



City of Palo Alto

City Council Staff Report

(ID # 9909)

Report Type: Action Items

Meeting Date: 12/10/2018

Summary Title: Approval of 5-Year Aquatics Operating/Revenue Agreement with Team Sheeper

Title: Approval of a Five-year Operating and Revenue Sharing Agreement With Team Sheeper for Operations of Rinconada Pool (Continued From November 26, 2019)

From: City Manager

Lead Department: City Manager

Recommendation

As Council is aware, City Manager Jim Keene has arranged to meet with Rinconada Master representative Carol MacPherson and Tim Sheeper the week of December 3 to gain a clearer understanding of the issues related to approval of this agreement. Attached is the staff recommendation and report from November 26 (Attachment A). Following the City Manager's meetings, staff will issue an updated report for the Council meeting on December 10. Given the short time frame staff is working under, that report will be delivered late packet.

Attachments:

- Attachment A: 11-26-18 Staff Report



City of Palo Alto

City Council Staff Report

(ID # 9841)

Report Type: Action Items

Meeting Date: 11/26/2018

Summary Title: Approval of 5-Year Aquatics Operating/Revenue Agreement with Team Sheeper

Title: Approval of a Five-Year Operating and Revenue Sharing Agreement with Team Sheeper for Operations of Rinconada Pool

From: City Manager

Lead Department: Community Services

Recommendation

Staff recommends that Council authorize the City Manager to approve a five-year revenue share contract with Team Sheeper for operational oversight of Rinconada Pool's aquatics programming effective January 1, 2019.

Background

Beginning in 2015, the City struggled to hire and retain adequate pool staff to meet community demand for the lap swim, learn-to-swim and family recreation swim programs at Rinconada Pool. In 2015, the Community Services Department (CSD) entered into an emergency contract with an outside vendor to mitigate its staffing shortages. Working on a very short timeline, CSD was able to write and approve a contract with Team Sheeper Inc., a professional third-party aquatics service provider who mobilized quickly to provide qualified professional swim instructors and lifeguards to support the Palo Alto aquatics programs. In search of a more sustainable and reliable solution for community aquatics services, in December 2015, CSD issued a Request for Proposals (RFP) to oversee all programming at the pool including: 1) learn-to-swim lessons; 2) the youth competitive swim team; 3) the adult masters swim team; and 4) aquatics facilities operations, including recreational swim, lap swim, and pool rentals. After a careful review of proposals, Team Sheeper was selected as the preferred contractor and was awarded a contract with the City effective January 1, 2017 through December 31, 2018.

Staff, the public, and most Rinconada Pool user groups have had very favorable responses towards this new contracted aquatic-services model. Due to this success, on July 18, 2018, an RFP was released to solicit contractors for a longer-term operational contract at Rinconada Pool expected to take effect January 1, 2019. The goal of the new RFP was to identify a long-term partner who will collaborate with the City and the community to provide high quality, accessible, and safe aquatics programming at the Rinconada Pool.

The RFP scope was inclusive of all current programming and included the opportunity to introduce new services as well. Invitations to bid were sent to 60 potential bidders including the providers currently at Rinconada Pool: Palo Alto Stanford Aquatics, Rinconada Masters and Team Sheeper. The RFP closed on August 21st, 2018 with only one bid received from Team Sheeper, Inc.

Staff completed an evaluation of Team Sheeper's RFP response, using the following criteria:

- Safety of pool users and aquatics employees
- City and Customer Costs
- Quality of Service and Customer Satisfaction
- Diversity of Programming and Accessibility

Team Sheeper has an excellent track record on all the evaluation criteria and staff are confident that entering into a new contract with Team Sheeper will allow the City to continue to provide high quality programming and expanded aquatics services to Palo Alto residents in a safe and welcoming environment at a reduced cost as compared to in-house operations.

Why Team Sheeper?

Team Sheeper has provided high quality and safe programming during the course of their current contract. In their bid response they re-committed to working with the City to continue to provide the services that Palo Alto's residents and City staff have identified as most important:

- Provide excellent services in a cost-effective manner
- Maintain a subcontract agreement with Palo Alto Stanford Aquatics (PASA)
- Continue to expand lap swim, open swim, swim lessons and youth programming
- Provide a masters swim team with higher level of safety oversight, while maintaining or lowering costs for masters swimmers and increasing usage of masters programs
- Utilize the aquatics facility more efficiently with better usage of buildings and increased pool open hours

Tim Sheeper, a former professional triathlete and lifelong sports and aquatics enthusiast, founded Team Sheeper, Inc. in 1999. Tim has been in the aquatics business for more than 35 years and has formed a solid business management team to execute his vision to transform the delivery of aquatics programming. Tim currently serves as the president and CEO.

The Company is devoted to creating and building community around sport that is accessible, welcoming, positive, and supportive. At all ages, their goal is to develop a love of everything aquatic, plus a passion for activity and exercise that remains for life. Tim began his focus on community services and coaching in 1977 and in 1992, Tim Sheeper successfully developed and led the Menlo Masters Swim Team, the Beyond Barriers Triathlon Team, and was the coaching director for the Leukemia and Lymphoma Society's Team in Training Triathlon Team, while simultaneously acting as the Aquatics Director at a local K-12 private school, all throughout Southeastern San Mateo County. With his track record of successfully building numerous

inclusive athletic communities, Team Sheeper was contracted by the City of Menlo Park in May of 2006 to operate the Burgess Pool and the Belle Haven Pool in East Menlo Park. Since that time, the Company has grown from about 10 employees to over 130 year-round employees, and over 200 employees during the peak season of summer. Team Sheeper seeks to employ local people for as many of its jobs as possible. It provides a valuable opportunity for youth in the community to work during the summer and the school year. Team Sheeper has not only provided city-wide aquatics programming in Palo Alto and Menlo Park but has also been contracted in St. Helena, San Ramon, East Palo Alto, Danville, and San Jose.

Team Sheeper is a member of the following organizations: United States Masters Swimming; USA Triathlon; USA Water Polo; USA Swimming; US Swim School Association; American Red Cross; Water in Motion; Certified Pool Operators; Bay Area Public Pool Operator's Association (BAPPOA); National Swimming Pool Foundation (NSPF); and Society for Human Resource Management (SHRM).

Team Sheeper is an authorized provider for the American Red Cross and is registered with both the Bay Area and Silicon Valley chapters and regularly holds lifeguard and CPR/AED trainings.

Notable Achievements at Rinconada in the Past Year

Over the past year, while Team Sheeper has provided comprehensive aquatics operational oversight at Rinconada Pool, pool usage for core programs has grown. Some highlights:

- Open Swim and Lap Swim usage has increased year over year from over 53,000 visits to 63,000 visits. Nearly 75% of open and lap swim participants were residents.
- 885 unique students participated in nearly 9,000 swim lessons, similar figures to last summer's program which was also managed by Team Sheeper – which saw 714 unique students participate in over 9,900 lessons. 78% of swim lesson participants were Palo Alto residents. The swim lesson season was also extended by 22 weeks, growing from a Monday through Thursday - summer-only program to a Monday through Saturday - April through October program. 84% of swim lesson participants reported being Satisfied or Very Satisfied with their overall experience; the main driver of satisfaction for swim lessons was how well the participant connected with the instructor.
- Team Sheeper more than doubled participation in swim summer camps in their second year of offering this new camp experience. 354 youth participated in 2018 and 126 participated in 2017. 76% of campers were Palo Alto residents.
- Monthly lap swim memberships have grown since being introduced by Team Sheeper. 220 people now have monthly memberships to Rinconada Pool, up from 145 at this time last year. Approximately 90% of monthly lap swimmers are residents.
- Team Sheeper has had exceptional customer service feedback. 97% of lap swimmers who responded to a recent survey reporting being Satisfied or Extremely Satisfied with their lap swimming experience. Open ended survey feedback was also consistently positive with comments including: *"All the staff are incredibly friendly and professional."*

It's lovely." And, "I split my swims between Rinconada and <<another pool>> near my house. The difference could not be more stark. The Palo Alto Swim staff at Rinconada is exceptionally professional. I've seen them skillfully deal with difficult situations on crowded days with great skill. The changes made to lap swim hours have been terrific. I've been swimming at Rinconada for 40 years, and it has never been as well run as today."

Team Sheeper has also developed a solid relationship with PASA, a group that Team Sheeper identified as having a strong commitment to the community at large and has continually shown that their competitive program is a leader locally, regionally, and nationally. PASA was founded in 1955 by John Williams and is currently coached by Tony Batis, who is in his 27th year with PASA. In that time, the club has produced age group champions all the way up to Olympians with National High School Record Holders, NCAA Champions and American Record Holders in its membership. About 275 PASA swimmers swim at Rinconada Pool and over 85% are Palo Alto residents.

