

CITY OF SAN CLEMENTE

PROFESSIONAL CONSULTANT SERVICES AGREEMENT

1. PARTIES AND DATE.

This Agreement is made and entered into this 1 day of ~~November~~ November 2022, by and between the City of San Clemente, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 910 Calle Negocio, San Clemente, California, 92673 ("City") and **MGT of America Consulting, LLC**, with its principal place of business at **4320 West Kennedy Blvd, Tampa, FL 33609** ("Consultant"). City and Consultant are sometimes individually referred to herein as "Party" and collectively as "Parties."

2. RECITALS.

2.1 Consultant.

Consultant desires to perform and assume responsibility for the provision of certain professional **Part-Time Classification & Compensation Study** required by the City on the terms and conditions set forth in this Agreement. Consultant represents that it is experienced in providing professional **Part-Time Classification & Compensation Study** to public clients, is licensed in the State of California, if applicable, and is familiar with the plans of City.

2.2 Project.

City desires to engage Consultant to render such professional **Classification & Compensation Study** consulting services for the **part-time staff** project ("Project") as set forth in this Agreement.

3. TERMS.

3.1 Scope of Services and Term.

3.1.1 General Scope of Services. Consultant promises and agrees to furnish to the City all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional **Part-Time Classification & Compensation Study** consulting services necessary for the Project ("Services"). The Services are more particularly described in Exhibit "A" attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. Additionally, Consultant shall comply with all Federal requirements applicable to the Services as set forth in Exhibit "A-I."]

3.1.2 Term. The term of this Agreement shall be from **October 20, 2022** to **October 20, 2023**, unless earlier terminated as provided herein. Consultant shall complete the Services within the term of this Agreement, and shall meet any other established schedules and deadlines.

3.2 Responsibilities of Consultant.

3.2.1 Independent Contractor; Control and Payment of Subordinates. The

Services shall be performed by Consultant or under its supervision. Consultant will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. City retains Consultant on an independent contractor basis and not as an employee. Consultant retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Consultant shall also not be employees of City and shall at all times be under Consultant's exclusive direction and control. Neither City, nor any of its officials, officers, directors, employees or agents 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 pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Consultant shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance.

3.2.2 Schedule of Services. Consultant shall perform the Services expeditiously, within the term of this Agreement, and in accordance with the Schedule of Services set forth in Exhibit "B" attached hereto and incorporated herein by reference. Consultant represents that it has the professional and technical personnel required to perform the Services in conformance with such conditions. In order to facilitate Consultant's conformance with the Schedule, City shall respond to Consultant's submittals in a timely manner. Upon request of City, Consultant shall provide a more detailed schedule of anticipated performance to meet the Schedule of Services.

3.2.3 Endorsement on PS&E/ Other Data. Consultant shall sign all plans, specifications, estimates (PS&E) and engineering data furnished by Consultant, and where appropriate will indicate Consultant's authorized signature and professional registration number.

3.2.4 Conformance to Applicable Requirements. All work prepared by Consultant shall be subject to the approval of City.

3.2.5 Substitution of Key Personnel. Consultant has represented to City that certain key personnel will perform and coordinate the Services under this Agreement. Should one or more of such personnel become unavailable, Consultant may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Consultant cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the Services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project or a threat to the safety of persons or property, shall be promptly removed from the Project by the Consultant at the request of the City. The key personnel for performance of this Agreement are as follows: Hanne Thordahl, Human Resources Manager; Jennifer Savage, Assistant to the City Manager.

3.2.6 City's Representative. The City hereby designates Hanne Thordahl, Human Resources Manager or his/her designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement ("City's Representative"). City's Representative shall have the power to act on behalf of the City for review and approval of all products submitted by Consultant but not the authority to enlarge the Scope of Work or change the total compensation due to Consultant under this Agreement. The City Manager shall be authorized to act on City's behalf and to execute all necessary documents which enlarge the Scope of Work or change the Consultant's total compensation subject to the provisions contained

in Section 3.3 of this Agreement. Consultant shall not accept direction or orders from any person other than the City Manager, City's Representative or his/her designee.

