CONTRACT AGREEMENT STA-27-CNS-001
SALES TAX AUDIT AND PROJECTION
PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into as of ____________, by and between the **SACRAMENTO TRANSPORTATION AUTHORITY,** a local transportation authority formed pursuant to the provisions of Public Utilities Code section 180000, et seq. (hereinafter called "AUTHORITY"), and **Neumo Group, LLC**, a California limited liability company (hereinafter called "CONSULTANT").

RECITALS

WHEREAS, the AUTHORITY, a California local transportation authority, exists under the authority of Section 180000 et seq. of the California Public Utilities Code; and

WHEREAS, the AUTHORITY administers transportation funding programs and relies upon local transactions and use (i.e., sales) tax revenues to support transportation improvements and programs that benefit residents, businesses, and travelers within Sacramento County; and

WHEREAS, accurate allocation and reporting of sales tax is essential to ensuring that the AUTHORITY receives revenues legally due and available for transportation purposes; and

WHEREAS, the AUTHORITY desires to obtain professional services to identify and recover misallocated sales taxes, monitor revenue trends, provide forecasting and reporting services, and support the AUTHORITY's long-term financial planning and administration of transportation funding programs; and

WHEREAS, the AUTHORITY further desires to obtain consulting and analytical services related to sales tax revenues, including economic analysis, revenue forecasting, taxpayer allocation reviews, recovery reporting, and related advisory services; and

WHEREAS, CONSULTANT provides sales tax audit, recovery, reporting, forecasting, and consulting services for public agencies and possesses expertise in identifying tax allocation discrepancies, preparing recovery claims, analyzing revenue trends, and advising public agencies on tax revenue matters; and

WHEREAS, CONSULTANT has represented that it possesses the qualifications, experience, personnel, and resources necessary to perform the services required under this Agreement and is willing to perform such services in accordance with the terms and conditions set forth herein; and

WHEREAS, funding for this Agreement has been budgeted by the AUTHORITY in Fiscal Year

2026/27 and subsequent fiscal years, subject to annual budget appropriations by the AUTHORITY's Board of Directors.

NOW, THEREFORE, for the consideration hereinafter stated, the parties agree as follows:

AGREEMENT

1. SCOPE OF SERVICES

AUTHORITY hereby engages CONSULTANT, and CONSULTANT agrees to complete the scope of services attached hereto as Attachment A, and incorporated herein by reference, in accordance with the terms of this Agreement.

2. COMPENSATION

A. Contingency Compensation for Audit and Recovery Services

As full compensation for Sales Tax Audit and Recovery Services performed under this Agreement, AUTHORITY shall pay CONSULTANT an amount equal to fifteen percent (15%) of Gross Collections recovered on behalf of the AUTHORITY as a direct result of CONSULTANT'S services.

For purposes of this Agreement, "Gross Collections" shall mean all sales, use, and transactions tax revenues, adjustments, allocations, corrections, refunds, audit recoveries, deficiency assessment reallocations, or other tax revenues received by the AUTHORITY from the California Department of Tax and Fee Administration (CDTFA) or any successor agency that are directly attributable to recovery efforts initiated, documented, and submitted by CONSULTANT.

Contingency compensation shall be earned only upon the AUTHORITY'S actual receipt of recovered revenues and shall be payable following verification by the AUTHORITY of the recovered amount. No compensation shall be due for recoveries not received by the AUTHORITY.

CONSULTANT shall submit invoices no more frequently than quarterly identifying the recovery claims resulting in Gross Collections and the calculation of compensation due under this Section. The AUTHORITY reserves the right to review and verify all recovery calculations prior to payment.

B. Reporting, Forecasting, and Advisory Services

In consideration of the revenue forecasting, reporting, consulting, and advisory services provided under this Agreement, AUTHORITY shall pay CONSULTANT an annual fixed fee of Three Thousand Dollars ($3,000).

The annual fee shall include preparation of two (2) sales tax forecast reports per contract year, participation in periodic review meetings, and related reporting and advisory services.

C. Annual Fee Adjustment

Beginning on the first anniversary of the Effective Date, and on each anniversary thereafter, the annual fixed fee for reporting, forecasting, and advisory services may be increased by an inflation adjustment equal to the percentage increase in the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, as published by the U.S. Bureau of Labor Statistics for the preceding twelve-month period.

In no event shall the annual adjustment exceed seven percent (7%) in any contract year unless expressly approved in writing by the AUTHORITY'S Board of Directors.

