shall replace them at its own expense. The Contractor and its approved subcontractors shall keep materials confidential. Materials shall not be used for purposes other than the performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the City provides prior written consent.
6. **Timeliness.** Time is of the essence in this Agreement. Further, Contractor acknowledges that the failure of Contractor to comply with the time limits described in Exhibit A and Exhibit F may result in economic or other losses to the City.

7. **Changes.** Both parties to this Agreement understand that it may become desirable or necessary during the term of this Agreement for City to modify the scope of services provided for under this Agreement. Any material extension or change in the scope of work shall be discussed with the City and the change and cost shall be memorialized in a written amendment to the original contract prior to the performance of the additional work. Until the amendment is so executed, the City will not be responsible for paying any charges Contractor may incur in performing such additional services, and Contractor shall not be required to perform any such additional services.

8. **Amendment.** No variation of the terms of this Agreement shall be valid unless an amendment is made in writing and signed by both parties.

9. **Contractor's Status.**

9.1 In performing the obligations set forth in this Agreement, Contractor shall have the status of an independent contractor and Contractor shall not be considered to be an employee of the City for any purpose. All persons working for or under the direction of Contractor are its agents and employees and are not agents or employees of the City. Contractor, by virtue of this Agreement, has no authority to bind or incur any obligation on behalf of the City. Except as expressly provided in Exhibit A, Contractor has no authority or responsibility to exercise any rights or power vested in the City. No agent, officer, or employee of the City is to be considered an employee of the Contractor. It is understood by both Contractor and City that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9.2 Contractor shall determine the method, details, and means of performing the work and services to be provided by Contractor under this Agreement. Contractor shall be responsible to the City only for the requirements and results specified in this Agreement and, except as expressly provided in this Agreement, shall not be subjected to the City's control with respect to the physical action or activities of Contractor in fulfillment of this Agreement. Contractor has control over the manner and means of performing the services under this Agreement. If necessary, Contractor has the responsibility for employing other persons or firms to assist Contractor in fulfilling the terms and obligations under this Agreement.

9.3 If in the performance of this Agreement any third persons are employed by Contractor, such persons shall be entirely and exclusively under the direction, supervision, and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring and discharging, or any other term of employment or requirements of law, shall be determined by the Contractor.

9.4 It is further understood and agreed that Contractor must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of Contractor's assigned personnel under the terms and conditions of this Agreement.

10. **Subcontractor.**

10.1 Subcontractors shall not be recognized as having any direct or contractual relationship with the City. Contractor shall be responsible for the work of subcontractors, which shall be subject to the provisions of this Agreement. Subcontractors will be provided with a copy of the Agreement and will be bound by its terms. Contractor is responsible to the City for the acts and omissions of its subcontractors and persons directly or indirectly employed by them.

10.2 If in the performance of this Agreement any third persons are employed by

Contractor, such persons shall be entirely and exclusively under the direction, supervision and control of Contractor. All terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging or any other term of employment or requirement of law, shall be determined by Contractor.

- 10.3 It is further understood and agreed that all Subcontractors must issue W-2 forms or other forms as required by law for income and employment tax purposes for all of the Subcontractors' personnel.

## **11. Termination.**

- 11.1 Termination for Convenience of City. The City may terminate this Agreement at any time by mailing a notice in writing to Contractor. The Agreement shall then be deemed terminated, and no further work shall be performed by Contractor. If the Agreement is so terminated, the Contractor shall be paid for the work actually completed at the time the notice of termination is received.

- 11.2 Should either party default in the performance of this Agreement or materially breach any of its provisions, the other party, at that party's option, may terminate this Agreement by giving written notification to the other party.

- 11.3 Funding- Non-Appropriation. It is mutually understood between the Parties that payment to the Contractor for performance shall be dependent upon the availability of appropriations by the City Council for the purposes of this Agreement. No legal liability on the part of the City for any payment may arise under this Agreement until funds are made available and until the Contractor has received funding availability, which will be confirmed in writing. If funding for any fiscal year is reduced or deleted, or if the City loses funding for any reason, the City, in its sole discretion, shall have the option to either (a) cause this Agreement to be canceled or terminated pursuant to applicable provisions of the Agreement; or (b) offer to amend the Agreement to reflect the reduced funding for this Agreement.