Additionally, Team Sheeper has been a good partner to City administrators. Team Sheeper staff have kept City staff in the Community Services Department and Public Works apprised of all facility and program activities and issues throughout the year. They have been flexible to the needs of the City and responsive to feedback and changes that they have been directed to make. Further, they have demonstrated that they are cooperative partner in setting aquatics program goals, schedules, and customer pricing and have helped the City prioritize facility improvements.

Community Engagement

Staff has engaged residents and Rinconada Pool users to ensure that this contract model is established in a way that preserves Rinconada's quality customer experience. On March 6, 2018 a formal public forum was held to invite aquatics participants to provide feedback on current aquatics programming and to provide an update on the City's plan to solicit bids for continuation of services starting in 2019. The overall feedback at that meeting indicated that most customers are happy with Team Sheeper's operations and that the community feels strongly that PASA should remain the onsite youth swim club at Rinconada Pool. In addition, lap swimmers attended to advocate for preserving lap swim schedules and some community members came out to request year-round swim lessons.

On October 16th and 18th at various times in the day, staff held informal "snack chats" at Rinconada Pool with residents and customers to solicit feedback on the aquatics program and update customers on the contract process. The feedback at these informal meetings was also generally positive, with users of the lap swim program, swim lessons, recreational swim, and PASA satisfied with Team Sheeper's management of the pool; this was tempered with feedback from the Rinconada Masters team that was not positive, and likely reflective of the concerns that masters swimmers have with Team Sheeper managing the City's masters programming.

New Contract Elements

Staff has finalized a new contract with Team Sheeper, Inc. to provide continuation of aquatics programming and services through December 2023. This contract will include swim lessons, master swim team oversight, aquatics camps, lifeguard staffing and pool oversight for recreational lap and swim programs. Team Sheeper, Inc. has established a subcontract with the Palo Alto Youth Swim Club (PASA) to provide the youth swim team programming. The new contract terms are much the same as the current contract with Team Sheeper but there are some changes to note below:

Financial Aid

In the current contract, swim lesson participants can utilize the City's fee reduction program. Under the new contract, Team Sheeper will provide a deeper discount without a subsidy cap to low income youth and will extend scholarships to lifeguard certifications as well. Team Sheeper has partnered with the Beyond Barriers Athletic Foundation to offer scholarships of \$15 for each \$22 resident group lesson; a reduction of 70% (the City's fee reduction program is tiered and available at 25 and 50% discounts with a subsidy cap of \$300 per year.) There will also be scholarships of \$200 for each \$300 lifeguard certification course. These scholarships are available to any family in need and are not capped per child per year. Beyond Barriers' goal is to provide scholarships to address the aquatic inequities that exist in our local neighborhoods; helping under-resourced families who would otherwise not be able to participate in water safety programs become water safe and enabling these children to move into structured after school programs such as water polo and swim team, along with training to become lifeguards so that they may obtain local employment.

Continued Program Expansions and Facility Usage Improvements

Due to the success and usage of many Rinconada aquatics programs Team Sheeper is working with the City to expand some program offerings. Team Sheeper is aiming to offer more swim lessons and offer them 7 days per week, an increase from the current schedule of 6 days per week. Team Sheeper is also expanding lap swim hours to offer early morning lap swim sessions every weekday and consistent open hours throughout the day. Additionally, Team Sheeper, Inc. would like to introduce some new programming including springboard diving classes and aquatic exercise programs.

Team Sheeper and the City plan to make better use of the Rinconada Pool buildings over the course of the new contract term. There are three buildings within the pool grounds, the largest building is used primarily for entering the facility, locker rooms, and pool staff offices. The two other smaller buildings on the site are currently used primarily for storage of pool equipment; much of which can be better organized or removed from the site to free up space. One of the buildings currently used for storage was built to serve as the Pool's 'Snack Shack' and staff would like the building to be utilized for higher value purposes during the new contract term. Team Sheeper has proposed to use the space for team meetings, certification classes, birthday parties, indoor space for campers, indoor stretching, and respite on rainy days for program participants.

Price and Schedule Changes

Just as is the case now, all pricings and scheduling changes proposed by Team Sheeper must be approved by City staff. Team Sheeper has proposed some minor changes which are noted below:

- Slight changes to the weekly programming schedule. Team Sheeper plans to add more weekday lap swim hours this winter. The winter schedule is attached as Attachment A.
- Introduction of an annual administrative fee. Administrative fees will only be charged once per calendar year when customers sign up for swim lessons or masters programming. Team Sheeper provides extensive administrative support dedicated to maintaining high quality programming and this new fee is intended to offset some of these costs.
- Some moderate changes to customer pricing including decreased prices for seniors to participate in masters swimming and minor increases to swim lesson pricing, from \$20 to \$22 per lesson, and minor increases of monthly lap swims of approximately \$3 per month depending on customer type. The pricing changes can be seen in Attachment B.
- Lap swim and masters swim monthly pass combinations. Previously, swimmers who wanted to participate in both programs had to pay separately for each program and could not reap any discount for participating in both programs. The new contract would allow for discounted pricing for participants of both programs.

Masters Swim Team Management

The Rinconada Masters team, led by Carol MacPherson, has swam in Rinconada Pool since the late 1970s. During their time at Rinconada Pool their members have developed a tight knit community, won a variety of masters competitions, and been an active presence at the Pool. The Masters contracted with the City for pool usage for most of their history and most recently, has been a subcontractor on the contract between Team Sheeper and the City.

City staff notified all pool user groups in the Spring of 2018 that the City would utilize a competitive bid process for use of Rinconada Pool moving forward and that the City had hired an independent safety auditor to review Rinconada Pool operations and usage. Staff engaged the public in community meetings and met in person with the management of Team Sheeper, PASA, and Rinconada Masters to emphasize this focus on safety and adherence to an objective and fair process of resource allocation, namely conducting an open RFP process for aquatics operations in the City's only public pool. Despite this effort to ensure that all pool users who would like to be a part of aquatics operations respond to the RFP, only Team Sheeper and PASA responded (with PASA opting to work directly as a subcontractor to Team Sheeper.)

Team Sheeper informed the Rinconada Masters team that, should Team Sheeper be awarded the aquatics contract, they would not offer a subcontract to Rinconada Masters for oversight of masters programming, due to continuous contract safety violations throughout the current

contracting period. Staff met with the Rinconada Masters' team leadership and master's swimmers, as well as Team Sheeper, numerous times to help find a workable resolution. Unfortunately, reasonable concerns regarding the masters compliance to standard safety procedures and protocols have been recurring issues over the past 18 months and have resulted in an incompatible working relationship between Team Sheeper and Rinconada Masters leadership going forward.

City staff understands the reaction that some of Rinconada Pool's most loyal and long-term swimmers have expressed at this administrative change and understands their reluctance to change. Staff firmly believes that on balance, this path is the best decision to ensure the safety of pool users. Team Sheeper has committed to offer a masters program that will serve the current masters swimmers along with any other swimmers who would like to participate. Their programming is all-inclusive, and open to swimmers of all ages and abilities. They will offer masters swim practices at nearly the same times as currently offered, with similar pricing for adults (\$88 per month, up from \$80 per month currently,) and significantly reduced pricing for seniors (\$62 per month, down from \$75 currently.). Staff is confident that the culture and experience at the pool will shift from one of separate, disconnected groups, to a cohesive pool community built on respect, support and love of the sport.

City staff and Team Sheeper hope that current masters swimmers will continue to enjoy the community they cherish at the pool under new oversight and will work together to ensure as smooth a transition as possible.

Revenue Share Terms

Like Team Sheeper's current contract, this contract utilizes a revenue share model, which means that the City does not pay Team Sheeper anything to operate Rinconada Pool. Instead, Team Sheeper, Inc. will collect customer payments and remit gross revenues of as much as 12% of all revenues collected from all programs provided on behalf of the City of Palo Alto. The exact share of gross revenue they will remit to the City is dependent on their total revenue earned. If total revenues earned are less than \$1.25 million, the City's revenue share is 1%, if total revenues earned is \$1.3 million the City's share is 2% of total revenue; more detail can be found in the chart below. This revenue share formula is similar to the formula currently in place between the City and Team Sheeper, and is also similar to the revenue share terms Team Sheeper has with the City of Menlo Park.

