

AGREEMENT FOR CONSULTANT SERVICES
BETWEEN THE CITY OF DINUBA AND KOFF & ASSOCIATES

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT"), is made and entered into this 14 day of November 2013, by and among the City of Dinuba, a California municipal corporation ("CITY") and Koff & Associates, a Compensation Study ("CONSULTANT").

In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of SECTION 19 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period of one (1) year from the date of execution of this AGREEMENT, as first shown above. Such term may be extended upon written agreement of both parties to this AGREEMENT.

SECTION 2. SCOPE OF SERVICES.

CONSULTANT agrees to perform the services set forth in EXHIBIT "A" "SCOPE OF SERVICES" and made a part of this AGREEMENT.

SECTION 3. ADDITIONAL SERVICES.

CONSULTANT shall not be compensated for any services rendered in connection with its performance of this AGREEMENT which are in addition to or outside of those set forth in this AGREEMENT or listed in EXHIBIT "A" "SCOPE OF SERVICES", unless such additional services are authorized in advance and in writing by the City Council or City Manager of CITY. CONSULTANT shall be compensated for any such additional services in the amounts and in the manner agreed to by the City Council or City Manager.

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

(a) Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBIT "B" "COMPENSATION" and made a part of this AGREEMENT. The total compensation, including reimbursement for actual expenses, shall not exceed twenty six thousand three hundred ninety dollars (\$26,490), unless additional compensation is approved in writing by the City Council or City Manager.

(b) Each month CONSULTANT shall furnish to CITY an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, sub-consultant contracts

and miscellaneous expenses. CITY shall independently review each invoice submitted by the CONSULTANT to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth in subsection (c). In the event any charges or expenses are disputed by CITY, the original invoice shall be returned by CITY to CONSULTANT for correction and resubmission.

(c) Except as to any charges for work performed or expenses incurred by CONSULTANT which are disputed by CITY, CITY will use its best efforts to cause CONSULTANT to be paid within thirty (30) days of receipt of CONSULTANT's invoice.

(d) Payment to CONSULTANT for work performed pursuant to this AGREEMENT shall not be deemed to waive any defects in work performed by CONSULTANT.

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

CITY may inspect and accept or reject any of CONSULTANT's work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT's work within sixty (60) days after submitted to CITY.

CITY shall reject work by a timely written explanation, otherwise CONSULTANT's work shall be deemed to have been accepted. CITY's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of CONSULTANT's work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, sections 15 and 16, pertaining to indemnification and insurance, respectively.

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original studies, surveys, reports, data, notes, computer files, files and other documents.

SECTION 7. CONSULTANT'S BOOKS AND RECORDS.

(a) CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT's performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged

to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

(b) Any and all records or documents required to be maintained pursuant to this section shall be made available for inspection, audit and copying, at any time during regular business hours, upon written request by CITY or its designated representative. Copies of such documents or records shall be provided directly to the CITY for inspection, audit and copying when it is practical to do so; otherwise, unless an alternative is mutually agreed upon, such documents and records shall be made available at CONSULTANT's address indicated for receipt of notices in this AGREEMENT.

(c) Where CITY has reason to believe that any of the documents or records required to be maintained pursuant to this section may be lost or discarded due to dissolution or termination of CONSULTANT's business, CITY may, by written request, require that custody of such documents or records be given to the requesting party and that such documents and records be maintained by the requesting party. Access to such documents and records shall be granted to CITY, as well as to its successors-in-interest and authorized representatives.

SECTION 8. STATUS OF CONSULTANT.

(a) CONSULTANT is and shall at all times remain a wholly independent contractor and not an officer, employee or agent of CITY. CONSULTANT shall have no authority to bind CITY in any manner, nor to incur any obligation, debt or liability of any kind on behalf of or against CITY, whether by contract or otherwise, unless such authority is expressly conferred under this AGREEMENT or is otherwise expressly conferred in writing by CITY.

(b) The personnel performing the services under this AGREEMENT on behalf of CONSULTANT shall at all times be under CONSULTANT's exclusive direction and control. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall have control over the conduct of CONSULTANT or any of CONSULTANT's officers, employees or agents, except as set forth in this AGREEMENT. CONSULTANT shall not at any time or in any manner represent that CONSULTANT or any of CONSULTANT's officers, employees or agents are in any manner officials, officers, employees or agents of CITY.

