

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made and entered into by and between the City of Santa Fe (the "City") and CliftonLarson Allen LLP, (the "Contractor"). The date of this Agreement shall be the date when it is executed by the City and the Contractor, whichever occurs last.

1. SCOPE OF SERVICES

The Contractor shall provide the following services for the City:

Pursuant to City Code S18-11.14 the City Treasurer or designee is authorized to conduct audits to verify that the amount of gross rent subject to occupancy tax is accurate and has been collected from each vendor subject to such tax.

The Contractor shall provide the following services for the City:

A. Provide notice to an agreed upon list of lodging and short term establishments, under express written authority from the City of Santa Fe for the purpose of evaluating lodgers' tax remittance, including short term rental compliance.

B. Set up a schedule to visit each establishment selected for test work at a specific date and time, to evaluate compliance with regulations provided for in the Lodgers' Tax Act, the Short Term Rental Act, and the Santa Fe City Code.

C. Examine - on a rotating annual basis – existing lodging and short term rental records, for the period of July 1, 2015 through June 30, 2016 and fiscal years ended 2017, 2018 and 2019.

D. Determine adequacy of records including whether or not lodgers' tax and short term rental receipts have been accurately recorded.

E. Perform testing for commercial lodging entities which are not remitting lodgers' tax, and in the case of short term rentals, are advertising but not remitting lodgers' tax.

F. Submit notification in writing to the City of Santa Fe Finance Department, of any establishment which refuses to cooperate with the inquiry.

G. Submit one public report (listing vendors as numbers) with findings upon completion of test work to the City of Santa Fe, Internal Audit Department. Other reports containing confidential information may be requested.

H. Appear before the Audit Committee and Finance Committee to present the findings of the agreed-upon procedures in summary and answer any questions asked by the Finance Committee.

## 2. STANDARD OF PERFORMANCE; LICENSES

A. The Contractor represents that it is a Certified Public Accountant, possesses the experience and knowledge necessary to perform the services described under this Agreement.

B. The Contractor agrees to obtain and maintain throughout the term of this Agreement, all applicable professional and business licenses required by law, for itself, its employees, agents, representatives and subcontractors.

## 3. COMPENSATION

A. The City shall pay to the Contractor in full payment for services

rendered, a sum not to exceed one hundred eighty-seven thousand, five hundred dollars (\$187,500.00), plus applicable gross receipts taxes. Payment shall be made for services actually rendered at the rates as follows:

|                  |  |
|------------------|--|
| Fiscal Year 2015 | 10-15 Lodger's Tax Samples, at \$2,500 per sample, total: \$37,500 |
| Fiscal Year 2016 | 10-15 Lodger's Tax Samples, at \$2,500 per sample, total: \$37,500 |
| Fiscal Year 2017 | 10-15 Lodger's Tax Samples, at \$2,500 per sample, total: \$37,500 |
| Fiscal Year 2018 | 10-15 Lodger's Tax Samples, at \$2,500 per sample, total: \$37,500 |
| Fiscal Year 2019 | 10-15 Lodger's Tax Samples, at \$2,500 per sample, total: \$37,500 |

B. The Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums paid under this Agreement.

C. Payment shall be made upon receipt, approval and approval by the City of detailed statements containing a report of services completed. Compensation shall be paid only for services actually performed and accepted by the City.

#### 4. APPROPRIATIONS

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the City for the performance of this Agreement. If sufficient appropriations and authorization are not made by the City, this Agreement shall terminate upon written notice being given by the City to the Contractor. The City's decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final.

#### 5. TERM AND EFFECTIVE DATE

This Agreement shall be effective when signed by the City and the Contractor, whichever occurs last, and shall terminate on June 30, 2020 unless sooner

pursuant to Article 6 below. Contractor is granted, upon a satisfactory performance, an option to renew this Agreement for an additional three (3) years not to exceed four (4) years. Contractor and the City shall renegotiate the terms and conditions upon renewal. The option shall be exercised by the parties prior to the expiration date of this Agreement.

6. TERMINATION

A. This Agreement may be terminated by the City and the Contractor upon 60 days written notice to the Contractor.

(1) The Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the City original copies of all work product, research or papers prepared under this Agreement.

(2) If compensation is not based upon hourly rates for services rendered, therefore the City shall pay the Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination, and for which compensation has not already been paid.

(3) If compensation is based upon hourly rates and expenses, Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

7. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

A. The Contractor and its agents and employees are independent contractors performing professional services for the City and are not employees of the City. The Contractor, and its agents and employees, shall not accrue leave, retirement,

insurance, bonding, use of City vehicles, or any other benefits afforded to employees of the City as a result of this Agreement.

B. Contractor shall be solely responsible for payment of wages, salaries and benefits to any and all employees or subcontractors retained by Contractor in the performance of the services under this Agreement.

C. The Contractor shall comply with City of Santa Fe Minimum Wage, Article 28-1-SFCC 1987, as well as any subsequent changes to such article throughout the term of this Agreement.

8. CONFIDENTIALITY

Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the City.

9. CONFLICT OF INTEREST

The Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required under this Agreement. Contractor further agrees that in the performance of this Agreement no persons having any such interests shall be employed.

10. ASSIGNMENT; SUBCONTRACTING

The Contractor shall not assign or transfer any rights, privileges, obligations or other interest under this Agreement, including any claims for money due, without the prior written consent of the City. The Contractor shall not subcontract any portion of the

services to be performed under this Agreement without the prior written approval of the City.

