

LEGAL SERVICES AGREEMENT

This Agreement for Legal Services (this “**Agreement**”) is made and entered into on the 15th day of March, 2024 (“**Effective Date**”), by and between the **CITY OF MODESTO**, a California Municipal Corporation (“**City**”), located at 1010 Tenth Street, Sixth Floor, Modesto, California 95353 and **REDWOOD PUBLIC LAW**, 66 Franklin St., Suite 300 Oakland, CA 94607 a California limited liability partnership (“**Attorney**”). City and Attorney are hereinafter collectively referred to as the “**Parties**,” and singularly as a “**Party**.”

RECITALS

WHEREAS, City desires to obtain Attorney’s services as City Attorney; and

WHEREAS, Attorney is specially trained, experienced and competent to perform such services; and

WHEREAS, the public interest, economy and general welfare will be served by this Agreement.

NOW, THEREFORE, it is hereby agreed as follows:

1. **Services.**

- a. Scope of Work:** Subject to the terms and conditions set forth in this Agreement, Attorney shall provide to City the following services (“**Services**”):

Jose M. Sanchez is employed by Attorney and will serve as City Attorney. Alex Mog is employed by Attorney and will serve as Assistant City Attorney. Other attorneys employed by Attorney will serve as Special Counsel.

As City Attorney, Jose M. Sanchez will perform all the services required and authorized by law as City Attorney, including, but not limited to: (i) providing legal advice; (ii) litigating to assert or defend the City; (iii) serving as a Charter Officer and Department Head in the administrative and managerial affairs of the City; (iv) deciding which attorneys to retain or assign to provide any and all legal services of the City, whether employed by the City, in Redwood Public Law, or in another law firm or agency; (v) serving as the supervisor and making staffing decisions for employees in the City Attorney’s Office. The assignment and reassignment of work by Attorney is authorized to include modification or termination of existing outside counsel agreements, and, subject to applicable City personnel laws, City staffing decisions.

Attorney will perform all the City’s legal services, unless Attorney approves the assignment of such work to another attorney employed by the City, another law firm, or agency.

- b. **Term:** This Agreement shall become effective on the Effective Date and shall continue in effect until terminated as provided in Section 6.

2. Fees and Costs.

a. General Hourly Rates:

Principal	\$325 – \$435 per hour
Of Counsel	\$325 - \$355 per hour
Associate	\$270 - \$325 per hour
Paralegal	\$180 per hour
Consultants and Law Clerks	\$75 - \$150 per hour
Services reimbursed to the City by third parties	market rate

The particular rates charged within the above ranges will depend on the experience of the attorney and the subject matter.

Specialty Hourly Rates:

Principal	\$415 - \$560 per hour
Of Counsel	\$375 - \$490 per hour
Associate	\$315 - \$415 per hour
Paralegal	\$210 - \$240 per hour

The particular specialty rates charged within the above ranges will depend on the experience of the attorney and the subject specialty matter. Specialty rates will be charged for project matters involving labor and employment, land use, environmental matters, water law, First Amendment issues, eminent domain, construction, housing, crisis management, and litigation. Specialty matters and rates will be approved by the City Manager.

All of the foregoing rates under this Section 2(a) shall automatically be adjusted effective July 1 of each year to reflect the percentage change in the Urban Wage Earners and Clerical Workers for San Francisco Consumer Price Index between February of the preceding year and February of the then current year, provided, however, that the reported change in each category shall be rounded up or down to the nearest \$5 per hour.

Travel time will be discounted 10% from the above rates.

As City Attorney, Attorney will work closely with the City Manager to endeavor to manage the City's total legal costs to City approved budgets, including fees, and costs paid to Attorney.