(c) Neither CONSULTANT, nor any of CONSULTANT's officers, employees or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to CITY'S employees. CONSULTANT expressly waives any

claim CONSULTANT may have to any such rights.

SECTION 9. STANDARD OF PERFORMANCE.

CONSULTANT represents and warrants that it has the qualifications, experience and facilities necessary to properly perform the services required under this AGREEMENT in a thorough, competent and professional manner. CONSULTANT shall at all times faithfully, competently and to the best of its ability, experience and talent, perform all services described herein. In meeting its obligations under this AGREEMENT, CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing services similar to those required of CONSULTANT under this AGREEMENT.

SECTION 10. COMPLIANCE WITH APPLICABLE LAWS; PERMITS AND LICENSES.

CONSULTANT shall keep itself informed of and comply with all applicable federal, state and local laws, statutes, codes, ordinances, regulations and rules in effect at the time of execution of this AGREEMENT. CONSULTANT shall obtain any and all licenses, permits and authorizations necessary to perform the services set forth in this AGREEMENT. Neither CITY, nor any elected or appointed boards, officers, officials, employees or agents of CITY, shall be liable, at law or in equity, as a result of any failure of CONSULTANT to comply with this section.

SECTION 11. NONDISCRIMINATION.

CONSULTANT shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this AGREEMENT.

SECTION 12. UNAUTHORIZED ALIENS.

CONSULTANT hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should CONSULTANT so employ such unauthorized aliens for the performance of work and/or services covered by this AGREEMENT, and should the any liability or sanctions be imposed against CITY for such use of unauthorized aliens, CONSULTANT hereby agrees to and shall reimburse CITY for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by CITY.

SECTION 13. CONFLICTS OF INTEREST.

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would

conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT's performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

(b) CITY understands and acknowledges that CONSULTANT is, as of the date of execution of this AGREEMENT, independently involved in the performance of non-related services for other governmental agencies and private parties. CONSULTANT is unaware of any stated position of CITY relative to such projects. Any future position of CITY on such projects shall not be considered a conflict of interest for purposes of this section.

SECTION 14. CONFIDENTIAL INFORMATION; RELEASE OF INFORMATION.

(a) All information gained or work product produced by CONSULTANT in performance of this AGREEMENT shall be considered confidential, unless such information is in the public domain or already known to CONSULTANT. CONSULTANT shall not release or disclose any such information or work product to persons or entities other than CITY without prior written authorization from the City Manager, except as may be required by law.

(b) CONSULTANT, its officers, employees, agents or subcontractors, shall not, without prior written authorization from the City Manager or unless requested by the City Attorney of CITY, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this AGREEMENT. Response to a subpoena or court order shall not be considered "voluntary" provided CONSULTANT gives CITY notice of such court order or subpoena.

(c) If CONSULTANT, or any officer, employee, agent or subcontractor of CONSULTANT, provides any information or work product in violation of this AGREEMENT, then CITY shall have the right to reimbursement and indemnity from CONSULTANT for any damages, costs and fees, including attorney's fees, caused by or incurred as a result of CONSULTANT's conduct.

(d) CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. CITY retains the right, but has no obligation, to represent CONSULTANT or be present at any deposition, hearing or similar proceeding.

CONSULTANT agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by CONSULTANT.

However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

SECTION 15. INDEMNIFICATION.

(a) With respect to any liability, including but not limited to claims asserted or costs, losses, attorneys fees, or payments for injury to any person or property caused or claimed to be caused by the acts or omissions of the CONSULTANT, or CONSULTANT's employees, agents, and officers, arising out of any services performed under this Agreement, except liability for Professional Services covered in Section (b) below, the CONSULTANT agrees to defend, indemnify, protect and hold harmless the CITY, its agents, officers or employees (individually and collectively, "INDEMNITEES") from and against all liability. Also covered is liability arising from, connected with, caused by or claimed to be caused by the active or passive negligent acts or omissions of the INDEMNITEES which may be in combination with the active or passive negligent acts or omissions of the CONSULTANT, its employees, agents or officers or any third party. The CONSULTANT's duty to defend, indemnify, protect and hold harmless shall not include any claims or liabilities arising from the sole negligence or sole willful misconduct of the INDEMNITEES.