3.2.7 Consultant's Representative. Consultant hereby designates Gene James, Mayor or his/her designee, to act as its representative for the performance of this Agreement ("Consultant's Representative"). Consultant's Representative shall have full authority to represent and act on behalf of the Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.8 Coordination of Services. Consultant agrees to work closely with City staff in the performance of Services and shall be available to City's staff, consultants and other staff at all reasonable times.

3.2.9 Standard of Care; Performance of Employees. Consultant shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Consultant represents and maintains that it is skilled in the professional calling necessary to perform the Services. Consultant warrants that all employees and subconsultants shall have sufficient skill and experience to perform the Services assigned to them. Finally, Consultant represents that it, its employees and subconsultants have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Consultant shall perform, at its own cost and expense and without reimbursement from the City, any services necessary to correct errors or omissions which are caused by the Consultant's failure to comply with the standard of care provided for herein. Any employee of the Consultant or its sub-consultants who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the Project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the Services in a manner acceptable to the City, shall be promptly removed from the Project by the Consultant and shall not be re-employed to perform any of the Services or to work on the Project.

3.2.10 Laws and Regulations. Consultant shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Project or the Services, including all Cal/OSHA requirements, and shall give all notices required by law. Consultant shall be liable for all violations of such laws and regulations in connection with Services. If Consultant performs any work knowing it to be contrary to such laws, rules and regulations, Consultant shall be solely responsible for all costs arising therefrom. Consultant shall defend, indemnify and hold City, its officials, directors, officers, employees, agents, and volunteers free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.11 Safety. Consultant shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Consultant shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed. Safety precautions, where applicable, shall include, but shall not be limited to: (A) adequate life protection and lifesaving

equipment and procedures; (B) instructions in accident prevention for all employees and subconsultants, such as safe walkways, scaffolds, fall protection ladders, bridges, gang planks, confined space procedures, trenching and shoring, equipment and other safety devices, equipment and wearing apparel as are necessary or lawfully required to prevent accidents or injuries; and (C) adequate facilities for the proper inspection and maintenance of all safety measures.

3.2.12 Insurance. Consultant agrees to procure and maintain, at Consultant's expense all insurance specified in Exhibit "C" attached hereto and by this reference incorporated herein. Consultant shall require all subconsultants to carry the same policies and limits of insurance that the Consultant is required to maintain, unless otherwise approved in writing by the City.

3.3 Fees and Payments.

3.3.1 Compensation. Consultant shall receive compensation, including authorized reimbursements, for all Services rendered under this Agreement at the rates set forth in Exhibit "D" attached hereto and incorporated herein by reference. The total compensation shall not exceed **Seventeen Thousand Six Hundred Sixty Eight dollars (\$17,668)** without written approval of the City Council or City Manager as applicable. Extra Work may be authorized, as described below, and if authorized, will be compensated at the rates and manner set forth in this Agreement.

3.3.2 Payment of Compensation. Consultant shall submit to City a monthly invoice which indicates work completed and hours of Services rendered by Consultant. The invoice shall describe the amount of Services provided since the initial commencement date, or since the start of the subsequent billing periods, as appropriate, through the date of the invoice. City shall, within 30 days of receiving such invoice, review the invoice and pay all non-disputed and approved charges thereon. If the City disputes any of Consultant's fees, the City shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth therein.

3.3.3 Reimbursement for Expenses. Consultant shall not be reimbursed for any expenses unless authorized in writing by City, or included in Exhibit "D" of this Agreement.

3.3.4 Extra Work. At any time during the term of this Agreement, City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by City to be necessary for the proper completion of the Project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform, nor be compensated for, Extra Work without written authorization from the City.

3.3.5 Rate Increases. In the event that this Agreement is renewed pursuant to Section 3.1.2, the rate set forth in Exhibit "D" may be adjusted each year at the time of renewal as set forth in Exhibit "D."