D. Maximum Compensation

The contingency compensation described in Section A is not subject to a predetermined maximum amount because it is dependent upon actual revenue recoveries achieved and received by the AUTHORITY. The annual reporting and forecasting fee described in Section B shall be subject to annual budget appropriations by the AUTHORITY.

E. (Optional) Clearview Online Data Analytics Platform

The AUTHORITY may elect, at its sole discretion, to purchase access to CONSULTANT’S Clearview Online Data Analytics Platform for an additional annual fee established by written amendment to this Agreement.

3. <u>PAYMENT</u>

CONSULTANT may submit invoices on a quarterly basis for contingency recovery fees and annually for forecasting services.

4. <u>TIME OF COMMENCEMENT AND COMPLETION OF WORK</u>

The time for commencing work under this agreement shall be the date upon which it has been duly approved by both affected parties.

The initial term of this Agreement shall commence upon execution by both parties and shall continue through June 30, 2029, and may be extended by AUTHORITY for two (2) successive one (1) year terms (Extended Term), provided the AUTHORITY provides written notice of its election to extend the term at least thirty (30) days prior to the expiration of the Initial or Extended Term.

5. MODIFICATION OR TERMINATION

This Agreement may be modified or amended only by written instrument signed by both parties hereto. CONSULTANT'S compensation and the time of performance of the Agreement shall be adjusted by mutual written agreement of the parties if they are materially affected by such modifications or amendment.

This Agreement may be terminated, without cause, by either party upon thirty (30) days written notice to the other party. This Agreement may be terminated for cause immediately by either party in the event of a material breach. Upon termination and upon compliance with Section 17, Ownership of Work Product and Section 18 Confidential Information and Taxpayer Data, CONSULTANT will be paid for all costs incurred in good faith in accordance with the terms of this Agreement that are unpaid on the effective date of termination.

6. DISPUTES

If a question of fact in connection with the work described herein cannot be resolved between CONSULTANT and the Executive Director, the question shall be submitted to the AUTHORITY'S Governing Board for resolution.

7. BEST EFFORTS OF CONSULTANT

CONSULTANT agrees to assign primary responsibility for managing the work performed under this Agreement to Lis Andrade, Neumo. CONSULTANT further agrees that assigned personnel, including subcontractors, will always faithfully, industriously, and to the best of their ability, experience, and talent, perform all of the duties that may be required of or from them, pursuant to the express and implicit terms of this Agreement, to the reasonable satisfaction of the AUTHORITY. AUTHORITY may reject the assignment of any tasks performed under this Agreement to a subcontractor it deems inadequate or otherwise inappropriate for this project.

8. STANDARD OF CARE

AUTHORITY has relied upon the professional ability and training of CONSULTANT as represented by CONSULTANT as a material inducement to enter into this Agreement.

CONSULTANT hereby agrees that all of its work will be performed, at a minimum, in accordance with generally accepted professional practices and standards.

9. CONFLICT OF INTEREST

CONSULTANT shall comply with applicable requirements of the Political Reform Act and Fair Political Practices Commission (FPPC) implementing regulations. Following the execution of this Agreement and during the term of this Agreement, CONSULTANT shall not enter into any new agreements with other entities that would constitute a financial conflict of interest with the AUTHORITY or the purposes of this AGREEMENT.

10. INDEMNITY AND HOLD HARMLESS

CONSULTANT shall indemnify, hold harmless and assume defense of, in any actions at law or in equity, the AUTHORITY, its officers, directors, employees, agents, and member jurisdictions from claims, losses, actions, causes of action, damage, including property damage, personal injury, including death, and liability of every kind, nature, and description, including reasonable attorney's fees, consultant and expert witness fees, and cost of litigation, to the extent arising from the negligent acts, errors, or omissions of CONSULTANT or of any persons directly or indirectly employed by or acting on behalf of, or as agent for CONSULTANT, in its performance of work hereunder or its failure to comply with any obligations contained in the Agreement, but not including the negligence or willful misconduct of the AUTHORITY. This indemnification shall extend to claims, losses, actions, causes of action, damages, injury, death, and any type of liability occurring after completion of but arising out of the aforementioned operations. Acceptance of insurance certificates required under this Agreement does not relieve CONSULTANT from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to all damages and claims for damages of every kind suffered by reason of any of CONSULTANT'S operations regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

11. INSURANCE REQUIREMENTS FOR CONSULTANT

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

A. Minimum Scope of Insurance

1. Coverage shall be at least as broad as: Insurance Services Office Commercial General Liability coverage ("occurrence" form CG 0001).