12. Non-Assignability. The Contractor shall not assign, sublet, or transfer this Agreement or any interest or obligation in the Agreement without the prior written consent of the City, and then only upon such terms and conditions as City may set forth in writing. Contractor shall be solely responsible for reimbursing subcontractors.

13. Indemnity and Hold Harmless. To the fullest extent permitted by law, Contractor shall hold harmless, defend and indemnify City of Stockton and its officers, officials, employees and volunteers from and against any and all liability, loss, damage, expense, costs (including without limitation costs, attorney fees, and fees of litigation) of every nature arising out of or in connection with Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in this agreement, except such loss or damage which was caused by the sole negligence or willful misconduct of the City of Stockton. This obligation is independent of, and shall not in any way be limited by, the minimum insurance obligations contained in this agreement. These obligations shall survive the completion or termination of this agreement.

14. Insurance. During the term of this Agreement, Contractor shall maintain in full force and effect at its own cost and expense the insurance coverage as set forth in the attached Exhibit B to this Agreement and shall otherwise comply with the other provisions of Exhibit B to this Agreement.

15. Notices. All notices required herein shall be in writing and shall be sent by certified or

registered mail, postage prepaid, addressed in Exhibit A to this Agreement.

16. **Conformance to Applicable Laws.** Contractor shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Contractor shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex, or religion of such person.
17. **Licenses, Certifications, and Permits.** Prior to the City's execution of this Agreement and prior to the Contractor's engaging in any operation or activity set forth in this Agreement, Contractor shall obtain a City of Stockton business license, which must be kept in effect during the term of this Agreement. Contractor covenants that it has obtained all certificates, licenses, permits, and the like required to perform the services under this Agreement. Such licenses, certificates, and permits shall be maintained in full force and effect during the term of this Agreement.
18. **Records and Audits.** Contractor shall maintain all records regarding this Agreement and the services performed for a period of three (3) years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the City to inspect and audit. To the extent Contractor renders services on a time and materials basis, Contractor shall maintain complete and accurate accounting records, in a form prescribed by City or, if not prescribed by City, in accordance with generally accepted accounting principles, such records to include, but not be limited to, payroll records, attendance cards, time sheets, and job summaries.
19. **Confidentiality.** Contractor shall exercise reasonable precautions to prevent the unauthorized disclosure and use of City reports, information, or conclusions.
20. **Conflicts of Interest.** Contractor covenants that, other than this Agreement, Contractor has no financial interest with any official, employee, or other representative of the City. Contractor and its principals do not have any financial interest in real property, sources of income, or investments that would be affected in any manner of degree by the performance of Contractor's services under this Agreement. If such an interest arises, Contractor shall immediately notify the City.

Pursuant to Government Code 1090, California Assembly Bill 334: Contractor or Consultants duties and services under this agreement shall not include preparing or assisting the public entity with any portion of the public entity's preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the public entity. The public entity entering this agreement shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. Contractor or Consultants participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. Contractor/consultant shall cooperate with the public entity to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by the contractor pursuant to this agreement.

21. **Waiver.** In the event either City or Contractor at any time waives any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation. No payment, partial payment, acceptance, or partial acceptance by City shall operate as a waiver on the part of City of any of its rights under this Agreement.