Revenue Share Table between Team Sheeper and the City of Palo Alto

Annual Total Revenue Dollars	Percent of all gross revenue from all programs under this contract owed to City
up to \$1.25 million	1%
\$1,250,001 to \$1,500,000	2%
\$1,500,001 to \$1,750,000	3%
\$1,750,001 to \$2,000,000	4%
\$2,000,001 to \$2,500,000	5%
\$2,500,001 to \$3,000,000	8%
For each additional \$500,000 in revenue, the gross revenue percentage will grow 1% point up to a maximum of 12%	
\$5,000,001 and up	12%

Resource Impact

The public-private partnership with Team Sheeper provides a savings of approximately \$140,000 to the General Fund as compared to historic in-house operations. There is no resource impact for this contract; the General Fund savings are already factored in to the fiscal year budget as this contract has a similar budgetary impact to the current aquatics contract and does so while expanding services, maintaining quality and improving safety and oversight of Rinconada Pool.

Policy Implications

This contracting model is aligned with Comprehensive Plan goal G1: Effective and Efficient Delivery of Community Services.

Environmental Review

The recommendation in this report does not constitute a project requiring review under the California Environmental Quality Act (CEQA).

Attachments:

- Attachment A: Winter 2019 Schedule
- Attachment B: Proposed Initial Pricing
- Attachment C: City of Palo Alto – Team Sheeper Aquatics Contract C19173035



PROPOSED SCHEDULE

Palo Alto Swim & Sport

Rinconada Pool Schedule: **January 2019**

Lap Pool

L = Laps Swim, O = Open Swim, PASA = Palo Alto Stanford Aquatics, M = Masters

	MON	TUE	WED	THU	FRI	SAT	SUN
5:45	Masters (7)		Masters (7)		Masters (7)		
6-7	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	
7-8	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	Laps (14)
8-9	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Masters (7) Laps (7)	Masters (7) Laps (7)
9-10	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)
10-11	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)
11-12	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	PASA (14)	Laps (14)
12-1	Laps (14)	M (7) Laps (7)	Laps (14)	M (7) Laps (7)	Laps (14)	PASA (14)	Laps (7) O (7)
1	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	PASA (14)	Laps (7) O (7)
2-2:30	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	PASA (14)	Laps (7) O (7)
2:30-3	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	L(7) O(7)	Laps (7) O (7)
3 - 3:30	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (7) O (7)	Laps (7) O (7)
3:30 - 4	PASA (7) Laps (7)	PASA (7) Laps (7)	PASA (7) Laps (7)	PASA (7) Laps (7)	PASA (7) Laps (7)	Laps (7) O (7)	Laps (7) O (7)
4-5	PASA (14)	PASA (14)	PASA (14)	PASA (14)	PASA (14)	Laps (7) O (7)	Laps (7) O (7)
5-6	PASA (14)	PASA (14)	PASA (14)	PASA (14)	PASA (14)	Laps (7) O (7)	Laps (7) O (7)
6-7	PASA (14)	PASA (14)	PASA (14)	PASA (14)	PASA (14)		
7-7:30	PASA (4)	PASA (4) L (3) M (7)	PASA (4)	PASA (4) L (3) M (7)			
7:30-8		L(7) M(7)		L(7) M(7)			

Attachment B: Proposed Initial Pricing

Resident Rates: ADULT					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$48	\$135	\$6	
Open Swim				\$6	
Swim Lessons					
Group	\$30				\$22
Private	\$30				\$70
Masters	\$30	\$88	\$250	\$20	
Masters + Lap	\$30	\$125	\$360		
Resident Rates: SENIOR 60+					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$33.60	\$94.50	\$4	
Open Swim				\$4	
Swim Lessons					
Group	\$30				\$22
Private	\$30				\$70
Masters	\$30	\$61.60	\$175	\$14	
Masters + Lap	\$30	\$87.50	\$252		
Resident Rates: YOUTH (0-18)					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$36	\$101.25	\$4.50	
Open Swim				\$4.50	
Swim Lessons					
Group	\$30				\$22
Private	\$30				\$70
Camps					\$360 per week
Youth Swim Team	PASA pricing applies				

Administrative fees will only be charged once per calendar year and are capped at \$50 per family.

FEE REDUCTIONS AVAILABLE: Scholarships are available for low-income youth. The scholarship reduces the prices of group lessons by \$15 each, thereby reducing the cost to \$7 per lesson for residents and \$9 per lesson for non-residents. Scholarships are also available for youth wishing to become lifeguard certified. The scholarship will be \$200 off of each \$300 lifeguard certification course. There is no annual cap on scholarships available per child. Scholarships end once youth can swim freestyle across the pool.

Non-Resident Rates: ADULT					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$56	\$156	\$7	
Open Swim				\$7	
Swim Lessons					
Group	\$30				\$24
Private	\$30				\$70
Masters	\$30	\$88	\$250	\$20	
Masters + Lap	\$30	\$133	\$385		

Non-Resident Rates: SENIOR 60+					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$39.20	\$109.20	\$4.90	
Open Swim				\$4.90	
Swim Lessons					
Group	\$30				\$24
Private	\$30				\$70
Masters	\$30	\$61.60	\$175	\$14	
Masters + Lap	\$30	\$93.10	\$269.50		

Non-Resident Rates: YOUTH (0-18)					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$42	\$117	\$5.25	
Open Swim				\$5.25	
Swim Lessons					
Group	\$30				\$24
Private	\$30				\$70
Camps					\$360 per week
Youth Swim Team	PASA pricing applies				

Administrative fees will only be charged once per calendar year and are capped at \$50 per family.

FEE REDUCTIONS AVAILABLE: Scholarships are available for low-income youth. The scholarship reduces the prices of group lessons by \$15 each, thereby reducing the cost to \$7 per lesson for residents and \$9 per lesson for non-residents. Scholarships are also available for youth wishing to become lifeguard certified. The scholarship will be \$200 off of each \$300 lifeguard certification course. There is no annual cap on scholarships available per child. Scholarships end once youth can swim freestyle across the pool.

**CITY OF PALO ALTO CONTRACT NO. C19173035
GENERAL SERVICES AGREEMENT
"REVENUE CONTRACT"**

THIS AGREEMENT made and entered into on the 26th day of November, 2018, by and between the **CITY OF PALO ALTO, a California chartered municipal corporation ("CITY")**, and **TEAM SHEEPER, INC., a California corporation**, located at 501 Laurel Street, Menlo Park, CA 94025, Telephone Number: (650)504-1114 ("**CONTRACTOR**"). In consideration of their mutual covenants, the parties hereto agree as follows:

1. **SERVICES.** CONTRACTOR shall provide or furnish the services (the "Services") described in the Scope of Services, attached at Exhibit A.

2. **EXHIBITS.** The following exhibits are attached to and made a part of this Agreement:

- "A" - Scope of Services
- "B" - Schedule of Performance
- "C" - Payment Plan and/or Schedule
- "D" - Insurance Requirements

Will Contractor be Working with minors? X yes _____ No
If yes, include Eligible to Hire form and proof of negative TB test (file)

CONTRACT IS NOT COMPLETE UNLESS ALL EXHIBITS ARE ATTACHED.

3. **TERM.**
The term of this Agreement is from January 1, 2019 to December 31, 2024 inclusive, subject to the provisions of Sections Q and V of the General Terms and Conditions.

A renewal option for a period or periods of up to 5 years is available upon mutual agreement, to be executed as an amendment to this Agreement in accordance with Section R ("Assignment/Changes").

4. **SCHEDULE OF PERFORMANCE.** CONTRACTOR shall complete the Services within the term of this Agreement in a reasonably prompt and timely manner based upon the circumstances and direction communicated to CONTRACTOR, and if applicable, in accordance with the schedule set forth in the Schedule of Performance, attached at Exhibit B. Time is of the essence in this Agreement.

5. COMPENSATION FOR ORIGINAL TERM. CITY shall pay and CONTRACTOR agrees to accept as not-to-exceed compensation for the full performance of the Services and reimbursable expenses, if any:

- CITY SHALL PAY CONTRACTOR:
- CONTRACTOR SHALL PAY CITY: see Exhibit C – Schedule of Fees

6. COMPENSATION DURING ADDITIONAL TERMS.

- CONTRACTOR’S compensation rates for each additional term shall be the same as the original term; **OR**
- CONTRACTOR’s compensation rates shall be adjusted effective on the commencement of each Additional Term. The lump sum compensation amount, hourly rates, or fees, whichever is applicable as set forth in section 5 above, shall be adjusted by a percentage equal to the change in the Consumer Price Index for Urban Wage Earners and Clerical Workers for the San Francisco-Oakland- San Jose area, published by the United States Department of Labor Statistics (CPI) which is published most immediately preceding the commencement of the applicable Additional Term, which shall be compared with the CPI published most immediately preceding the commencement date of the then expiring term. Notwithstanding the foregoing, in no event shall CONTRACTOR’s compensation rates be increased by an amount exceeding five percent of the rates effective during the immediately preceding term. Any adjustment to CONTRACTOR’s compensation rates shall be reflected in a written amendment to this Agreement.