11. RELEASE

The Contractor, upon acceptance of final payment of the amount due under this Agreement, releases the City, its officers and employees, from all liabilities, claims and obligations whatsoever arising from or under this Agreement. The Contractor agrees not to purport to bind the City to any obligation not assumed herein by the City unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

12. INSURANCE

A. The Contractor, at its own cost and expense, shall carry and maintain in full force and effect during the term of this Agreement, comprehensive general liability insurance covering bodily injury and property damage liability, in a form and with an insurance company acceptable to the City, with limits of coverage in the maximum amount which the City could be held liable under the New Mexico Tort Claims Act for each person injured and for each accident resulting in damage to property. Such insurance shall provide that the City is named as an additional insured and that the City is notified no less than 30 days in advance of cancellation for any reason. The Contractor shall furnish the City with a copy of a Certificate of Insurance as a condition prior to performing services under this Agreement.

B. Contractor shall also obtain and maintain Workers' Compensation insurance, required by law, to provide coverage for Contractor's employees throughout

the term of this Agreement. Contractor shall provide the City with evidence of its compliance with such requirement.

C. Contractor shall maintain professional liability insurance throughout the term of this Agreement providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. The Contractor shall furnish the City with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Agreement.

13. INDEMNIFICATION

The Contractor shall indemnify, hold harmless and defend the City from all losses, damages, claims or judgments, including payments of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Contractor's performance under this Agreement as well as the performance of Contractor's employees, agents, representatives and subcontractors.

14. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the City of Santa Fe in connection with this Agreement is subject to the immunities and limitations of the New Mexico Tort Claims Act, Section 41-4-1, et. seq. NMSA 1978, as amended. The City and its "public employees" as defined in the New Mexico Tort Claims Act, do not waive sovereign immunity, do not waive any defense and do not waive any limitation of liability pursuant to law. No provision in this Agreement modifies or waives any provision of the New Mexico Tort Claims Act.

15. THIRD PARTY BENEFICIARIES

By entering into this Agreement, the parties do not intend to create any right, title or interest in or for the benefit of any person other than the City and the

Contractor. No person shall claim any right, title or interest under this Agreement or seek to enforce this Agreement as a third party beneficiary of this Agreement.

16. RECORDS AND AUDIT

The Contractor shall maintain, throughout the term of this Agreement and for a period of three years thereafter, detailed records that indicate the date, time and nature of services rendered. These records shall be subject to inspection by the City, the Internal Audit Department, the Department of Finance and Administration, and the State Auditor. The City shall have the right to audit the billing both before and after payment. Payment under this Agreement shall not foreclose the right of the City to recover excessive or illegal payments.

17. APPLICABLE LAW; CHOICE OF LAW; VENUE

Contractor shall abide by all applicable federal and state laws and regulations, and all ordinances, rules and regulations of the City of Santa Fe. In any action, suit or legal dispute arising from this Agreement, the Contractor agrees that the laws of the State of New Mexico shall govern. The parties agree that any action or suit arising from this Agreement shall be commenced in a federal or state court of competent jurisdiction in New Mexico. Any action or suit commenced in the courts of the State of New Mexico shall be brought in the First Judicial District Court.

18. AMENDMENT

This Agreement shall not be altered, changed or modified except by an amendment in writing executed by the parties hereto.

19. SCOPE OF AGREEMENT



This Agreement incorporates all the agreements, covenants, and understandings between the parties hereto concerning the services to be performed hereunder, and all such agreements, covenants and understandings have been merged into this Agreement. This Agreement expresses the entire Agreement and understanding between the parties with respect to said services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

20. NON-DISCRIMINATION

During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of services by Contractor hereunder, on the basis of ethnicity, race, age, religion, creed, color, national origin, ancestry, sex, gender, sexual orientation, physical or mental disability, medical condition, or citizenship status.

21. SEVERABILITY

In case any one or more of the provisions contained in this Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

22. NOTICES

Any notices required to be given under this Agreement shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

City of Santa Fe:  
Finance Department – Treasurer  
200 Lincoln Ave., City Hall  
Santa Fe, NM 87501

Contractor:  
CliftonLarsonAllen LLP  
6501 Americas Parkway NE, Ste. 500  
Albuquerque, NM 87110

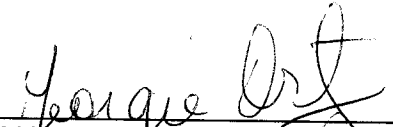

IN WITNESS WHEREOF, the parties have executed this Agreement on the date  
set forth below.

CITY OF SANTA FE:

  
\_\_\_\_\_  
ALAN WEBBER, MAYOR

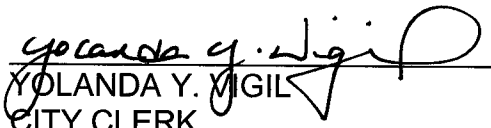
DATE: 4/9/2018

CONTRACTOR:


  
\_\_\_\_\_  
NAME & TITLE  
  
DATE: 4/28/18

CRS# 03234530005  
City of Santa Fe Business  
Registration # 18-00112869

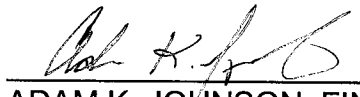
ATTEST:

  
\_\_\_\_\_  
YOLANDA Y. VIGIL  
CITY CLERK  
CC mtg. 3/28/18

APPROVED AS TO FORM:

 4/9  
\_\_\_\_\_  
KELLEY A. BRENNAN, CITY ATTORNEY

APPROVED:

 4.9.18  
\_\_\_\_\_  
ADAM K. JOHNSON, FINANCE DIRECTOR  
\_\_\_\_\_  
Business Unit/Line Item