(b) As to CONSULTANT's professional obligations, work or services under this Agreement, the CONSULTANT agrees to indemnify and hold harmless the INDEMNITEES from and against any and all liability, claims, costs, and damages, including but not limited to, attorneys fees, losses or payments for injury to any person or property, caused directly or indirectly from the negligent acts, errors or omissions of the CONSULTANT or CONSULTANT's employees, agents or officers.

SECTION 16. INSURANCE.

CONSULTANT agrees to obtain and maintain in full force and effect during the term of this AGREEMENT the insurance policies set forth in EXHIBIT "C" "INSURANCE" and made a part of this AGREEMENT. All insurance policies shall be subject to approval by CITY as to form and content. These requirements are subject to amendment or waiver if so approved in writing by the City Manager. CONSULTANT agrees to provide CITY with copies of required policies upon request.

SECTION 17. ASSIGNMENT.

The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this Agreement or any portion of this AGREEMENT or the performance of any of CONSULTANT's duties or obligations under this

AGREEMENT without the prior written consent of the City Council. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

SECTION 18. CONTINUITY OF PERSONNEL.

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT's staff assigned to perform the services required under this AGREEMENT. CONSULTANT shall notify CITY of any changes in CONSULTANT's staff assigned to perform the services required under this AGREEMENT, prior to any such performance.

SECTION 19. TERMINATION OF AGREEMENT.

(a) CITY may terminate this AGREEMENT, with or without cause, at any time by giving thirty (30) days written notice of termination to CONSULTANT. In the event such notice is given, CONSULTANT shall cease immediately all work in progress.

(b) CONSULTANT may terminate this AGREEMENT at any time upon thirty (30) days written notice of termination to CITY.

(c) If either CONSULTANT or CITY fail to perform any material obligation under this AGREEMENT, then, in addition to any other remedies, either CONSULTANT, or CITY may terminate this AGREEMENT immediately upon written notice.

(d) Upon termination of this AGREEMENT by either CONSULTANT or CITY, all property belonging exclusively to CITY which is in CONSULTANT's possession shall be returned to CITY. CONSULTANT shall furnish to CITY a final invoice for work performed and expenses incurred by CONSULTANT, prepared as set forth in SECTION 4 of this AGREEMENT. This final invoice shall be reviewed and paid in the same manner as set forth in SECTION 4 of this AGREEMENT.

SECTION 20. DEFAULT.

In the event that CONSULTANT is in default under the terms of this AGREEMENT, the CITY shall not have any obligation or duty to continue compensating CONSULTANT for any work performed after the date of default and may terminate this AGREEMENT immediately by written notice to the CONSULTANT.

SECTION 21. EXCUSABLE DELAYS.

CONSULTANT shall not be liable for damages, including liquidated damages, if any, caused by delay in performance or failure to perform due to causes beyond the control of CONSULTANT. Such causes include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local governments, acts of CITY, court orders, fires, floods, epidemics, strikes, embargoes, and unusually severe weather. The term and price of this AGREEMENT shall be equitably adjusted for any delays due to such causes.

SECTION 22. COOPERATION BY CITY.

All public information, data, reports, records, and maps as are existing and available to CITY as public records, and which are necessary for carrying out the work as outlined in the EXHIBIT "A" "SCOPE OF SERVICES", shall be furnished to CONSULTANT in every reasonable way to facilitate, without undue delay, the work to be performed under this AGREEMENT.

SECTION 23. NOTICES.

All notices required or permitted to be given under this AGREEMENT shall be in writing and shall be personally delivered, or sent by telecopier or certified mail, postage prepaid and return receipt requested, addressed as follows:

To CITY:

J. Edward Todd
City Manager
City of Dinuba
405 East El Monte Way
Dinuba, California 93618
559-591-5942

To CONSULTANT:

*Koff + Associates
6400 Hollis Street, Suite 5
Emeryville, CA 94608
Attn: Catherine Kaneko*

Notice shall be deemed effective on the date personally delivered or transmitted by facsimile or, if mailed, three (3) days after deposit of the same in the custody of the United States Postal Service.

SECTION 24. AUTHORITY TO EXECUTE.