7. PAYMENT AND PAYMENT RECORD. Send all payment and payment records to CITY, Attention: Project Manager. The Project Manager is: Stephanie Douglas, Dept.: CSD, Recreation, Telephone: (650)329-2107. Payment record statements shall be submitted in arrears for Services performed. Statements shall not be submitted more frequently than monthly. Statements shall provide a detailed statement of Services performed during the period and are subject to verification by CITY.

GENERAL TERMS AND CONDITIONS

A. ACCEPTANCE. CONTRACTOR accepts and agrees to all terms and conditions of this Agreement. This Agreement includes and is limited to the terms and conditions set forth in sections 1 through 6 above, these general terms and conditions and the attached exhibits.

B. QUALIFICATIONS. CONTRACTOR represents and warrants that it has the expertise and qualifications to complete the services described in Section 1 of this Agreement, entitled "SERVICES," and that every individual charged with the performance of the services under this Agreement has sufficient skill and experience and is duly licensed or certified, to the extent such licensing or certification is required by law, to perform the Services. CITY expressly relies on CONTRACTOR's representations regarding its skills, knowledge, and certifications. CONTRACTOR shall perform all work in accordance with generally accepted business practices and performance standards of the industry, including all federal, state, and local operation and safety regulations.

C. INDEPENDENT CONTRACTOR. It is understood and agreed that in the performance of this Agreement, CONTRACTOR and any person employed by CONTRACTOR shall at all times be considered an independent CONTRACTOR and not an agent or employee of CITY. CONTRACTOR shall be responsible for employing or engaging all persons necessary to complete the work required under this Agreement.

D. SUBCONTRACTORS. CONTRACTOR may not use subcontractors to perform any Services under this Agreement unless CONTRACTOR obtains prior written consent of CITY. CONTRACTOR shall be solely responsible for directing the work of approved subcontractors and for any compensation due to subcontractors.

CITY consents CONTRACTOR to use Palo Alto Stanford Aquatics (PASA) to provide youth swim team services.

E. TAXES AND CHARGES. CONTRACTOR shall be responsible for payment of all taxes, fees, contributions or charges applicable to the conduct of CONTRACTOR's business.

F. COMPLIANCE WITH LAWS. CONTRACTOR shall in the performance of the Services comply with all applicable federal, state and local laws, ordinances, regulations, and orders.

G. DAMAGE TO PUBLIC OR PRIVATE PROPERTY. CONTRACTOR shall, at its sole expense, repair in kind, or as the City Manager or designee shall direct, any damage to public or private property that occurs in connection with CONTRACTOR's performance of the Services. CITY may decline to approve and may withhold payment in whole or in part to such extent as may be necessary to protect CITY from loss because of defective work not remedied or other damage to the CITY occurring in connection with CONTRACTOR's performance of the Services. CITY shall submit written documentation in support of such withholding upon CONTRACTOR's request. When the grounds described above are removed, payment shall be made for amounts withheld because of them.

- H. WARRANTIES.** CONTRACTOR expressly warrants that all services provided under this Agreement shall be performed in a professional and workmanlike manner in accordance with generally accepted business practices and performance standards of the industry and the requirements of this Agreement. CONTRACTOR expressly warrants that all materials, goods and equipment provided by CONTRACTOR under this Agreement shall be fit for the particular purpose intended, shall be free from defects, and shall conform to the requirements of this Agreement. CONTRACTOR agrees to promptly replace or correct any material or service not in compliance with these warranties, including incomplete, inaccurate, or defective material or service, at no further cost to CITY. The warranties set forth in this section shall be in effect for a period of one year from completion of the Services and shall survive the completion of the Services or termination of this Agreement.
- I. MONITORING OF SERVICES.** CITY may monitor the Services performed under this Agreement to determine whether CONTRACTOR's work is completed in a satisfactory manner and complies with the provisions of this Agreement.
- J. CITY'S PROPERTY.** Title to CITY's property furnished to CONTRACTOR shall remain in the CITY. CONTRACTOR shall not alter or use property for any purpose, other than that specified by CITY, or for any other person without the prior written consent of CITY. CONTRACTOR shall store, protect, preserve, repair and maintain such property in accordance with sound professional practice, all at CONTRACTOR's expense. Any reports, information, data or other material (including copyright interests) developed, collected, assembled, prepared, or caused to be prepared under this Agreement will become the property of CITY without restriction or limitation upon their use and will not be made available to any individual or organization by CONTRACTOR or its subcontractors, if any, without the prior written approval of the City Manager.
- K. AUDITS.** CONTRACTOR agrees to permit CITY and its authorized representatives to audit, at any reasonable time during the term of this Agreement and for three (3) years from the date of final payment, CONTRACTOR's records pertaining to matters covered by this Agreement. CONTRACTOR agrees to maintain accurate books and records in accordance with generally accepted accounting principles for at least three (3) years following the terms of this Agreement.
- L. NO IMPLIED WAIVER.** 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.
- M. INSURANCE.** CONTRACTOR, at its sole cost, shall purchase and maintain in full force during the term of this Agreement, the insurance coverage described at Exhibit D. Insurance must be provided by companies with a Best's Key Rating of

A-:VII or higher and which are otherwise acceptable to CITY's Risk Manager. The Risk Manager must approve deductibles and self-insured retentions. In addition, all policies, endorsements, certificates and/or binders are subject to approval by the Risk Manager as to form and content. CONTRACTOR shall obtain a policy endorsement naming the City of Palo Alto as an additional insured under any general liability or automobile policy. CONTRACTOR shall obtain an endorsement stating that the insurance is primary coverage and will not be canceled or materially reduced in coverage or limits until after providing 30 days prior written notice of the cancellation or modification to the Risk Manager. CONTRACTOR shall provide certificates of such policies or other evidence of coverage satisfactory to the Risk Manager, together with the required endorsements and evidence of payment of premiums, to CITY concurrently with the execution of this Agreement and shall throughout the term of this Agreement provide current certificates evidencing the required insurance coverages and endorsements to the Risk Manager. CONTRACTOR shall include all subcontractors as insured under its policies or shall obtain and provide to CITY separate certificates and endorsements for each subcontractor that meet all the requirements of this section. The procuring of such required policies of insurance shall not operate to limit CONTRACTOR's liability or obligation to indemnify CITY under this Agreement.

N. HOLD HARMLESS. To the fullest extent permitted by law and without limitation by the provisions of section M relating to insurance, CONTRACTOR shall indemnify, defend and hold harmless CITY, its Council members, officers, employees and agents from and against any and all demands, claims, injuries, losses, or liabilities of any nature, including death or injury to any person, property damage or any other loss and including without limitation all damages, penalties, fines and judgments, associated investigation and administrative expenses and defense costs, including, but not limited to reasonable attorney's fees, courts costs and costs of alternative dispute resolution), arising out of, or resulting in any way from or in connection with the performance of this Agreement. CONTRACTOR's obligations under this Section apply regardless of whether or not a liability is caused or contributed to by any negligent (passive or active) act or omission of CITY, except that CONTRACTOR shall not be obligated to indemnify for liability arising from the sole negligence or willful misconduct of CITY. The acceptance of the Services by CITY shall not operate as a waiver of the right of indemnification. The provisions of this Section survive the completion of the Services or termination of this Agreement.

O. NON-DISCRIMINATION. As set forth in Palo Alto Municipal Code section 2.30.510, CONTRACTOR certifies that in the performance of this Agreement, it shall not discriminate in the employment of any person because of the race, skin color, gender, age, religion, disability, national origin, ancestry, sexual orientation, housing status, marital status, familial status, weight or height of such person. CONTRACTOR acknowledges that it has read and understands the

provisions of Section 2.30.510 of the Palo Alto Municipal Code relating to Nondiscrimination Requirements and the penalties for violation thereof, and agrees to meet all requirements of Section 2.30.510 pertaining to nondiscrimination in employment.