- 22. Governing Law.** California law shall govern any legal action pursuant to this Agreement, with venue for all claims in the Superior Court of the County of San Joaquin, Stockton Branch, or where applicable, in the Federal District Court of California, Eastern District, Sacramento Division.
- 23. No Personal Liability.** No official or employee of City shall be personally liable to Contractor in the event of any default or breach by the City or for any amount due Contractor.
- 24. Severability.** If any portion of this Agreement or application thereof to any person or circumstance shall be declared invalid by a court of competent jurisdiction or if it is found in contravention of any federal, state or city statute, ordinance or regulation the remaining provisions of this Agreement or the application thereof shall not be invalidated thereby and shall remain in full force and effect to the extent that the provisions of this Agreement are severable.
- 25. Non-Discrimination.** During the performance of this Agreement, Contractor and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state, or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental disability, medical condition (including genetic characteristics), marital status, age, political affiliation, gender identity, gender expression, sex or sexual orientation, family and medical care leave, pregnancy leave, or disability leave. Contractor and its officers, employees, agents, representative or subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the City's nondiscrimination policy; the Fair Employment and Housing Act (Government Code sections 12990 (et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulation or Code of Federal Regulations. Title VI of the Civil Rights Act of 1964 requires that "no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." (42USCSection2000d). <http://www.dol.gov/oasam/regs/statutes/titlevi.htm>. The City requires compliance with the requirements of Title VI in all of its programs and activities, regardless of funding source.
- 26. Force Majeure.** Neither party shall be responsible for delays or failures in performance resulting from acts of God, acts of civil or military authority, terrorism, fire, flood, strikes, war, epidemics, pandemics, shortage of power, or other acts or causes reasonably beyond the control of that party. The party experiencing the force majeure event agrees to give the other party notice promptly following the occurrence of a force majeure event, and to use diligent efforts to re-commence performance as promptly as commercially practicable.
- 27. Taxes and Charges.** Contractor shall be responsible for payment of all taxes, fees, contributions, or charges applicable to the conduct of the Contractor's business.
- 28. Cumulative Rights.** Any specific right or remedy provided in this Agreement will not be exclusive but will be cumulative of all other rights and remedies to which may be legally entitled.
- 29. Advice of Attorney.** Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

- 30. Dispute Resolution; Attorney Fees.** Any dispute arising out of or relating to the terms and provisions of this Agreement shall be addressed in good faith by the parties. If a dispute cannot be resolved through informal negotiations, either party may pursue all remedies available under applicable law.

In the event of any dispute between the parties concerning the terms and provisions of this Agreement, the party prevailing in such dispute shall be entitled to collect from the other party all costs incurred, including reasonable attorneys' fees.

- 31. Heading Not Controlling.** Headings used in this Agreement are for reference purposes only and shall not be considered in construing this Agreement.

**32. Entire Agreement, Integration, and Modification.**

31.1 This Agreement represents the entire integrated agreement between Contractor and the City; it supersedes all prior negotiations, representations, or agreements, either written or oral, between the parties, and may be amended only by a written Amendment signed by the Contractor and City Manager.

31.2 All Exhibits to this Agreement and this Agreement are intended to be construed as a single document.

- 33. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

- 34. Authority.** The individual(s) executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.

**EXHIBIT D****PROFESSIONAL SERVICES SPECIAL TERMS AND CONDITIONS**

1. **Definitions.** The following words and phrases have the following meanings for purposes of this Agreement:
  - 1.1 "Services" means, collectively, the services, duties, and responsibilities described in Exhibit A of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.
  - 1.2 "Deliverable" means quantifiable goods or services that will be provided upon completion of a project. A deliverable is any tangible material, work, or thing delivered by one party to the other, including associated technical documentation. A deliverable can be a tangible or intangible part of the development process, and often are a specified function or characteristic of the project.
2. **General.** The following terms and conditions are applicable for the Professional Services only. The special conditions shall be read in conjunction with the Standard Agreement, General Terms and Conditions ("GTC") Exhibit C, and all other Exhibits identified in the Standard Agreement.
  - 2.1 Where any portion of the GTC is in conflict to or at variance with any provisions of the Special Conditions of the Agreement, then unless a different intention stated, the provision(s) of the Special Conditions of the Agreement shall be deemed to override the provision(s) of GTC only to the extent that such conflict or variations in the Special Conditions of the Agreement are not possible of being reconciled with the provisions of the GTC.
  - 2.2 In the case of modification of a part or provision of the GTC, the unaltered part or provision, or both, shall remain in effect. The Special Conditions shall relate to a particular project and be peculiar to that project, but shall not weaken the character or intent of the GTC.
3. **Time for Performance.**
  - 3.1 Contractor shall perform the services according to the schedule contained in Exhibit F.
  - 3.2 Timeliness of Performance
    - i) Contractor shall provide the Services, and Deliverables within the term and within the time limits required under this Agreement, pursuant to the provisions of Exhibit A and Exhibit F.
    - ii) Neither Contractor nor Contractor's agents, employees, nor subcontractors are entitled to any damages from the City, nor is any party entitled to be reimbursed by the City, for damages, charges or other losses or expenses incurred by Contractor by reason of delays or hindrances in the performance of the Services, whether or not caused by the City.
4. **Standard of Performance**