- b. Reimbursable Expenses.** City shall reimburse Attorney for the actual, reasonable, and necessary expense of travel approved in advance, at the current IRS rate. Attorney will not charge City for the cost of telephone calls by Attorney. Litigation costs and expenses for statutory fees, witness fees, reporters' per diem and stenographic transcriptions, photocopying, jury fees, electronic research, travel, and the expenses of serving process shall be advanced by Attorney and reimbursed by City. Expert consultants and witnesses may be retained by Attorney on terms acceptable to City, approved in advance by email or letter by the City Representative (as defined hereafter), in which case City shall reimburse Attorney or pay such consultants or experts directly.
- c. Billing:**

 - i.** Legal billings shall be submitted to City every forty-five (45) days unless otherwise advised.
 - ii.** Each task shall be distinctly and completely identified. In litigation matters, City will not pay invoices that contain block billing. Each billing entry must contain the initials of the individual performing the task, the nature of the task, the date it was performed, and the length of time it took.
 - iii.** Costs under \$1,000.00 shall be paid by Attorney and submitted with their normal billing.
 - iv.** City reserves the right to audit all invoices.
 - v.** Payments to Attorney shall be made within a reasonable time after receipt of Attorney's invoice, generally within sixty (60) days of receipt. Attorney shall be responsible for supplying all documentation necessary to verify the monthly billings to the satisfaction of City. Attorney may add a late payment charge of 1.5% per month to invoices not paid within sixty

(60) days.

vi. In addition to the provisions stated elsewhere in this Agreement regarding the payment of fees, billing and budgeting, the following guidelines for billing apply:

- (1) City expects each individual working on the matter for which Attorney is retained to have the necessary experience to perform the services required to protect or pursue City's interests in the matter in a cost-effective manner, consistent with high professional and ethical standards.
- (2) City expects Attorney to select an individual suitable for the task required and the specific needs of the matter, and to use the maximum efficiencies available. Billings for services performed by the inappropriate level of personnel will be reduced by City based on rate adjustments for the appropriate level of personnel.
- (3) City will not pay for unnecessary review of texts, codes, rules of court, or other fundamental references. City will pay the hourly rate for specific legal research which is unique to the matter, assuming that Attorney has used maximum efficiencies and that Attorney has not already recently performed research in the same or very similar areas of law.
- (4) City understands that it is employing Attorney, particularly Jose M. Sanchez and Alex Mog, in critical part to serve in leadership and managerial roles for the City that will require them to participate in conferences and meetings with City staff, attorneys, and staff employed by the City, and attorneys in other firms. Attorney will be paid for such meetings. City also acknowledges the benefit of communications between attorneys in the firm. City does, however, expect that intra-office conferences will only be held as needed and will be kept to a minimum. City will not pay for conferences which are instructional or administrative.
- (5) City will not pay for local telephone calls, incoming facsimiles, regular postage, time spent on filing, calendaring, indexing pleadings, secretarial conferences with Clerks of court or court reporters, secretarial proofreading, re-drafting due to substandard work, or opening, organizing or closing files. Vague billing, which does not contain sufficient information to allow City's reviewer of the invoice to determine the nature of the task, the reason for the task, and the individual performing the task, is subject to reduction

by City.

- (6) City will not reimburse for overtime, word processing, supplies, anything identified on an invoice as “miscellaneous,” or any other unidentified charges.

d. Budget:

- i. City acknowledges that the total cost of legal services of the City is a result of complex factors, many of which are beyond the control of Attorney. As City Attorney, Attorney will work closely with the City Manager and City Finance Department staff to create new tools to monitor the cost and efficiency of legal services to the City, and to endeavor to manage the City’s total legal costs, including fees and costs paid to Attorney, to be within or below City approved budgets. Attorney shall have the authority, in consultation with the City Manager, to reallocate and reassign funds from and among various line items in the City budget for the City Attorney’s Office or identified for disbursement to attorneys of the City. Should it become reasonably apparent to Attorney that the actual billings will exceed budgeted funds for the City Attorney’s Office estimate of anticipated legal costs and fees, Attorney shall notify City thereof in advance and shall submit a revised written budget estimate and request for City’s approval.

3. Reporting.

- a. Attorney will endeavor to provide City Council and/or City Representative with status reports and evaluations of major litigation and projects approximately every four months (4) months.
- b. Attorney shall provide to City Representative an electronic version of all agreements, pleadings, motions, and discovery documents filed or propounded by Attorney in a Microsoft Word format compatible with that used by the City Attorney’s office.
- c. In the event that Attorney’s handling of the above-designated matter exceeds a period of twenty-four (24) months, Attorney shall, in addition to providing regular status reports to City, also report directly to the City representative on an annual basis and no later than March 30th of each year, setting forth in detail the status of the matter, and Attorney’s plan for further handling of the matter, and the estimated length of time to conclude the matter.

