

## ATTACHMENT A

### AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT WITH SAMPSON OIL COMPANY FOR OIL WELL MANAGEMENT SERVICES

THIS AMENDMENT NO. ONE TO PROFESSIONAL SERVICES AGREEMENT ("Amendment No. One") is made and entered into as of this 12th day of July, 2020 ("Effective Date"), by and between the CITY OF NEWPORT BEACH, a California municipal corporation and charter city ("City"), and SAMPSON OIL COMPANY, a California corporation ("Consultant"), whose address is 301 Ultimo Avenue, Long Beach, California 90814, and is made with reference to the following:

#### RECITALS

- A. On July 11, 2017, City and Consultant entered into a Professional Services Agreement ("Agreement") for oil well management services ("Project").
- B. The parties desire to enter into this Amendment No. One to reflect additional Services not included in the Agreement, to extend the term of the Agreement to July 31, 2022, to increase the total compensation, to update the City's Administration of the Agreement, and to update insurance requirements.

**NOW, THEREFORE**, it is mutually agreed by and between the undersigned parties as follows:

#### 1. TERM

Section 1 of the Agreement is amended in its entirety and replaced with the following: "The term of this Agreement shall commence on the Effective Date, and shall terminate on July 31, 2022, unless terminated earlier as set forth herein."

#### 2. COMPENSATION TO CONSULTANT

Exhibit B to the Agreement shall be supplemented to include the Schedule of Billing Rates, attached hereto as Exhibit B and incorporated herein by reference ("Services" or "Work"). Exhibit B to the Agreement and Exhibit B to this Amendment No. One shall collectively be known as "Exhibit B."

Section 4.1 of the Agreement is amended in its entirety and replaced with the following: "City shall pay Consultant for the Services on a time and expense not-to-exceed basis in accordance with the provisions of this Section and the Schedule of Billing Rates attached hereto as Exhibit B and incorporated herein by reference. Consultant's compensation for all Work performed in accordance with this Agreement, including all reimbursable items and subconsultant fees, shall not exceed **Two Million Seven Hundred Ninety One Thousand Nine Hundred Sixty Eight Dollars and 00/100 (\$2,791,968.00)**, without prior written authorization from City. No billing rate changes shall be made during the term of this Agreement without the prior written approval of City."

The total amended compensation reflects Consultant's additional compensation for additional Services to be performed in accordance with this Amendment No. One,

including all reimbursable items and subconsultant fees, in an amount not to exceed **One Million Five Hundred Seventy Eight Thousand Seven Hundred Sixty Eight Dollars and 00/100 (\$1,578,768.00)**.

### **3. ADMINISTRATION**

Section 6 of the Agreement is amended in its entirety and replaced with the following:

“This Agreement will be administered by the Utilities Department. City's Senior Management Analyst or designee shall be the Project Administrator and shall have the authority to act for City under this Agreement. The Project Administrator shall represent City in all matters pertaining to the Services to be rendered pursuant to this Agreement.”

### **4. INSURANCE REQUIREMENTS**

Exhibit C, “Insurance Requirements,” Section 5(A), is amended in its entirety and replaced with the following:

“A. Evidence of Insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation and other endorsements as specified herein for each coverage. All of the executed documents referenced in this Contract must be returned to City within ten (10) regular City business days after the date on the “Notification of Award.” Insurance certificates and endorsements must be approved by City’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this Contract. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the City. If such coverage is cancelled or reduced, Consultant shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies. City reserves the right to require complete, certified copies of all required insurance policies, at any time.”

### **5. INTEGRATED CONTRACT**

Except as expressly modified herein, all other provisions, terms, and covenants set forth in the Agreement shall remain unchanged and shall be in full force and effect.

**[SIGNATURES ON NEXT PAGE]**



**IN WITNESS WHEREOF**, the parties have caused this Amendment No. One to be executed on the dates written below.

**APPROVED AS TO FORM:  
CITY ATTORNEY'S OFFICE**

Date: 6/11/2020

By: *Aaron C. Harp*

For: Aaron C. Harp  
City Attorney

**ATTEST:**

Date: \_\_\_\_\_

By: \_\_\_\_\_

Leilani I. Brown  
City Clerk

**CITY OF NEWPORT BEACH,**  
a California municipal corporation

Date: \_\_\_\_\_

By: \_\_\_\_\_

Will O'Neill  
Mayor

**CONSULTANT:** Sampson Oil Company,  
a California corporation

Date: \_\_\_\_\_

By: \_\_\_\_\_

Renick Sampson  
President

Date: \_\_\_\_\_

By: \_\_\_\_\_

Pamela Picard  
Secretary

**[END OF SIGNATURES]**

Attachments:      Exhibit B – Schedule of Billing Rates

# EXHIBIT B

## SCHEDULE OF BILLING RATES

Sampson Oil Yearly Fee Schedule

**Effective July 12, 2020**

Sampson Oil Company presents the following fee schedule to manage and operate the City of Newport Beach's oil field. This schedule is based on a 365-day work year.

Pumper	\$51,608	Per Year
Design and Engineering	\$6,838	Per Year
Rig Supervision	\$17,602	Per Year
Construction Supervision	\$16,582	Per Year
Special Insurance Charges	\$21,754	Per Year
<b>Total Annual Fee for Foreseen Maintenance Service</b>	<b>\$114,384</b>	<b>Per Year (\$9,532 per month)</b>
<b>Total Allowance for FY2020-21 CIP Project 20M14 (Oil Well Maintenance and Repairs)</b>	<b>\$750,000</b>	<b>Two Years</b>
<b>Total Allowance for Unforeseen Maintenance, Repairs, and Professional Services</b>	<b>*\$300,000</b>	<b>* Per Year</b>

\*Consultant shall be entitled to reimbursement for the cost of unforeseen maintenance, repairs, and professional services performed as set forth herein, plus a fee not to exceed ten percent (10%) of the invoice amounts paid by Consultant to subcontractors, subconsultants, sub-vendors, and sub-delivery companies, as set forth herein subject to the annual limit for subcontractors.