The person or persons executing this AGREEMENT on behalf of CONSULTANT represents and warrants that he/she/they has/have the authority to so execute this AGREEMENT and to bind CONSULTANT to the performance of its obligations hereunder.

SECTION 25. BINDING EFFECT.

This AGREEMENT shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

SECTION 26. MODIFICATION OF AGREEMENT.

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the City Council. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

SECTION 27. WAIVER.

Waiver by any party to this AGREEMENT of any term, condition, or covenant of this AGREEMENT shall not constitute a waiver of any other term, condition, or covenant. Waiver by any party of any breach of the provisions of this AGREEMENT shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of any provision of this AGREEMENT. Acceptance by CITY of any work or services by CONSULTANT shall not constitute a waiver of any of the provisions of this AGREEMENT.

SECTION 28. LAW TO GOVERN; VENUE.

This AGREEMENT shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Tulare. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Eastern District of California, in Fresno.

SECTION 29. ATTORNEYS FEES, COSTS AND EXPENSES.

In the event litigation or other proceeding is required to enforce or interpret any provision of this AGREEMENT, the prevailing party in such litigation or other proceeding shall be entitled to an award of reasonable attorney's fees, costs and expenses, in addition to any other relief to which it may be entitled.

SECTION 30. ENTIRE AGREEMENT.

This AGREEMENT, including the attached EXHIBITS "A" through "C", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied

herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.

SECTION 31. SEVERABILITY.

If an term, condition or covenant of this AGREEMENT is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this AGREEMENT shall not be affected thereby and the AGREEMENT shall be read and construed without the invalid, void or unenforceable provision(s).

SECTION 32. RIGHT TO RELY.

Consistent with the professional standard of care and unless specifically provided herein, CONSULTANT shall be entitled to rely upon the accuracy of data and information provided by CITY or others without independent review or evaluation.

SECTION 33. REUSE OF DOCUMENTS

Documents, drawings, specifications, and electronic information/data prepared by CONSULTANT pursuant to this agreement are not intended or represented to be suitable for reuse by CITY or others on any other project unless so stated in Exhibit "A". Any use of completed documents for other projects and any use of incomplete documents without specific written authorization from CONSULTANT will be at CITY's sole risk and without liability to CONSULTANT.

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

CONSULTANT:

By  President
(Authorized Officer)

CITY

By 
City Manager

By _____
APPROVED AS TO FORM:
(Authorized Officer)



, City Attorney

EXHIBIT "A"

SCOPE OF SERVICES

EXHIBIT "B"

COMPENSATION

EXHIBIT "C"

INSURANCE

A. Insurance Requirements. CONSULTANT shall provide and maintain insurance, acceptable to the City Manager or City Attorney, in full force and effect throughout the term of this AGREEMENT, against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by CONSULTANT, its agents, representatives or employees. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII. CONSULTANT shall provide the following scope and limits of insurance:

1. Minimum Scope of Insurance. Coverage shall be at least as broad as:
 - (1) Insurance Services Office form Commercial General Liability coverage (Occurrence Form CG 0001).
 - (2) Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability, including code 1 "any auto" and endorsement CA 0025, or equivalent forms subject to the written approval of the City.
 - (3) Workers' Compensation insurance as required by the Labor Code of State of California and Employer's Liability insurance and covering all persons providing services on behalf of the CONSULTANT and all risks to such persons under this AGREEMENT.
 - (4) Errors and omissions liability insurance appropriate to the CONSULTANT's profession.

2. Minimum Limits of Insurance. CONSULTANT shall maintain limits of insurance no less than:

- (1) General Liability: \$1,000,000 general aggregate for bodily injury, personal injury and property damage.
- (2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- (3) Workers' Compensation and Employer's Liability: Workers' Compensation as required by the Labor Code of the State of California and Employers Liability limits of \$1,000,000 per accident.
- (4) Errors and Omissions Liability: \$1,000,000 per claim.

B. Other Provisions. Insurance policies required by this AGREEMENT shall contain the following provisions:

1. All Policies. Each insurance policy required by this paragraph 15 shall be endorsed and state the coverage shall not be cancelled by the insurer or either party to this AGREEMENT, except after 30 days' prior written notice has been given to the City. Each insurance policy shall be endorsed and the coverage shall not be cancelled without thirty (30) days prior written notice to the CITY except for non-payment of premium, which shall require ten (10) days written notice. The CONSULTANT shall provide thirty (30) days prior written notice by certified mail to the City in the event any insurance policy is suspended, voided or reduced in coverage or limits.