3.3.6 Labor Code Requirements.

3.3.6.1 Prevailing Wages. Consultant is aware of the requirements of California Labor Code Section 1720, et seq., and 1770, et seq., as well as California Code of Regulations, Title 8, Section 16000, et seq., ("Prevailing Wage Laws"), which require the payment

of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. If the Services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and If the total compensation is \$1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and at the project site. Consultant shall defend, indemnify and hold the City, its officials, officers, employees, agents, and volunteers free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

3.3.6.2 Registration. If the Services are being performed as part of an applicable "public works" or "maintenance" project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Consultant and all subconsultants must be registered with the Department of Industrial Relations ("DIR"). Consultant shall maintain registration for the duration of the project and require the same of any subconsultants. This project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code sections 1725.5 and 1771.1 shall not apply to Services performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code sections 1725.5 and 1771.1.

3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Consultant shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Consultant shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of four (4) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. City may, by written notice to Consultant, terminate the whole or any part of this Agreement at any time, with or without cause, by giving written notice to Consultant of such termination, and specifying the effective date thereof, at least seven (7) days before the effective date of such termination. Upon termination, Consultant shall be compensated only for those services which have been adequately rendered to City, and Consultant shall be entitled to no further compensation. Consultant may not terminate this Agreement except for cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, City may require Consultant to provide all finished or unfinished Documents and Data and other information of any kind prepared by Consultant in connection with the performance of Services under this Agreement. Consultant shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Additional Services. In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Consultant: **MGT of America Consulting, LLC
4320 West Kennedy Boulevard
Tampa, FL 33609
ATTN: Khary S. Knowles**

City: **City of San Clemente
910 Calle Negocio
San Clemente, CA 92673
ATTN: Hanne Thordahl**

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subconsultants to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subconsultant prepares under this Agreement. Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Consultant or provided to Consultant by the City. City shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without the prior written consent of City, be used by Consultant for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services or the Project. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential. Consultant shall not use City's name or insignia, photographs of the Project, or any publicity pertaining to the Services or the Project in any magazine, trade paper, newspaper, television or radio production or other

similar medium without the prior written consent of City.

3.5.3.3 Confidential Information. The City shall refrain from releasing Consultant's proprietary information ("Proprietary Information") unless the City's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the City shall notify Consultant of its intention to release Proprietary Information. Consultant shall have five (5) working days after receipt of the Release Notice to give City written notice of Consultant's objection to the City's release of Proprietary Information. Consultant shall indemnify, defend and hold harmless the City, and its officers, directors, employees, and agents from and against all liability, loss, cost or expense (including attorney's fees) arising out of a legal action brought to compel the release of Proprietary Information. City shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Consultant fails to fully indemnify, defend (with City's choice of legal counsel), and hold City harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that City release such information.

3.5.4 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.5 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.6 Indemnification.

3.5.6.1 To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's Services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

3.5.6.2 If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance as a "design professional" (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

3.5.7 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations,

understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.8 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Orange County.

3.5.9 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.10 City's Right to Employ Other Consultants. City reserves right to employ other consultants in connection with this Project.

3.5.11 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.12 Assignment or Transfer. Consultant shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.5.13 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Consultant include all personnel, employees, agents, and subconsultants of Consultant, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.14 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.15 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.16 No Third-Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.17 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.18 Prohibited Interests. Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working

solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.19 Equal Opportunity Employment. Consultant represents that it is an equal opportunity employer and it shall not discriminate against any subconsultant, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Consultant shall also comply with all relevant provisions of City's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.

3.5.20 Labor Certification. By its signature hereunder, Consultant certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.21 Authority to Enter Agreement. Consultant has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.22 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 Prior Approval Required. Consultant shall not subcontract any portion of the work required by this Agreement, except as expressly stated herein, without prior written approval of City. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement.