4. **City Representative.** The City Manager, or the City Manager’s designee, shall be the “City Representative” under this Agreement and shall administer this Agreement for City, including any payments hereunder. All Attorney questions pertaining to this

Agreement shall be referred to the City Representative or the Representative's designee.

5. Insurance and Indemnification. During the entire term of this Agreement, Attorney shall maintain the following insurance:

a. Minimum Scope of Insurance: Coverage should be at least as broad as:

- i.** Insurance Services Office Form No. CG 0001 (Commercial General Liability);
- ii.** Insurance Services Office Form No. CA 0001 (Ed. 1/87) (Automobile Liability, Code "any auto");
- iii.** Workers' Compensation as required by the Labor Code of the State of California, and Employers' Liability Insurance;
- iv.** Professional Liability (Errors and Omissions) insurance against loss due to error, omission, or malpractice.

b. Minimum Limits of Insurance: Attorney shall maintain limits no less than:

- i. Commercial General Liability:** \$1,000,000 combined single limit per occurrence, including endorsements for contractual liabilities, broad form property damage, and personal injury.
- ii. Automobile Liability:** \$1,000,000 combined single limit per accident for personal injury and property damage arising from owned, hired, and non-owned vehicles.
- iii. Workers' Compensation and Employers' Liability:** Workers' compensation limits as required by the Labor Code of the State of California and Employers' Liability limits of \$1,000,000 per accident.
- iv. Professional Liability (Errors and Omissions):** \$2,000,000 combined single limit per occurrence.

c. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions must be declared to and approved by the City.

d. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

i. General Liability and Automobile Liability Coverages:

- (1)** The General Liability and Automobile Liability policies shall be written on an occurrence form and shall name City, its officers,

officials, agents, employees, and volunteers as additional insureds. Such policy(ies) of insurance shall be endorsed so that Attorney's insurance shall be primary and any insurance or self-insurance maintained by City, its officials, employees, or volunteers shall be in excess of Attorney's insurance and shall not contribute with it.

- (2) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to City, its officials, employees or volunteers.
- (3) Coverage shall state that Attorney's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

ii. All Coverages:

- (1) Each insurance policy required by this Agreement shall be endorsed to state that coverages shall not be canceled except after thirty (30) days prior written notice has been given to City. In addition, Attorney agrees that it shall not reduce its coverage or limits on any such policy except after thirty (30) days prior written notice has been given to City and City approves the reduction in coverage or limits. Attorney further agrees that it shall not increase any deductibles or self-insured retentions on any such policy except after thirty (30) days prior written notice has been given to City and City approves such increase.
- (2) In the event claims made forms are used for any Professional Liability coverage, either (i) the policy(ies) shall be endorsed to provide not less than a five (5) year discovery period, or (ii) the coverage shall be maintained for a minimum of five (5) years following the termination of this Agreement and the requirements of this section relating to such coverage shall survive termination or expiration of this Agreement. Attorney shall furnish City with the certificate(s) and applicable endorsements for ALL required insurance prior to City's execution of this Agreement.

- e. **Acceptability of Insurers:** Insurance shall be placed with insurers with a Bests' rating of no less than A:VII. This requirement may, however, be waived in individual cases for Errors and Omissions Coverages only; provided, however, that in no event shall a carrier with a rating below B:IX be acceptable.
- f. **Verification of Coverage:** Attorney shall furnish City with certificates of insurance showing compliance with the above requirements and with original endorsements affecting all coverages required by this Agreement both prior to the

execution of this Agreement and during the pendency of this Agreement at any time upon request by City. The certificates and/or endorsements shall set forth a valid policy number for City, and shall indicate the Issue Date, Effective Date and Expiration Date. The certificates and endorsements for each insurance policy shall be signed by a person authorized by the insurer to bind coverage on its behalf. The certificates and endorsements shall be forwarded to the City Representative.

- g. Payment Withholding:** City shall withhold payments to Attorney if the certificates of insurance and endorsements required in this section are canceled or Attorney otherwise ceases to be insured as required herein.
- h. Indemnity:** City acknowledges that Redwood Public Law is being appointed as City Attorney, Assistant City Attorney, and Special Counsel pursuant to the authority of Government Code section 36505 and has the authority of that office. Accordingly, the City is responsible under Government Code section 825 for providing a defense for Attorney, including the City Attorney, Assistant City Attorney, and Special Counsel for actions within the scope of its engagement hereunder.