2. General Liability and Automobile Liability Coverages.

(1) CITY, and its respective elected and appointed officers, officials, and employees and designated volunteers are to be covered as additional insureds as respects: liability arising out of activities CONSULTANT performs; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT; or automobiles owned, leased, hired or borrowed by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to CITY, and their respective elected and appointed officers, officials, or employees.

(2) CONSULTANT's insurance coverage shall be primary insurance with respect to CITY, and its respective elected and appointed, its officers, officials, employees and designated volunteers. Any insurance or self insurance maintained by CITY, and its respective elected and appointed officers, officials, employees or volunteers, shall apply in excess of, and not contribute with, CONSULTANT's insurance.

(3) CONSULTANT's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

(4) Any failure to comply with the reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to

CITY, and its respective elected and appointed officers, officials, employees or volunteers.

3. Workers' Compensation and Employer's Liability Coverage. Unless the City Manager otherwise agrees in writing, the insurer shall agree to waive right of subrogation against CITY, and its respective elected and appointed officers, officials, employees and agents for losses arising from work performed by CONSULTANT.

C. Other Requirements. CONSULTANT agrees to deposit with CITY, at or before the effective date of this contract, certificates of insurance necessary to satisfy CITY that the insurance provisions of this contract have been complied with. The City Attorney may require that CONSULTANT furnish CITY with copies of original endorsements effecting coverage required by this Section. The certificates and endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. CITY reserves the right to inspect complete, certified copies of all required insurance policies, at any time.

1. CONSULTANT shall furnish certificates and endorsements from each subcontractor identical to those CONSULTANT provides.

2. Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects CITY or its respective elected or appointed officers, officials, employees and designated volunteers or the CONSULTANT shall procure a bond guaranteeing payment of losses and related investigations, claim administration, defense expenses and claims.

3. The procuring of such required policy or policies of insurance shall not be construed to limit CONSULTANT's liability hereunder nor to fulfill the indemnification provisions and requirements of this AGREEMENT.

Disclaimer - 2000



Total Compensation Study Proposal

City of Dinuba

WORK PLAN AND METHODOLOGY

This section of the proposal identifies the actual work scope. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness. For a timeline for completing each step, please refer to Project Completion Schedule (page 15) and for estimated hours for each step, please refer to Cost Proposal table (page 24).

A. INITIAL DOCUMENTATION REVIEW/MEETINGS WITH STUDY PROJECT TEAM & MANAGEMENT STAFF

This phase includes identifying the client project team (Assistant City Manager or designee, management, and other staff, as appropriate), contract administrator, and reporting relationships. Our team will conduct an orientation and briefing session with the study project team and management to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with management, employee representation, employees, and the City Council; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation and assembling current class descriptions, organizational charts, salary schedules, budgets, personnel policies, memoranda of understanding, previous classification and compensation studies, and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current classification and compensation procedures will be reviewed. We will discuss methodology and agree to a compensation format and identify appropriate comparator agencies, benchmark classifications to be surveyed, and benefits to be collected. We will respond to questions.

B. IDENTIFY COMPARATOR AGENCIES, BENCHMARK CLASSIFICATIONS, AND BENEFITS TO BE COLLECTED

During the initial meeting with the study project team, we will discuss the compensation study factors that need to be agreed upon. We will review the current listing of comparable cities, identify potential new comparator cities/agencies, and recommend appropriate changes as necessary, which will be the foundation of ensuring that the City's salaries for the studied classifications are competitively aligned with the external labor market. We will also identify those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed. Finally, we will determine/confirm the list of benefits that the City wants to be included in the total compensation data gathering process.



1. Determination of Comparator Agencies

The selection of comparator agencies is considered a critical step in the study process. Using the following factors to identify appropriate comparators, we will receive approval before proceeding with the compensation survey.