EXHIBIT "A"
SCOPE OF SERVICES

SCOPE OF SERVICES (PROPOSED WORK PLAN)

The tasks below represent MGT's proven work plan for the City of San Clemente's Compensation and Classification Studies.

WORK PLAN TASKS
TASK 1.0: Conduct Initial Meeting and Finalize Project Work Plan
TASK 2.0: Develop and Implement a Communications Strategy; Hold Orientation Sessions
TASK 3.0: Review Existing Classification and Compensation System
TASK 4.0: Gather and Evaluate Current Organizational and Employee Job Data
TASK 5.0: Identify Relevant Recruitment Markets
TASK 6.0: Conduct Market Survey(s) & Benchmark All Positions
TASK 7.0: Revise and Prepare Job Descriptions as Needed
TASK 8.0: Develop Compensation and Classification System; Present Report
TASK 9.0: Develop Implementation Strategies
TASK 10.0: Provide Ongoing Assistance

The work plan outlined below consists of ten tasks, with the final task being our commitment to work with our client partners for 12 months post-study completion to address study-related questions that may arise. The nature of these tasks requires that some be done sequentially, while others may occur simultaneously.

Task 1.0: CONDUCT INITIAL MEETING AND FINALIZE PROJECT WORK PLAN

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To meet with the designated City of San Clemente Project Officer (Project Officer), and other key staff as determined by the Project Officer, to gain a comprehensive and mutual understanding of the project's background, goals, and scope. ▪ To identify, in more detail, the City of San Clemente's specific objectives and expectations for the study, other specific needs and concerns, the level of staff involvement required, and the strategies to be employed during the study. ▪ To ensure MGT's team has a solid understanding of the City of San Clemente's present compensation system and the system's strengths and weaknesses. ▪ To make any needed modifications to the work plan, expected outcomes, or timeline to ensure all parties agree regarding the scope and project goals. 	<ul style="list-style-type: none"> ▪ Revised work plan and timeline. ▪ Data Request Checklist

- To agree upon a work plan, timeline, deliverables, and monitoring procedures that will lead to the successful accomplishment of all project objectives.

Work Activities

- 1.1 Meet with the designated Project Officer and key client staff members (as appropriate) to accomplish the following:
 - Review the technical approach and work plan to make any necessary modifications.
 - Finalize the project schedule and assign initial responsibilities.
 - Determine how and when to best communicate project activities with the Project Officer, the City of San Clemente’s staff, and administration, as appropriate.
 - Conduct orientation and briefing session(s) with all employees covered within the scope of this study.
- 1.2 Obtain relevant reports and current data, including but not limited to:
 - Existing job descriptions with detailed accounts of major duties, responsibilities, and requirements.
 - Organizational charts detailing supervisory roles for reviewing / approving job descriptions.
 - Current compensation plan(s) and personnel policies that relate to classifications, job descriptions, and pay plan issues as well as benefits administration.
 - Current guidelines used to place new or reclassified positions within the current structure(s).
 - Any previous studies, evaluations, or other reports as applicable to this project.
 - Benefits package details.
- 1.3 Review data requirements for preparing and administering MGT’s JCQ to address any potential data collection issues. The JCQ is used to capture specific job data on factors such as education requirements, experience requirements, financial authority, job complexity, authority, essential job duties, physical demands, and work environment (i.e., FLSA and ADA requirements).
- 1.4 Revise the work plan and finalize the timeline for each project task with the designated Project Officer, and update the following, as needed:
 - Data collection approach, in terms of questionnaires and related documentation.
 - Specifications of deliverables.
 - Revised schedule of deliverables.
 - Monitoring and / or reporting procedures.

Task 2.0: DEVELOP AND IMPLEMENT A COMMUNICATIONS STRATEGY, HOLD ORIENTATION SESSIONS

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To provide key City of San Clemente stakeholders with input into study goals and objectives at the beginning of the process. ▪ To create a clear and simple strategy to communicate the compensation and classification study process to the City of San Clemente stakeholder groups. ▪ To obtain input from employees on the study goals and objectives. 	<ul style="list-style-type: none"> ▪ Remote orientation session(s) if desired. ▪ Solicitation and discussion of key stakeholder feedback. ▪ Communications plan set for status updates.