In addition to Exhibit C, Section 4 and 17, Contractor agrees as follows:

- 4.1 Contractor's Services shall be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of Contractor's profession currently practicing under similar conditions. The Contractor shall comply with the profession's standard of performance, applicable laws, regulations, and industry standards. By delivery of completed work, Contractor certifies that the work conforms to the requirements of this Agreement and all applicable federal, state, and local laws. If Contractor is retained to perform services requiring a license, certification, registration, or other similar requirement under California law, Contractor shall maintain that license, certification, registration, or other similar requirement throughout the term of this Agreement.
- 4.2 Contractor acknowledges that it is entrusted with or has access to valuable and confidential information and records of the City and with respect to that information, Contractor agrees to be held to the standard of care of a fiduciary. Contractor shall ensure that all services that require the exercise of professional skills or judgment are accomplished by professionals qualified and competent in the applicable discipline and appropriately licensed, if required by law. Contractor must provide copies of any such licenses. Contractor remains responsible for the professional and technical accuracy of all Services or Deliverables furnished, whether by Contractor or its subcontractors or others on its behalf. All Deliverables must be prepared in a form and content satisfactory to the Using Agency and delivered in a timely manner consistent with the requirements of this Agreement.
- 4.3 If Contractor fails to comply with the foregoing standards, Contractor must perform again, at its own expense, all Services required to be re-performed as a direct or indirect result of that failure. Any review, approval, acceptance or payment for any of the Services by the City does not relieve Contractor of its responsibility for the professional skill and care and technical accuracy of its Services and Deliverables. This provision in no way limits the City's rights against Contractor either under this Agreement, at law or in equity.

## 5. **Compensation**

- 5.1 In addition to Section 3 Compensation in Exhibit C – GTC, the Contractor shall be compensated for the services provided under this Agreement as follows:

Contractor shall be compensated for services rendered and accepted under this Agreement and shall be paid monthly, in arrears on a not to exceed basis, based upon the rates set forth in Exhibit E attached hereto and made a part of this Agreement. Contractor may vary the compensation for each task in Exhibit E, provided that the total project compensation listed in Exhibit E and the Standard Agreement is not exceeded.

## 6. **Personnel**

- 6.1 None of the work or services covered by this Agreement shall be subcontracted without the prior written approval of the City. Any work or services subcontracted hereunder shall be specified by written agreement and shall be subject to each provision of this Agreement. Contractor shall provide the subcontractor a copy of this fully executed Agreement.
- 6.2 Contractor agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement. The payment made to Contractor pursuant to this Agreement shall be the full and complete compensation to which Contractor and Contractor's officers, employees, agents, and subcontractors are entitled for performance

of any work under this Agreement. Neither Contractor nor Contractor's officers or employees are entitled to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of the Contractor. The City shall not be required to pay any workers' compensation insurance on behalf of the Contractor. Contractor shall pay, when and as due, any and all taxes incurred as a result of Contractor's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

6.3 **Key Personnel**: Because of the special skills required to satisfy the requirements of this Agreement, Contractor shall not reassign or replace key personnel without the written consent of the City, which consent the City will not unreasonably withhold. "Key Personnel" means those job titles and the persons assigned to those positions in accordance with the provisions of this Agreement. The City may at any time in writing notify Contractor that the City will no longer accept performance of Services under this Agreement by one or more Key Personnel listed. Upon that notice, Contractor shall immediately suspend the services of the key person or persons and must replace him or them in accordance with the terms of this Agreement. A list of key personnel is found in Exhibit A, Scope of Services.