6. Termination.

- a. By City.** City may terminate this Agreement at any time by written notice. After receiving such notice, Attorney will cease providing services. Attorney will cooperate with City in the orderly transfer of all related files and records to your new counsel.
- b. By Attorney.** Attorney may terminate this Agreement at any time with City's consent or for good cause. Attorney may terminate this Agreement for any reason by giving the City Manager not less than thirty (30) days prior written notice of termination. The notice shall specify the effective date and reason for the termination. Good cause exists if (a) any statement is not paid within ninety (90) days of its receipt; (b) City fails to meet any other obligation under this Agreement and continues in that failure for fifteen (15) days after Attorney sends written notice to City; (c) City has misrepresented or failed to disclose material facts to Attorney, refused to cooperate with Attorney, refused to follow Attorney's advice on a material matter, or otherwise made Attorney's representation unreasonably difficult; or (d) any other circumstance exists in which ethical rules of the legal profession mandate or permit termination, including situations where a conflict of interest arises. If Attorney terminates Services, City agree to execute a substitution of attorneys promptly and otherwise cooperate in effecting that termination.

Termination of this Agreement, whether by City or by Attorney, will not relieve the obligation to pay for services rendered and costs incurred before our services

formally ceased.

7. General Provisions.

a. Independent Contractor.

- i.** It is understood and agreed that Attorney (including Attorney's employees) is an independent contractor and that no relationship of employer-employee exists between the Parties hereto for any purpose whatsoever. Neither Attorney nor Attorney's assigned personnel shall be entitled to any benefits payable to employees of City. City is not required to make any deductions or withholdings from the compensation payable to Attorney under the provisions of this Agreement, and Attorney shall be issued an IRS Form 1099 for its services hereunder. As an independent contractor, Attorney hereby agrees to indemnify and hold City harmless from any and all claims that may be made against City based upon any contention by any of Attorney's employees or by any third party, including but not limited to any state or federal agency, that an employer-employee relationship or a substitute therefor exists for any purpose whatsoever by reason of this Agreement or by reason of the nature and/or performance of any Services under this Agreement.
- ii.** It is further understood and agreed by the Parties hereto that Attorney, in the performance of its obligations hereunder, is subject to the control and direction of City as to the designation of tasks to be performed and the results to be accomplished by the Services agreed to be rendered and performed under this Agreement, but not as to the means, methods, or sequence used by Attorney for accomplishing such results. To the extent that Attorney obtains permission to and does use City facilities, space, equipment, or support services in the performance of this Agreement, this use shall be at the Attorney's sole discretion based on the Attorney's determination that such use will promote Attorney's efficiency and effectiveness. Except as may be specifically provided elsewhere in this Agreement, the City does not require that Attorney use City facilities, equipment, or support services or work in City locations in the performance of this Agreement.
- iii.** If, in the performance of this Agreement, any third persons are employed by Attorney, such persons shall be entirely and exclusively under the direction, supervision, and control of Attorney. Except as may be specifically provided elsewhere in this Agreement, all terms of employment, including hours, wages, working conditions, discipline, hiring, and discharging, or any other terms of employment or requirements of law, shall be determined by Attorney. It is further understood and agreed that Attorney shall issue W-2 or 1099 Forms for income and

employment tax purposes, for all of Attorney's assigned personnel and subcontractors.

- b. Licenses; Permits, Etc.:** Attorney represents and warrants that Attorney has all licenses, permits, City Business Operations Tax Certificate, qualifications, and approvals of whatever nature which are legally required for Attorney to practice its profession or provide any services under the Agreement.

Attorney represents and warrants that Attorney shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Attorney to practice its profession or provide such Services. Without limiting the generality of the foregoing, if Attorney is an out-of-state corporation, Attorney warrants and represents that it possesses a valid certificate of qualification to transact business in the State of California issued by the California Secretary of State pursuant to Section 2105 of the California Corporations Code.