Our recommended methodology is that we involve the study project team, management, employee representation, and the City Council in the decision-making process of agreeing as to which agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. During this iterative process, the City's current/previous list of comparators and the advantages/disadvantages of including them/others will be discussed. The factors that we review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation.
- **Similarity of population served, agency demographics, agency staff, and operational and capital improvement budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- **Scope of services provided** – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the *majority* of services are provided in a similar manner, sufficient data should be available for analysis.
- **Labor market** – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees. Individuals often do not live in the community they serve. Therefore, the geographic labor market area (where the City may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations.
- **Cost of living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost of living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

We typically recommend using ten to twelve (10-12) comparator agencies for all classifications, but we are flexible to use a different model based on the City's preference.



2. Determination of Benchmark Classifications

"Benchmark classes" are normally chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid sample for analysis.

Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

Because we find that the labor market typically yields reliable data, we recommend using about 60%-65% of all classifications as benchmarks but are flexible to use a different model.

3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following, which are generally available to all staff in a specific job classification. Shown below are descriptions of those benefits that we normally collect (which can be modified to include any other information the City desires):

- **Monthly Salary** – The top of the normal, published salary range. All figures are presented on a monthly basis. We normalize the salary data to reflect working hours and/or "spiking" of retirement or other benefits.
- **Employee Retirement** – This includes two figures: the amount of the employee's State or other public or private retirement contribution that is contributed by the agency and the amount of the agency's Social Security contribution.

With healthcare cost rising and retiree healthcare and liabilities increasing for many public agencies, we typically collect retiree health information as well. However, we do not roll this cost into our total compensation analysis but report it separately by describing what the policies/liabilities are.

- **Insurance** – This typically includes Health, Dental, Vision, Life, Long-Term Disability, Short-Term Disability, Employee Assistance Program (EAP), and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. All days will be translated into direct salary costs.
 - **Vacation** – The number of vacation days available to all employees after five (5) years of employment.
 - **Holidays** – The number of holidays (including floating) available to the employee on an annual basis.
 - **Administrative/Personal Leave** – Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for



overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.

- **Deferred Compensation** – This is any deferred compensation provided to all members of a classification, either as an employer matching contribution or as a straight dollar or percentage contribution.
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

C. DATA COLLECTION

Our firm does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. We conduct all of the data collection and analysis ourselves to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true "matches" of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not. Our job analysis method is the whole position analysis approach.

Objective factors in the whole position classification methodology include:

1. Education, Training, and Certifications/Licenses
2. Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Working Conditions
10. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

We typically collect classification descriptions, organization charts, salary schedules, human resources policies, MOUs, and other information via website, by telephone, or by an onsite interview.

With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our professional staff makes preliminary "matches" and then schedules appointments by telephone, and sometimes in person, with knowledgeable individuals to answer specific questions. We find that the information collected



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using these methods has a very high validity rate and is generally substantiated by employees, management, as well as governing bodies.

D. ANALYSIS AND PRELIMINARY DATA REVIEW

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are:

- Agencies surveyed;
- Comparable class titles;
- Salary range maximum/control point;
- Number of observations; and
- Percent the City's salary range is above/below the market average/median values.

In addition, we will include any type of statistical representation and analysis that the City desires such as 60th, 70th, or any other percentiles.

Benefit data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect "other" benefits (as listed in the benefits section above), which we typically report on a separate spreadsheet.

E. DRAFT COMPENSATION FINDINGS/ADDITIONAL ANALYSIS/PROJECT TEAM MEETING AND INFORMAL APPEALS PROCESS

We distribute our draft findings to the City. After the City's preliminary review, K&A will meet with the study project team and other stakeholders (including management, employee representation, and employees) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for the study project team and other stakeholders to review and question any of our recommended benchmark comparator matches.

Our experience has been that this is one of the most critical phases of the project. Our proactive and effective communication process at this crossroad has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of the study.

Each employee will receive a memorandum from us outlining what has been accomplished, how to best review the data that will be attached, and how to provide feedback to us. Employees shall submit their written concerns (via the supervisor, management, and study project team) to our office. While employees may not always agree with our recommendations, they have a "second chance" to ensure that they have been heard and to continue the educational process regarding why specific recommendations were made.



Significant employee comments will be reviewed with management prior to making any significant changes to the data spreadsheets. These discussions may be by email, telephone, or additional direct personal contact with management, depending upon the extent of the response. We will conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.