## **7. Reports and Information**

Contractor shall at such times and in such forms as the City may require furnish the City such periodic reports as it may request pertaining to the work or services undertaken pursuant to this Agreement, the costs and obligations incurred or to be incurred in connection therewith, and any other matters are covered by this Agreement as specified in Exhibit A and Exhibit E.

## **8. Findings Confidential**

All of the reports, information, data, et cetera, prepared or assembled by the Contractor under this Agreement are confidential and the Contractor agrees that they shall not be made available to any individual or organization without the prior written approval of the City. Contractor shall not be required under the provisions of this paragraph to keep confidential any data or information which is or becomes publicly available, is required by applicable law or by proper legal or governmental authority, is already rightfully in the Contractor's possession without obligation of confidentiality, is independently developed by Contractor outside the scope of this Agreement or is rightfully obtained from third parties. Contractor shall give City prompt notice of any such legal or governmental demand and reasonably cooperate with City in any effort to seek a protective order or otherwise to contest such required disclosure.

## **9. Copyright**

No materials, including but not limited to reports, maps, or documents produced as a result of this Agreement, in whole or in part, shall be available to Contractor for copyright purposes. Any such materials produced as a result of this Agreement that might be subject to copyright shall be the property of the City and all such rights shall belong to the City, and the City shall be the sole and exclusive entity who may exercise such rights.

## **10. Deliverables**

Contractor shall prepare or provide to the City various Deliverables. "Deliverables" include work product, such as written reviews, recommendations, reports, and analyses, produced by

Contractor for the City. The City may reject Deliverables that do not include relevant information or data, or do not include all documents or other materials specified in this Agreement or reasonably necessary for the purpose for which the City made this Agreement or for which the City intends to use the Deliverables. If the City determines that Contractor has failed to comply with the foregoing standards, it has 30 days from the discovery to notify Contractor of its failure. If Contractor does not correct the failure, or if it is possible to do so, within 30 days after receipt of notice from the City specifying the failure, then the City, by written notice, may treat the failure as a default of this Agreement. Partial or incomplete Deliverables may be accepted for review only when required for a specific and well-defined purpose and when consented to in advance by the City. Such Deliverables will not be considered as satisfying the requirements of this Agreement and partial or incomplete Deliverables in no way relieve Contractor of its commitments under this Agreement.

#### **11. Applicable Laws**

Deliverables must conform with all applicable federal, state, and local laws. Such conformity includes compliance with federal sanctions, and Contractor certifies that it has not and will not engage in prohibited transactions with sanctioned persons or entities.

Per Executive Order N-6-22, all contractors and grantees that have agreements valued at \$5 million or more with agencies/departments subject to the California Governor's authority are directed to report to their contracting or grantor agency or department regarding their compliance with economic sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as sanctions imposed under state law, if any.

## EXHIBIT E

### COMPENSATION SCHEDULE

The Contractor shall be compensated for the services identified in Exhibit A, Exhibit C, and Exhibit D to this Agreement as follows:

#### 1. Project Price

1.1 The maximum the Contractor shall be paid on this Agreement is **\$48,000.00** per year (hereafter the “not to exceed” amount). The “not to exceed” amount includes all payments to be made pursuant to this Agreement, including City approved reimbursable expenses, if any. Nothing in this Agreement requires the City to pay for work that does not meet the Standard of Performance identified in Exhibit D section 4 or other requirements of this Agreement.