- c. Conflicts of Interest.** Attorney represents and warrants that they have made a diligent effort to determine whether there are any actual or potential conflicts of interest that would preclude or interfere with Attorney's performance of this Agreement, and that no such conflict of interest exists. If a conflict of interest arises in the future Attorney will advise the City Representative and address the matter consistent with the Rules of Professional Responsibility related to legal representation and California law related to public official's conflicts or interest.
- d. Confidentiality of City Information.** Attorney understands and agrees that during the course of performing the services required by this Agreement, or in contemplation thereof, Attorney may have access to private or confidential information which may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Attorney agrees that all information disclosed by City to Attorney shall be held in confidence and used only in performance of the services required by this Agreement. A violation of this section shall be a material violation of this Agreement and shall justify legal and/or equitable relief.
- e. Equal Employment Opportunity.** During the performance of this Agreement, Attorney, for itself, its assignees and successors in interest, agrees as follows:
- i. Compliance With Regulations:** Attorney shall comply with Executive Order 11246 entitled "Equal Opportunity in Federal Employment", as amended by Executive Order 11375 and 12086, and as supplemented in Department of Labor regulations (41 CFR Chapter 60), hereinafter collectively referred to as the "Regulations."
- ii. Nondiscrimination:** Attorney, with regards to the work performed

pursuant to this Agreement, shall not discriminate on the grounds of race, color, religion, sex, national origin, age, marital status, physical handicap or sexual orientation in selection and retention of subcontractors, including procurement of materials and leases of equipment. Attorney shall not participate either directly or indirectly in discrimination prohibited by the Regulations.

- f. Severability.** If any portion of this Agreement or the application thereof to any person or circumstance shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
- g. Waiver.** Neither City acceptance of, nor payment for, any Service or Additional Service performed by Attorney, nor any waiver by either Party of any default, breach or condition precedent, shall be construed as a waiver of any provision of this Agreement, nor as a waiver of any other default, breach, or condition precedent or any other right hereunder.
- h. Enforcement of Agreement.** This Agreement shall be governed, construed, and enforced in accordance with the laws of the State of California. Venue of any litigation arising out of or connected with this Agreement shall lie exclusively in the state trial court or Federal District Court located in Stanislaus County in the State of California, and the Parties consent to jurisdiction over their persons and over the subject matter of any such litigation in such courts and consent to service of process issued by such courts.
- i. Attorneys' Fees.** In any action to enforce the terms of this Agreement, the prevailing Party shall recover its reasonable attorneys' fees.
- j. Assignment Prohibited.** The expertise and experience of Attorney are material considerations for this Agreement. City has a strong interest in the qualifications and capability of the persons and entities who will fulfill the obligations imposed on Attorney under this Agreement. In recognition of this interest, Attorney shall not assign any right or obligation pursuant to this Agreement without the written consent of the City. Any attempted or purported assignment without City's written consent shall be void and of no effect.
- k. Notice.** Any notice, demand, request, consent, approval, or communication either Party desires or is required to give the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail to the address set forth below. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated forty-eight (48) hours from the time of mailing if mailed as provided in this section.

To: City of Modesto:
Attention: City Manager
Contact Information:
1010 Tenth Street, 6th Floor
Modesto, CA 95353
Phone: (209) 577-5288
Fax: (209) 544-8260

To: Attorney:
Attention: Jose M. Sanchez
Contact Information:
66 Franklin St., Suite 300
Oakland, CA 94607
Phone: (916) 267-3910

- 8. **Entire Agreement.** This document contains the entire agreement between the Parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. No alteration to the terms of this Agreement shall be valid unless approved in writing by Attorney, and by City, in accordance with applicable provision of the Modesto City Code.
- 9. **Authority.** The person signing this Agreement for Attorney hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Attorney and to bind Attorney to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the dates stated below.

CITY OF MODESTO,
A Municipal Corporation

By: DocuSigned by:
Joseph P. Lopez
3A8F71D7DBB24EB... _____ 3/15/2024

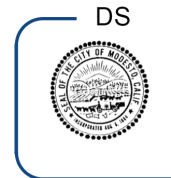
Joseph P. Lopez
City Manager

APPROVED TO AS FORM:

DocuSigned by:
Dredhne Gillick
B1318679F0D243C... _____
Attorney

ATTEST:

DocuSigned by:
Diane Nayarés-Perez
B6A30B28B4A6494... _____
City Clerk, Diane Nayarés-Perez 3/15/2024



ATTORNEY:
REDWOOD PUBLIC LAW,

Legal Services Agreement
City of Modesto and Redwood Public Law