F. INTERNAL RELATIONSHIP ANALYSIS/INTERNAL ALIGNMENT

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the "whole position" analysis methodology as described above in Section C.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series (if recommended), as well as across departments. This analysis will be integrated with the results of the compensation survey.

The ultimate goal of this critical step of the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as, horizontally.

G. COMPENSATION STRUCTURE AND IMPLEMENTATION RECOMMENDATION DEVELOPMENT

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, minimum and maximum percent spread, steps within ranges, difference between each salary step, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. We will develop recommendations for pay grades and salary ranges for all classifications based on median and/or mean salaries from the comparable agencies.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City's goals, objectives, and budget considerations.

Finally, we will evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices.



Draft recommendations will be discussed with the study project team and management prior to developing an Interim Report.

H. PREPARATION OF DRAFT FINAL AND FINAL REPORT AND DELIVERABLES

The Draft Interim Report of the Compensation Study will be completed and submitted to the City for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include the following information:

- A set of all market data spreadsheets;
- A proposed Salary Range/Plan document;
- Any alternative compensation plans identified;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for the organization in implementing, managing, and maintaining the compensation system.

Once all of the City's questions/concerns are addressed and discussed, a Final Compensation Study Report will be created and submitted in hardcopy (manual) and electronic formats. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.

We will also provide training to City staff on the methodology used to systematically assess the job classifications in order to maintain internal compensation equity in the future when adding, changing, or deleting classifications.

I. FINAL PRESENTATION

Our proposal includes multiple meetings and conference calls and weekly oral and/or written status/progress updates to the study project team. We will also be prepared to develop and present our reports and future impacts of any recommended changes to the City Manager, as well as, other City management staff, if desired.

Regarding the involvement of the City Council, we recommend at least one initial meeting regarding the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study, i.e., preliminary data), and one final presentation of our Final Report. Of course, we are flexible to have more or less interaction with the City Council, based on the City's preferences.

J. PARTICIPATION IN A FORMAL APPEAL PROCESS

Should the City have a formal appeal process regarding the allocation of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process (the informal appeal process is identified in E above). Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any appeal issues.



EXPECTATIONS OF CITY SUPPORT

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, personnel policies, organizational charts, budget documents, requests for audits, past compensation and benefits studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate space;
- Assistance in scheduling project team, management, employee representation, employee, and other meetings; and
- Meeting agreed upon timelines.

In terms of time commitment for City staff, it is our expectation that the City hires an outside consultant to conduct the entire effort. It is our goal to reduce the time commitment of City staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling meetings, disseminating information, and in general, be a channel of communication between our firm and employees.



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select any combination of the tasks below and we are open to negotiating a cost option that best serves the City's needs.

The cost options below represent only two possible scopes of work and any combination of these two or other options is negotiable. We hope to be able to negotiate a final scope of work that will satisfy the City and accomplish what needs to be done while being as economical as possible.

Total Compensation Study		Option 1	Option 2
		Hours	Hours
A.	Initial Documentation Review/Meetings with Study Project Team and Management Staff	8	8
B.	Identify Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	10	10
C.	Data Collection <i>Option 1: 40 benchmarks, 10 comparator agencies</i> <i>Option 2: 45 benchmarks, 12 comparator agencies</i>	75	100
D.	Analysis and Preliminary Data Review	40	50
E.	Draft Compensation Findings/Additional Analysis/Project Team Meeting and Informal Appeal Process	20	25
F.	Internal Relationship Analysis/Internal Alignment	8	8
G.	Salary Structure and Implementation Recommendation Development	12	12
H.	Development of Draft Final and Final Report and Deliverables	12	12
I.	Final Presentation	8	8
J.	Formal Appeal Process*	0	0
	Additional meetings with study Project Team, management, employees, and/or other stakeholders	5	5
	Total Professional Hours	198	238
	Combined professional and clerical composite rate: \$105/Hour	\$20,790	\$24,990
	Expenses:	\$1,500	\$1,500
	Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, hotels, travel/mileage, per diem, etc.		
	TOTAL LUMP SUM FOR PROJECT NOT TO EXCEED:	\$22,290	\$26,490
	*Additional consulting will be honored at composite rate (\$105)		