- P. WORKERS' COMPENSATION.** CONTRACTOR, by executing this Agreement, certifies that it is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and certifies that it will comply with such provisions, as applicable, before commencing and during the performance of the Services.
- Q. TERMINATION.** The City Manager or his/her designee may terminate this Agreement without cause by giving ninety (90) days' prior written notice thereof to CONTRACTOR. If CONTRACTOR fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, the City Manager may terminate this Agreement immediately upon written notice of termination. Upon receipt of such notice of termination, CONTRACTOR shall immediately discontinue performance. CITY shall pay CONTRACTOR for services satisfactorily performed up to the effective date of termination. If the termination is for cause, CITY may deduct from such payment the amount of actual damage, if any, sustained by CITY due to CONTRACTOR's failure to perform its material obligations under this Agreement. Upon termination, CONTRACTOR shall immediately deliver to the City Manager any and all copies of studies, sketches, drawings, computations, and other material or products, whether or not completed, prepared by CONTRACTOR or given to CONTRACTOR, in connection with this Agreement. Such materials shall become the property of CITY. The CONTRACTOR may terminate this Agreement without cause by giving ninety (90) days' prior written notice thereof to the Project Manager.
- R. ASSIGNMENTS/CHANGES.** This Agreement binds the parties and their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written consent of CITY. No amendments, changes or variations of any kind are authorized without the written consent of CITY.
- S. CONFLICT OF INTEREST.** In accepting this Agreement, CONTRACTOR covenants that it presently has no interest, and will not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of this Contract. CONTRACTOR further covenants that, in the performance of this Contract, it will not employ any person having such an interest. CONTRACTOR certifies that no CITY Officer, employee, or authorized representative has any financial interest in the business of CONTRACTOR and that no person associated with CONTRACTOR has any interest, direct or indirect,

which could conflict with the faithful performance of this Contract. CONTRACTOR agrees to advise CITY if any conflict arises.

T. GOVERNING LAW. This contract shall be governed and interpreted by the laws of the State of California.

U. ENTIRE AGREEMENT. This Agreement, including all exhibits, represents the entire agreement between the parties with respect to the services that may be the subject of this Agreement. Any variance in the exhibits does not affect the validity of the Agreement and the Agreement itself controls over any conflicting provisions in the exhibits. This Agreement supersedes all prior agreements, representations, statements, negotiations and undertakings whether oral or written.

V. NON-APPROPRIATION. This Agreement is subject to the fiscal provisions of the Charter of the City of Palo Alto and the Palo Alto Municipal Code. This Agreement will terminate without any penalty (a) at the end of any fiscal year in the event that funds are not appropriated for the following fiscal year, or (b) at any time within a fiscal year in the event that funds are only appropriated for a portion of the fiscal year and funds for this Contract are no longer available. This Section shall take precedence in the event of a conflict with any other covenant, term, condition, or provision of this Contract.

W. ENVIRONMENTALLY PREFERRED PURCHASING AND ZERO WASTE REQUIREMENTS. CONTRACTOR shall comply with CITY's Environmentally Preferred Purchasing policies which are available at CITY's Purchasing Division, which are incorporated by reference and may be amended from time to time. CONTRACTOR shall comply with waste reduction, reuse, recycling and disposal requirements of CITY's Zero Waste Program. Zero Waste best practices include first minimizing and reducing waste; second, reusing waste and third, recycling or composting waste. In particular, CONTRACTOR shall comply with the following zero waste requirements:

- All printed materials provided by CONTRACTOR to CITY generated from a personal computer and printer including but not limited to, proposals, quotes, invoices, reports, and public education materials, shall be double-sided and printed on a minimum of 30% or greater post-consumer content paper, unless otherwise approved by CITY's Project Manager. Any submitted materials printed by a professional printing company shall be a minimum of 30% or greater post-consumer material and printed with vegetable based inks.
- Goods purchased by Contractor on behalf of CITY shall be purchased in accordance with CITY's Environmental Purchasing Policy including, but not limited to, Extended Producer Responsibility requirements for products and packaging. A copy of this policy is on file at the Purchasing

Division's office.

- Reusable/returnable pallets shall be taken back by CONTRACTOR, at no additional cost to CITY, for reuse or recycling. CONTRACTOR shall provide documentation from the facility accepting the pallets to verify that pallets are not being disposed.

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

Y. CONTRACT TERMS: All unchecked boxes do not apply to this Agreement.

Z. INDEPENDENT CONTRACTORS. In accordance with City Policy and Procedures 2-2/HRD prior to commencing work or performing services for the City of Palo Alto, contractors or agency employees who will perform any part of their services at a City location are required to present proof of fingerprinting/background processing. Proof of fingerprinting/background processing shall be a requirement in the scope of services in City contracts involving services or programs with schools, janitorial, park maintenance as well as City facilities that will include supervising children or involved specific contact with the elderly, handicapped or mentally impaired. Contractors working in sensitive areas such as the Police or Fire departments, or working during after-business hours or as otherwise deemed appropriate by the City Manager or designee, will also be required to present proof of fingerprinting/background processing.

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement on the date first above written.

CITY OF PALO ALTO

TEAM SHEEPER, INC.

City Manager or designee

Officer 1

By:

DocuSigned by:
Tim Sheeper
09FDB12D95194EC...
Tim Sheeper

Name:

Title: CEO

APPROVED AS TO FORM:

City Attorney or designee

Officer 2

By:

DocuSigned by:
Carole Hayworth
E705461D26A64A4...
Carole Hayworth

Name:

Title: CFO

**EXHIBIT A
SCOPE OF SERVICES**

CONTRACTOR agrees to provide aquatics services for the City of Palo Alto offered at Rinconada Pool, 777 Embarcadero Road, Palo Alto, CA 94301 and other pools in Palo Alto.

I. General Standards For CONTRACTOR

- a. Provide Quality Services
 - i. Conduct the programs in a safe manner
 - ii. Not allow participants to be in the pool without at least two Certified Lifeguards present on the pool deck and providing supervision. Contractor shall provide these lifeguards for all programs it offers under this Agreement.
 - iii. Swim Instructors and Certified Lifeguards are:
 - 1. Knowledgeable and experienced in the subject and age group being taught based on the specific training program for lifeguards and swim instructors
 - 2. Reliable and punctual
 - 3. Start and end lessons on time
 - 4. Organized and prepared to teach at the start of each lesson
 - iv. Program Evaluations
 - 1. At least annually, evaluations will be distributed to participants from all pool programs. CONTRACTOR will communicate with participants the importance of completing the evaluation. CONTRACTOR will provide responses to CITY staff.
 - v. Process all registrations for aquatics programming
- b. Provide Excellent Customer Service
 - i. Build rapport with customers by greeting all participants and parents and create a welcoming and professional atmosphere
 - ii. Address customer and City staff questions and concerns within 24 hours and provide follow-up if needed
 - iii. Maintain a high quality website with up-to-date accurate information
- c. Maintain Quality Instructors and Employees
 - i. Conduct comprehensive backgrounding reviews for all employees
 - ii. Appear at the pool wearing appropriate attire that is clean, presentable and clearly identified as Palo Alto Aquatics staff
 - iii. Swim instructors and Certified Lifeguards will not use cell phones during work shifts i.e., while on the pool deck and in front of customers, except in an emergency
 - iv. Provide consistency with quality standards for all instructors and employees
- d. Manage Administrative Tasks
 - i. CONTRACTOR shall provide its own cash registers, computers, and other equipment necessary to process and record payments,

- registrations, schedules, and other administrative functions.
- ii. Maintain Proactive and Consistent Communication with CITY staff
 - iii. Communicate problems and issues immediately with the City of Palo Alto Project Manager via phone, email or in person.
 - iv. Inform City staff of participant injuries and complete necessary accident reports within 24 hours. Accident forms should be available on site.
 - v. Respond in a timely manner to emails and phone calls within 24 hours.
 - vi. Establish and maintain working relationships with City staff and customers
 - vii. Monitor condition of facility and all equipment in and around the facility. CONTRACTOR shall proactively report maintenance issues/concerns to Project Manager at least weekly and shall assist with projects requiring coordination between CONTRACTOR and city staff.
 - viii. Maintain an up-to-date comprehensive Aquatics Manual with Policies and Procedures at pool site at all times. The manual shall include, but not be limited to the following information:
 1. safe work habits
 2. safe use of chemicals
 3. how to use MSDS sheets
 4. safe use of equipment
 5. proper use of cautions signs, barriers, or other devices
 6. proper handling of hazardous materials, biological waste, and blood-borne pathogens
 - ix. Responsible for including policies and procedures with regard to detailed safety plan, swim lessons and pool deck entry that Project Manager agrees to (i.e. waiting lists, cancellation, refund, satisfaction, etc.)
 - x. Instructors are responsible for verifying that only registered participants are permitted to participate in programs.
 - xi. Ensure only swim staff use the pool office.
 - xii. Utilize best practices and relevant legal requirements to create and enforce pool rules, which shall be kept on site, reviewed and updated annually, and observed by all staff.
 - xiii. CONTRACTOR shall be first responder to all biological contaminants in the pool including vomit and urine. This entails removing solid material from the pool and pouring chemicals in per Council codes. City staff will make adjustments to chemicals through the automated chemical monitoring system. City staff shall take over care of water chemistry after initial treatment to ensure safety of water per state and county guidelines.
 - xiv. Provide an annual report no later than 45 days after the end of each year during the Contract Term to staff which will be presented to the CITY'S Parks & Recreation Commission for review and comment by the Commission. The annual report should include the

following items:

1. Total program hours by program area
 2. Participation statistics by program area including resident and non-resident percentages
 3. Customer satisfaction survey results
 4. User group feedback by program area or rental
 5. Gross revenues and revenue shares between CONTRACTOR and the CITY
 6. Risk management documentation
 7. Training certifications listed by staff members
- e. CONTRACTOR shall provide the following maintenance services
- i. Keep facility neat throughout the day by putting away all equipment from pool deck, empty trash cans, pick up trash from pool deck, remove and replace pool covers on appropriate reels after each use
 1. Contractor shall ensure that items/equipment necessary to maintain near the pool shall be kept in ways that maximize their expected life and minimize clutter on the pool deck
 2. CONTRACTOR shall close the pool for one week each December for City staff to performance facility maintenance. City staff and the CONTRACTOR shall come to mutual agreement on the schedule at least 30 days in advance.
 - ii. Maintain cleanliness of pools, locker rooms, lobby and office space during facility operational hours, including:
 1. Light sweeping of pool deck and indoor spaces
 2. Spot mopping and cleaning locker rooms
 3. Take out trash at end of day and during sessions as needed
 4. Pick up trash from pool deck
 5. Light cleaning of lobby and other indoor space
- f. CONTRACTOR shall utilize all offices, storage spaces, locker rooms and other indoor spaces within the Rinconada Pool complex in their optimal capacity. For example, items that are rarely used, shall not be stored in spaces that could house campers for indoor activities or snack bar areas.
- g. CONTRACTOR shall maintain inventory of badges, keys and other small equipment issued by the City and shall alert the City within 24 hours of missing items.
- II. Specific Programs to be Staffed and Run by CONTRACTOR
- a. CONTRACTOR shall provide discounted pricing for all programs to Palo Alto residents programs as agreed to in Exhibit C-1 "Initial Pricing." "City of Palo Alto residents" as used in this Contract are only those people who can prove residence in the City of Palo Alto by showing a valid state-issued identification with an address in the City; or a utility bill from the City of Palo Alto; or in the case of students, a current identification card from a Palo Alto Unified School District school. CONTRACTOR shall be responsible for verifying residency.
 - i. CONTRACTOR shall ensure that low income Palo Alto residents are referred to the 501(c) Beyond Barriers to help provide them

- with financial aid discounted pricing for youth swim lessons to low income Palo Alto residents.
 - ii. CONTRACTOR shall offer senior discounted pricing for Palo Alto resident adults age 60 or older for open swim, lap swim, and masters swim.
- b. CONTRACTOR shall staff and run swim lessons and swim camps for various ages (including children) and skill levels. CONTRACTOR shall adhere to the following standards:
 - i. CONTRACTOR shall offer a minimum of at least the following: swim lessons 6 days per week during summer and shall aim to offer at least 10,000 30 minute lessons per year.
 - ii. CONTRACTOR shall offer a minimum of 8 weeks of swim camps per year that can enroll a minimum of 30 children per week.
 - iii. At the end of each lesson and camp session the CONTRACTOR will monitor and ensure participants are picked up by an authorized adult.
- c. CONTRACTOR shall staff and run Open/Recreational and Lap Swim programs.
 - i. CONTRACTOR shall provide a minimum of 500 open swim lane hours during the summer season and 100 open swim lane hours during non-summer seasons (Spring and Fall).
 - ii. CONTRACTOR shall provide a minimum of 500 lane hours/week for lap swim lane hours during the summer season and 400 lane hours/week lap swim lane hours during non-summer seasons.
- d. Accept fees for service from pool users using the CONTRACTOR's point-of-sale system.
- e. CONTRACTOR shall staff and run or subcontract for an adult masters swim team and a youth swim team.
 - i. CONTRACTOR shall aim to maintain a minimum of 75 monthly master swim team members and a minimum of 200 monthly youth swim team members.
 - ii. CONTRACTOR to provide a minimum of 200 lane hours / week for the youth swim team.
 - iii. CONTRACTOR to provide a minimum of 49 lane hours / week for the adult masters swim team
- f. CONTRACTOR shall offer pool parties and additional aquatics programming such as aqua- aerobics, diving classes/teams, water polo, personal training in the water, special events, and/or fitness activities using both water and park features (boot camps, etc.)
- g. CONTRACTOR shall provide access to open swim at least 200 hours per summer for CITY-affiliated summer camps in exchange for CONTRACTOR-run summer camps' use of Rinconada Park and other City cultural facilities.
- h. CONTRACTOR is authorized to sell a limited amount of convenience food and other merchandise to customers at the pool should CONTRACTOR so desire.
- i. CONTRACTOR and CITY shall mutually set pool schedule and prices for aquatics programming. The initial pricing structure can be found in

Exhibit C - Compensation and pool schedule can be found in Exhibit B.

III. City's Responsibilities

- a. CITY shall provide clean and safe facility.
 - i. CITY staff will maintain chemical room, provide daily aquatics inspections/maintenance and oversee facility management
 - ii. CITY is responsible for the costs of maintaining the pool and facilities, including heating and utility costs, maintenance and repair, (other than those general items listed in CONTRACTOR's responsibilities), pool chemical costs, and labor costs associated with these items. Additionally, CITY shall provide some general supplies, such as locker room soap and toilet paper sufficient for average daily use.
 - iii. CITY shall make repairs to facility when needed and shall maintain chemicals for all pools.
 - iv. City shall maintain the primary responsibility over pool vacuuming and cleaning debris from trees on pool deck, including landscaping of trees, grass and brush.
 - v. CITY shall provide badges, keys and other small equipment.
 - vi. CITY shall provide access to a phone line and internet access at Rinconada Pool
 - vii. CITY shall provide quarterly walk through safety inspections and trainings
- b. CITY shall develop and maintain proactive and consistent communication and rapport with CONTRACTOR
 - i. Respond in a timely manner to emails and phone calls
 - ii. Communicate and resolve issues and concerns immediately
 - iii. CITY shall provide excellent customer service to CONTRACTOR staff and customers

PROGRAM DESCRIPTIONS

Swim Lessons

Levels

Waterbabies: For ages 6 months to under 3 years. Parent participation class where babies are introduced to the water through songs and games. Each game that we play together as a group can be adjusted to accommodate a parent's comfort level and the swimming ability of the child. This is a 30-minute group class with a 6:1 ratio.

Water Tots: For ages 2 years old. Water Tot's is a class without parent participation for students who are comfortable in the water are ready to learn the next set of swimming skills. The student to teacher ratio of 3:1 allows a small, safe learning environment to introduce fundamental water skills. This class focuses on building comfort, water safety, and skills such as: breathing, floating, bobs, jumps and, of course, fun.

Swimming Principles: Children learn to be safe, independent swimmers and begin to learn proper head and body position that will lead to success in the strokes to come. Skills include floating independently on back and front, and breathe control.

Level 1: Designed to continue water safety skills as well as develop body position and kicks.

Swimmers must be water safe and able to kick in streamline for 5 yards to pass.

Level 2: Designed to continue water safety skills as well as develop a strong foundation for

Freestyle. Swimmers learn to kick in streamline for 10 yards, rolling onto their back for a breath.

Level 3: Designed to develop a strong foundation for Freestyle. Swimmers learn to kick in streamline for 10 yards with a side breath.

Freestyle: Swimmers learn freestyle beginning with body position, efficient flutter kicks, freestyle arms, and side breathing.

Backstroke: Swimmers continue to review and improve their freestyle while learning backstroke. They develop body position, rotation, effective kicks and backstroke arms.

Breaststroke: Swimmers will begin to learn the difference between short axis and long axis strokes, with an emphasis on the importance of a proper kick and glide. Each of the four parts of breaststroke will be isolated to yield a successful breaststroke.

Butterfly: Students learn the importance of a full body dolphin kick and undulation, timing of kicks with pull and recovery.

Lessons Advanced: Swimmers continue to refine all four strokes as well as develop more advanced techniques, including starts, turns and finishes.