1.2 Standard Reimbursable Items: Only the reimbursable items identified in Exhibit A, C, and D (Compensation), shall be compensated to the Contractor. Reimbursable expenses will be reimbursed without markup. Fees plus reimbursable expenses shall not exceed the amount set forth in section 1.1 of this Exhibit and a copy of the original invoice for the items listed in i, ii or iii below shall be attached to the invoice submitted to the City for reimbursement. Payments shall be based upon work documents submitted by the Contractor to the City and accepted by the City as being satisfactory to City’s needs. The City shall not pay a markup on any of the items listed in i, ii or iii. Additionally, items such a telephone, fax, postage or freight are already included in the billable hourly rate. Contractor shall be reimbursed the direct expenses, which are the actual cost of the following items that are reasonable, necessary and actually incurred, by the Contractor in connection with the services:

- i. Expenses, fees or charges for printing, reproduction or binding of documents at actual costs with no markup added to the actual cost.
- ii. Any filing fees, permit fees, or other fees paid or advanced by the Contractor at actual costs with no markup added to the actual cost.
- iii. Travel expenses shall be reimbursed in accordance with the City’s travel policy, which is incorporated herein by reference. Reimbursement shall be made at actual costs with no markup added to the actual cost.

1.3 The Contractor shall be entitled to receive payments for its work performed pursuant to the Agreement. The City will pay Contractor based on invoices for acceptable work performed and approved until the “not to exceed” amount is reached. Thereafter, Contractor must complete services based on the Agreement without additional compensation unless there is a material change to the Statement of Work and Scope by a written Amendment.

1.4 If work is completed before the “not to exceed” amount is reached, the Contractor’s compensation will be based on the Contractor’s invoices previously submitted for acceptable work performed and approved.

1.5 Subcontractor Costs: Compensation for subcontractors shall be limited to the same restrictions imposed on the Contractor. Maximum markup Contractor may apply to subcontractor fees, minus reimbursable expenses, shall not exceed 10%.

2. **Task Price.** Below is the price for the services and reimbursable expenses as described in Exhibit A of this Agreement.

| Task | Description                      | Task Price         |
|------|----------------------------------|--------------------|
| 1    | Deferred Compensation Consulting | \$48,000.00        |
|      |                                  |                    |
|      |                                  |                    |
|      | <b>TOTAL PRICE</b>               | <b>\$48,000.00</b> |

3. **Hourly Rates.** The following is a list of hourly billable rates that Contractor shall apply for additional services requested of the Contractor. Contractor shall be compensated based on the hourly rates set forth below, on a time and material basis for those services that are within the general scope of services of this Agreement, but beyond the description of services required under Exhibit A, and all services are reasonably necessary to complete the standards of performance required by this Agreement. Any changes and related fees shall be mutually agreed upon between the parties by a written amendment to this Agreement.

**Hourly Billable Rate Schedule**

| Title | Role on Project | Hourly Billable Rates |
|-------|-----------------|-----------------------|
| None  |                 | \$                    |
|       |                 | \$                    |
|       |                 | \$                    |
|       |                 | \$                    |
|       |                 | \$                    |
|       |                 | \$                    |
|       |                 | \$                    |

4. **Additional Fees.** Should an amendment to the Agreement be issued for additional services that require the following items, the unit prices are as follows:

| Title | Unit Price |
|-------|------------|
| None  | \$         |

**5. Invoice to Address.** Each invoice submitted shall identify the specific task(s) listed in Exhibit A and this Exhibit, and the completed work product/deliverable for the agreed upon price listed in this Exhibit. Invoices shall be submitted to the below address:

City of Stockton Human Resources Department  
501 W. Weber Ave, Building 1, 4<sup>th</sup> Floor  
Stockton, CA 95203

**EXHIBIT F**

**TIMELINE**

1. Consultant shall complete the requested services identified in Exhibit A as follows:

**1.1 TIMELINE FOR COMPLETION OF WORK**

- |                                             |                                                |
|---------------------------------------------|------------------------------------------------|
| 1.1.1 Regular Reporting                     | Periodically                                   |
| 1.1.2 Investment Return Summaries           | Periodically                                   |
| 1.1.3 Deferred Compensation RFP             | Re-issue as appropriate<br>With City direction |
| 1.1.4 Deferred Compensation Meeting Minutes | 45 days after meeting                          |
| 1.1.5 Plan Newsletter                       | Quarterly                                      |