2. Insurance Services Office form number CA 0001 covering Automobile Liability

3. Workers' Compensation insurance as required by the State of California and Employer's Liability insurance.

B. <u>Minimum Limits of Insurance</u>

1. Consultant shall maintain limits no less than:

2. General Liability: $1,000,000 per occurrence for bodily injury, personal injury, and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this location or the general aggregate limit shall be twice the required occurrence limit.

3. Automobile Liability: $1,000,000 per accident for bodily injury and property damage.

4. Employer's Liability: $1,000,000 per accident for bodily injury or disease.

5. Professional Liability (Errors & Omissions): $1,000,000 per claim.

C. <u>Deductibles and Self-Insurance Retentions</u>

Any deductibles or self-insured retention must be declared to and approved by the AUTHORITY. At the option of the AUTHORITY, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the AUTHORITY, its officers, officials, employees and volunteers; or the CONSULTANT shall provide a financial guarantee satisfactory to the AUTHORITY guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

D. <u>Other Insurance Provisions</u>

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

1. The AUTHORITY, its officers, officials, employees and volunteers are to be covered as insureds with respect to liability arising out of automobiles hired or borrowed by or on behalf of the CONSULTANT, and with respect to liability arising out of work or operations 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 or as a separate owner's policy.

2. For any claims related to this project, the CONSULTANT'S insurance coverage shall be primary insurance as respects the AUTHORITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the AUTHORITY, its officers, officials, employees and volunteers shall be excess of the CONSULTANT'S insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the AUTHORITY.

E. <u>Acceptability of Insurers</u>

All insurance, with the exception of workers' compensation coverage, is to be placed with insurers currently admitted in California with a current A.M. Best's rating of no less than A:VII. Workers' compensation coverage is to be placed with insurers currently admitted in California.

F. <u>Verification of Coverage</u>

CONSULTANT shall furnish the AUTHORITY with original certificate and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the AUTHORITY or on other than AUTHORITY'S forms, provided those endorsements or policies conform to the requirements stated in this clause. All certificates and endorsements are required to be received and approved by the AUTHORITY before work commences. The AUTHORITY reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting coverage required by these specifications at any time.

All insurance documents shall be submitted to:

Dustin Purinton
Chief Financial Officer
Sacramento Transportation Authority
801 12th Street Floor 5
Sacramento, CA 95814

G. <u>Subcontractors</u>

CONSULTANT shall provide to the Authority separate certificates and endorsements delivered to CONSUTANT by each subcontractor. All insurance coverages for subcontractors shall be subject to all requirements stated above.

12. DISCRIMINATION

Services under this Agreement shall be rendered without discrimination on the basis of age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion or sexual orientation. Further, there shall be no discrimination against any employee who is employed in the work covered by this Agreement because of age, ancestry, color, gender, marital status, medical condition, national origin, physical or mental disability, race, religion or sexual orientation. This includes, but is not limited to employment upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

13. COMPLIANCE WITH THE LAW

CONSULTANT shall be subject to and comply with all federal, state, and local laws and regulations applicable with respect to its performance under this agreement, including but not limited to, licensing, employment, and purchasing practices, and wages, hours, and conditions of employment.

14. INSPECTION

CONSULTANT's performance, place of business, and records pertaining to this Agreement are subject to monitoring, inspection, review, and audit by authorized representatives of AUTHORITY.

15. RECORDS

CONSULTANT shall keep and make available for inspection and copying by authorized representatives of AUTHORITY, the CONSULTANT'S regular business and financial records and such additional records pertaining to this Agreement for at least three (3) years after final payment to CONSULTANT.

16. SUBCONTRACT AND ASSIGNMENT

This Agreement binds the heirs, successors, assigns, and representatives of CONSULTANT. CONSULTANT shall not enter into subcontracts for any work contemplated under this Agreement and shall not assign this Agreement or monies due or to become due, without the prior written consent of the AUTHORITY.

17. OWNERSHIP OF WORK PRODUCT

AUTHORITY shall be the owner of the copyright with respect to, and shall be entitled to possession of any computations, plans, correspondence, and other pertinent data and information gathered by, computed by, or prepared by CONSULTANT pursuant to this Agreement and prior to termination of this Agreement by either party or upon completion of the work pursuant to this Agreement.