Lessons Elite: The goals for swimmers in the class are to become proficient in all four competitive strokes, swim terminology, and receive coaching in and out of the water.

Swim Camp

Whether just learning to swim or developing strokes, your child receives a daily, 45-minute, level-appropriate lesson from a trained Swim School instructor (ratio 4:1). A child's swim level is assessed on the first day of camp, and campers with similar abilities are grouped together. More advanced swimmers also get a workout-style swim session in a 25-yard format to practice what they have learned. Daily hands-on lessons in small focused groups invariably lead to rapid advancement in a child's swim skills.

In addition to swim instruction, campers have daily swim-related workouts, free swim time for land and camp games, crafts, and lunch. Your child should come home healthy-tired but able to have loads of fun the entire week!

Sample Daily Activities

8:45 Camper check-in

9:00 Camp games, settle in for Director Address

9:30 Group A: Swim lesson, Group B: Land games for swim strength and conditioning followed by a healthy snack

10:15 Group A: Healthy snack followed by land games for swim strength and conditioning.

Group B: Swim lesson plus, for more advanced swimmers, a swim work-out

11:00 Transition out of pool (sunscreen!)

11:15 Lunch from home enjoyed on the benches or picnic-style on the grass

11:45 Camper choice: land games, crafts, relax with friends

12:45 Transition to free swim

1:00 Free swim

1:50 Get ready for pick-up or transfer to extended care

Is This Camp for You?

For ages 5 to 12 years (on the first day of camp)

For campers who HAVE COMPLETED kindergarten

Camp is for kids who are comfortable in the water, enjoy social group situations, and respond well to instruction

Ideal before any family vacation that includes water activities!

Pre-K Camp

Palo Alto Swim and Sport offers Pre-K Aquatics camp for kids age 4.5-6!

For our little ones, Camp Palo Alto provides fun, instruction, and encouragement in a safe, friendly environment. Each camper receives a daily 45-minute swim lesson from a Palo Alto

Swim School instructor, plus has time for land games, crafts and a light lunch. They'll enjoy community and team fun while developing a love of water and swim skills. Your child should come home healthy-tired but not destroyed for the rest of the day!

When you check out each day, stick around to enjoy Open Swim with your child. Spending time in the pool together reinforces what they've learned and improves their feel for the water. Open Swim starts at noon!

Sample Daily Schedule

8:45 Check-in

9:00 Welcome and games

9:45 Crafts and snack

10:45 Fun stretching

11:00 Swim lesson

11:45 Dry off, get ready for lunch

12:00 Lunch time with friends and counselors

12:30 Story time

1:00 Free swim in Baby Pool or play games

1:50 Pick up or transfer to extended care

For ages 4.5 to 6 years (on the first day of camp)

For campers who have NOT COMPLETED kindergarten, or who need extra assistance

Campers are toilet trained and can manage the toilet independently 4:1 child-to-adult ratio both during swim lessons and with counselors on land Ideal before any family vacation that includes water activities!

Morning Extended Camp

We are pleased to offer early Extended Camp from 8:00 to 8:45 a.m., so you can drop off your kids and be on your way! You can be sure that check-in will be fast and your child will receive great care for a happy start to the day!

Afternoon Extended Camp

Extended camp is just the ticket for your child to rest and re-energize, play social games, read, advance some new skills or listen to music! Tried and true, our counselors provide a safe and lively afternoon of new and varied activities, full of opportunities for the campers to mix and mingle or have some quiet time; build and create; or have fun with more sports! The kids won't miss a beat, as they seamlessly transition to the afternoon segment of their day of excitement.

Pool Parties

Have a birthday party or special event at the pool! Reserve two hours of fun for your family and friends! Party includes: Swim admission for 12 kids and 4 adult chaperones (over age 18), 2 large picnic tables reserved for your group

Masters Swim

We welcome swimmers of all abilities, age 18 and up, who are interested in regular structured workouts. Previous experience in competitive swimming is not necessary. Masters swimmers include beginners, triathletes, former collegiate athletes, nationally ranked competitors and everything in between — all ages, shapes, and sizes. Every workout is different and you'll learn something each and every time. Along with ongoing conditioning at workouts, the team provides stroke instruction, intra-club activities, competitions, and social events throughout the year. We focus on developing swimming skills, enhancing the enjoyment of swimming through regular workouts and professional instruction, and the promotion of lifetime fitness through swimming.

Youth Swim Team

Year round competitive swim team offering high quality professional coaching and technique instruction for all ages and abilities. The goal is to provide every member an opportunity to improve swimming skills and achieve success at his or her level of ability, from novice to international competitor. We are constantly growing and training young swimmers to maintain a well-rounded competitive swim team.

Lap Swim

Lanes are dedicated to lap swimming in the deep pool at Rinconada seven days per week year round. Two lifeguards are on duty at all times. We observe circle swimming when there are more than two swimmers per lane. The number of lanes for Lap Swimming

varies according to scheduled activities in each pool, but during the times below, you will find designated lap lanes.

Look for the yellow cones on deck. If you are registered to pay for laps monthly, you can come to Recreation Swim any time. Choose to swim laps or play with your kids—your time in the pool is already paid for. Even drop-in fees are good all day for both Laps and Open/Recreation Swim.

Open/Recreation Swim

Lifeguards are on duty at all times during open swim. No registration required, just drop in (or use a pass) to play in the round pool and deep pool; many open swim sessions include use of the diving boards. Children 5 years and younger must have a parent/guardian (16+) in the pool, within arm's reach at all times. Children 6 – 12 years must have a parent/guardian (16+) on the pool deck supervising them, unless they are attending a registered class or program.

EXHIBIT B
SCHEDULE OF PERFORMANCE

Program	Aquatics Seasons Offered
Swim lessons	Spring, Summer, Fall and optional Winter
Swim camps	Summer
Lap swim	Spring, Summer, Fall, and Winter (all seasons)
Open/Recreational swim	Spring, Summer, Fall and optional Winter
Masters Swim	Spring, Summer, Fall, and Winter (all seasons)
Youth Swim Team	Spring, Summer, Fall, and Winter (all seasons)

INITIAL POOL SCHEDULE



PROPOSED SCHEDULE

Palo Alto Swim & Sport

Rinconada Pool Schedule: **January 2019**

Lap Pool

L = Laps Swim, O = Open Swim, PASA = Palo Alto Stanford Aquatics, M = Masters

	MON	TUE	WED	THU	FRI	SAT	SUN
5:45	Masters (7)		Masters (7)		Masters (7)		
6-7	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	
7-8	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	Masters (7) Laps (7)	Laps (14)	Laps (14)
8-9	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Masters (7) Laps (7)	Masters (7) Laps (7)
9-10	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)
10-11	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)
11-12	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	PASA (14)	Laps (14)
12-1	Laps (14)	M (7) Laps (7)	Laps (14)	M (7) Laps (7)	Laps (14)	PASA (14)	Laps (7) O (7)
1	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	PASA (14)	Laps (7) O (7)
2-2:30	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	PASA (14)	Laps (7) O (7)
2:30-3	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	L(7) O(7)	Laps (7) O (7)
3-3:30	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (14)	Laps (7) O (7)	Laps (7) O (7)
3:30 - 4	PASA (7) Laps (7)	PASA (7) Laps (7)	PASA (7) Laps (7)	PASA (7) Laps (7)	PASA (7) Laps (7)	Laps (7) O (7)	Laps (7) O (7)
4-5	PASA (14)	PASA (14)	PASA (14)	PASA (14)	PASA (14)	Laps (7) O (7)	Laps (7) O (7)
5-6	PASA (14)	PASA (14)	PASA (14)	PASA (14)	PASA (14)	Laps (7) O (7)	Laps (7) O (7)
6-7	PASA (14)	PASA (14)	PASA (14)	PASA (14)	PASA (14)		
7-7:30	PASA (4)	PASA (4) L (3) M (7)	PASA (4)	PASA (4) L (3) M (7)			
7:30-8		L(7) M(7)		L(7) M(7)			

EXHIBIT C PAYMENT PLAN

Revenue Sharing

CONTRACTOR will collect revenue from customers for all programs they provide under this agreement and any Rinconada Pool subcontracts they hold subject to the prices listed in this agreement.

For the purposes of the revenue share, CONTRACTOR shall maintain an annual profit and loss statement (“Statement”) during the Term and any Extended Term of this Agreement. CONTRACTOR will pay gross revenues of as much as 12% of all revenues collected from all programs provided on behalf of the City of Palo Alto with the CITY based upon the following table:

Annual Total Revenue Dollars	Percent of all gross revenue from all programs under this contract owed to City
up to \$1.25 million	1%
\$1,250,001 to \$1,500,000	2%
\$1,500,001 to \$1,750,000	3%
\$1,750,001 to \$2,000,000	4%
\$2,000,001 to \$2,500,000	5%
\$2,500,001 to \$3,000,000	8%
For each additional \$500,000 in revenue, the gross revenue percentage will grow 1% point up to a maximum of 12%	
\$5,000,001 and up	12%

The percent of gross revenue is not a graduated rate (e.g. for the first \$1.25 million, 1% revenue is owed, for the next \$200,000, 2% is owed). The percent of gross revenue that is applicable for a given year applies to all gross revenue. For example, if gross revenue is \$1.85 million, 4% of all gross revenue would be owed to the CITY.

Projections of gross revenue shall be provided to the CITY within 20 days of the end of every calendar quarter. Revenue share payments for each calendar year shall be paid to the CITY no later than January 31 of the following year.

Additional Services

The CONTRACTOR shall provide additional services only by advanced, written authorization from the CITY. The CONTRACTOR, at the CITY’s project manager’s request, shall submit a detailed written proposal including a description of the scope of

services, schedule, level of effort, and CONTRACTOR'S proposed maximum compensation, including reimbursable expense, for such services. The additional services scope, schedule and maximum compensation shall be negotiated and agreed to in writing by the CITY's project manager and CONTRACTOR prior to commencement of the services. Payment for additional services is subject to all requirements and restrictions in this Agreement.

No Reimbursable Expenses

The administrative, overhead, secretarial time or secretarial overtime, word processing, photocopying, in-house printing, insurance and other ordinary business expenses are included within the scope of payment for services and are not reimbursable expenses. CONTRACTOR shall not be reimbursed for any expenses

**EXHIBIT C-1
INITIAL PRICING**

Resident Rates					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$48	\$135	\$6	
Open Swim				\$6	
Swim Lessons					
Group	\$30				\$22
Private	\$30				\$70
Masters	\$30	\$88	\$250	\$20	
Masters + Lap	\$30	\$125	\$360		
Camps					\$360 per week
Youth Swim Team	PASA pricing applies				

Non-Resident Rates					
Program	Annual Fee	Monthly	Quarterly	Drop-In	Per Lesson/Session
Lap Swim		\$56	\$156	\$7	
Open Swim				\$7	
Swim Lessons					
Group	\$30				\$24
Private	\$30				\$70
Masters	\$30	\$88	\$250	\$20	
Masters + Lap	\$30	\$133	\$385		
Camps					\$360 per week
Youth Swim Team	PASA pricing applies				

Note: Seniors (60+) will receive a 30% discount on all pricing and Youth (0-18) will receive a 25% discount on all pricing (excluding camps and swim lessons). No discount on annual administrative fees. Administrative fees will only be charged once per calendar year and are capped at \$50 per family

EXHIBIT D INSURANCE REQUIREMENTS

CONTRACTORS TO THE CITY OF PALO ALTO (CITY), AT THEIR SOLE EXPENSE, SHALL FOR THE TERM OF THE CONTRACT OBTAIN AND MAINTAIN INSURANCE IN THE AMOUNTS FOR THE COVERAGE SPECIFIED BELOW, **AFFORDED BY COMPANIES WITH AM BEST'S KEY RATING OF A-VII, OR HIGHER, LICENSED OR AUTHORIZED TO TRANSACT INSURANCE BUSINESS IN THE STATE OF CALIFORNIA.**

AWARD IS CONTINGENT ON COMPLIANCE WITH CITY'S INSURANCE REQUIREMENTS, AS SPECIFIED, BELOW:

REQUIRED	TYPE OF COVERAGE	REQUIREMENT	MINIMUM LIMITS	
			EACH OCCURRENCE	AGGREGATE
YES YES	WORKER'S COMPENSATION EMPLOYER'S LIABILITY	STATUTORY STATUTORY		
YES	GENERAL LIABILITY, INCLUDING PERSONAL INJURY, BROAD FORM PROPERTY DAMAGE BLANKET CONTRACTUAL SEXUAL ABUSE OR MOLESTATION, AND FIRE LEGAL LIABILITY	BODILY INJURY	\$3,000,000	\$4,000,000
		PROPERTY DAMAGE	\$3,000,000	\$4,000,000
		BODILY INJURY & PROPERTY DAMAGE COMBINED.	\$3,000,000	\$4,000,000
YES	AUTOMOBILE LIABILITY, INCLUDING ALL OWNED, HIRED, NON-OWNED	BODILY INJURY	\$1,000,000	\$1,000,000
		- EACH PERSON	\$1,000,000	\$1,000,000
		- EACH OCCURRENCE	\$1,000,000	\$1,000,000
		PROPERTY DAMAGE	\$1,000,000	\$1,000,000
		BODILY INJURY AND PROPERTY DAMAGE, COMBINED	\$1,000,000	\$1,000,000
NO	PROFESSIONAL LIABILITY, INCLUDING, ERRORS AND OMISSIONS, MALPRACTICE (WHEN APPLICABLE), AND NEGLIGENT PERFORMANCE	ALL DAMAGES	\$2,000,000	
YES	THE CITY OF PALO ALTO IS TO BE NAMED AS AN ADDITIONAL INSURED: CONTRACTOR, AT ITS SOLE COST AND EXPENSE, SHALL OBTAIN AND MAINTAIN, IN FULL FORCE AND EFFECT THROUGHOUT THE ENTIRE TERM OF ANY RESULTANT AGREEMENT, THE INSURANCE COVERAGE HEREIN DESCRIBED, INSURING NOT ONLY CONTRACTOR AND ITS SUBCONSULTANTS, IF ANY, BUT ALSO, WITH THE EXCEPTION OF WORKERS' COMPENSATION, EMPLOYER'S LIABILITY AND PROFESSIONAL INSURANCE, NAMING AS ADDITIONAL INSURED CITY, ITS COUNCIL MEMBERS, OFFICERS, AGENTS, AND EMPLOYEES.			

- I. INSURANCE COVERAGE MUST INCLUDE:
 - A. A PROVISION FOR A WRITTEN THIRTY DAY ADVANCE NOTICE TO CITY OF CHANGE IN COVERAGE OR OF COVERAGE CANCELLATION; AND
 - B. A CONTRACTUAL LIABILITY ENDORSEMENT PROVIDING INSURANCE COVERAGE FOR CONTRACTOR'S AGREEMENT TO INDEMNIFY CITY.
 - C. DEDUCTIBLE AMOUNTS IN EXCESS OF \$5,000 REQUIRE CITY'S PRIOR APPROVAL.
- II. CONTACTOR MUST SUBMIT CERTIFICATE(S) OF INSURANCE EVIDENCING REQUIRED COVERAGE.
- III. ENDORSEMENT PROVISIONS, WITH RESPECT TO THE INSURANCE AFFORDED TO "ADDITIONAL INSURED"

A. PRIMARY COVERAGE

WITH RESPECT TO CLAIMS ARISING OUT OF THE OPERATIONS OF THE NAMED INSURED, INSURANCE AS AFFORDED BY THIS POLICY IS PRIMARY AND IS NOT ADDITIONAL TO OR CONTRIBUTING WITH ANY OTHER INSURANCE CARRIED BY OR FOR THE BENEFIT OF THE ADDITIONAL INSURED.

B. CROSS LIABILITY

THE NAMING OF MORE THAN ONE PERSON, FIRM, OR CORPORATION AS INSURED UNDER THE POLICY SHALL NOT, FOR THAT REASON ALONE, EXTINGUISH ANY RIGHTS OF THE INSURED AGAINST ANOTHER, BUT THIS ENDORSEMENT, AND THE NAMING OF MULTIPLE INSURED, SHALL NOT INCREASE THE TOTAL LIABILITY OF THE COMPANY UNDER THIS POLICY.

C. NOTICE OF CANCELLATION

1. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR ANY REASON OTHER THAN THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A THIRTY (30) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.
2. IF THE POLICY IS CANCELED BEFORE ITS EXPIRATION DATE FOR THE NON-PAYMENT OF PREMIUM, THE ISSUING COMPANY SHALL PROVIDE CITY AT LEAST A TEN (10) DAY WRITTEN NOTICE BEFORE THE EFFECTIVE DATE OF CANCELLATION.

NOTICES SHALL BE MAILED TO:

**PURCHASING AND
CONTRACT ADMINISTRATION
CITY OF PALO ALTO
P.O. BOX 10250
PALO ALTO, CA 94303**