18. CONFIDENTIAL INFORMATION AND TAXPAYER DATA

CONSULTANT acknowledges that, in the course of performing services under this Agreement, it may obtain access to confidential, proprietary, or otherwise nonpublic information relating to the AUTHORITY, taxpayers, businesses, revenue allocations, financial data, or other information protected from disclosure by applicable law.

CONSULTANT shall maintain the confidentiality of all such information and shall not disclose, distribute, publish, or otherwise make available any confidential information except as necessary to perform the services required under this Agreement or as required by law.

CONSULTANT shall comply with all applicable federal, state, and local laws governing the confidentiality, use, storage, and protection of information obtained in connection with this Agreement, including any confidentiality requirements imposed by the California Department of Tax and Fee Administration (CDTFA) or successor agency relating to sales, use, or transactions tax information.

CONSULTANT shall implement and maintain reasonable administrative, technical, and physical safeguards to protect confidential information against unauthorized access, use, disclosure, alteration, or destruction.

Any documents, reports, correspondence, analyses, databases, taxpayer information, recovery claims, or other records prepared or obtained by CONSULTANT in connection with this Agreement shall be maintained in accordance with applicable law and shall be provided to the AUTHORITY upon request.

If CONSULTANT receives a subpoena, public records request, court order, or other legal demand seeking disclosure of information obtained through this Agreement, CONSULTANT shall promptly notify the AUTHORITY, unless prohibited by law, and shall cooperate with the AUTHORITY in responding to such request.

Nothing in this section shall prevent the AUTHORITY from disclosing records as required by the California Public Records Act, Government Code section 7920.000 et seq., or other applicable law. CONSULTANT acknowledges that records provided to the AUTHORITY may be subject to public disclosure unless exempt from disclosure by law.

The obligations contained in this section shall survive expiration or termination of this Agreement.

19. INDEPENDENT CONTRACTOR STATUS

This Agreement is by and between two independent entities and is not intended to and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture, or association between and among the parties hereto.

20. NOTIFICATION

Any notices hereunder and communications regarding interpretation of the terms of this Agreement or changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage pre-paid, and addressed as follows:

AUTHORITY	**CONSULTANT**
Kevin Bewsey, Executive Director Sacramento Transportation Authority 801 12th Street, 5th Floor Sacramento, California 95814	Neumo Group, LLC Attn: Contracts Department 5860 Trinity Parkway, Suite 120 Centreville, VA 20120

21. COMPONENT PARTS OF THE AGREEMENT

The Agreement entered into consists of the following contract documents, all of which are component parts of the contract, and which are incorporated herein by reference:

A. This Agreement.

B. Scope of Services, attached hereto as Attachment A

22. NON-WAIVER OF BREACH

CONSULTANT agrees that any waiver of any breach or violation of any term or condition of this Agreement, or failure to enforce any term or condition of this Agreement, shall not be deemed to be a waiver of any other term or condition contained herein, or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by the AUTHORITY of the performance of any work or services by

CONSULTANT shall not be deemed to be a waiver of any term or condition of this Agreement.

23. GOVERNING LAW

The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties hereunder, shall be governed by the laws of the State of California.

24. COUNTERPARTS TO AGREEMENT

This Agreement may be executed simultaneously or in any number of counterparts, each of which shall be deemed an original, equally admissible in evidence, but all of which together shall constitute one and the same Agreement, notwithstanding that the signatures of each party or their respective representatives do not appear on the same page of this agreement.

25. SEVERABILITY

If any provision or any part of any provision of this Agreement is, for any reason, held to be invalid, unenforceable, or contrary to any public policy, law, statute, regulation or ordinance, the remainder of this agreement shall not be affected thereby and shall remain valid and fully enforceable.

26. ENTIRE AGREEMENT

This Agreement, and any attachments or documents incorporated herein by inclusion or by reference, constitutes the complete and entire Agreement between the parties hereto, and there are no inducements, promises, terms, conditions, or obligations made or entered into by the AUTHORITY or CONSULTANT other than those contained herein. The foregoing provisions are understood and agreed to by CONSULTANT.

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT the day and year first written above.

SACRAMENTO TRANSPORTATION AUTHORITY	**NEUMO GROUP, LLC**
Kevin Bewsey, Executive Director	Lis Andrade, Customer Success Manager
Date	Date