<ul style="list-style-type: none"> ▪ To maximize opportunities for participation and review by key City of San Clemente stakeholders. 	<ul style="list-style-type: none"> ▪ Customized Frequently Asked Questions (FAQ) document for employees.
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Work Activities

- 2.1 Work with the Project Officer to schedule orientation presentation(s), if desired, with the City of San Clemente staff and administration to provide an outline of the project, tasks, and timelines, and to explain how employees will be involved in project activities.
This activity will include a review of the JCQ and the Management Issues Paper® (MIP) (found in **Appendix B**) data collection processes to promote a smooth and quality data collection process. The MIP survey serves two major purposes: 1) to offer supervisory employees the opportunity to briefly express their concerns regarding the current compensation and classification system, as well as organizational structure, to the project team; and 2) to identify key areas of focus to set the analysis and review process in the proper direction.
- 2.2 Identify any critical issues raised during the orientation session(s), or through interviews/focus groups with key department staff and share with the Project Officer.
- 2.3 Resolve and / or prepare a strategy for addressing critical issues.
- 2.4 Agree upon, and document, future communications including periodic update meetings and additional meetings to present the final report to designated City of San Clemente administrators.
- 2.5 Agree upon, and document, future communications with key stakeholders and the Project Officer for providing status updates on the progress of work plan tasks.

Task 3.0: REVIEW EXISTING CLASSIFICATION AND COMPENSATION SYSTEM

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To perform a comprehensive review of the City of San Clemente’s current compensation system. ▪ To assess the City of San Clemente’s current compensation policies in terms of assigned target market value to determine competitiveness. ▪ To review the City of San Clemente’s current job descriptions for employees. ▪ To review related compensation administration policies and the factors currently used by the City of San Clemente in determining pay grade or salary level. ▪ To identify opportunities to consolidate job classes and overall compensation program to ease future maintenance of such frameworks 	<ul style="list-style-type: none"> ▪ Assessment of current compensation system.

Work Activities

- 3.1 Review existing pay structures and compensation philosophy documentation. Request and verify data for each employee, including but not limited to, name, current salary, years of service, rank in the organization, organizational structure, recruitment market classification, and assigned department.
- 3.2 Analyze job placement in the current system using current job descriptions, duties, and responsibilities gathered from the JCQ data collection, employees' educational credentials, employee longevity within the City of San Clemente, current position, and other relevant work experience.
- 3.3 Identify classifications and incumbents that fall outside of the predicted placement in the compensation plan.
- 3.4 Review the existing pay structure and note potential issues to be resolved.

Task 4.0: GATHER AND EVALUATE CURRENT ORGANIZATIONAL AND EMPLOYEE JOB DATA

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To review existing position compensation and classification plan documents, current organizational charts, prior studies, and databases. ▪ To administer MGT's JCQ, as modified to meet the City of San Clemente's needs, to employees to collect relevant job data for analysis. ▪ To administer MGT's MIP survey to offer supervisory employees the opportunity to identify compensation, classification, and organizational problems relating to their own areas of responsibility. ▪ To review JCQ and MIP data and related information. 	<ul style="list-style-type: none"> ▪ Administration of MGT's JCQ (or current City of San Clemente instrument, if desired) and MIP surveys. ▪ Analysis of JCQ and MIP data.

Work Activities

- 4.1 Work with the Project Officer to administer the JCQ, or current instrument utilized by the City of San Clemente– if preferred – to employees included in this engagement.
- 4.2 Work with the Project Officer to modify and administer the MIP survey to supervisory employees included in this engagement.
- 4.3 Review the MIP surveys completed by administrators, managers, and supervisors to identify concerns regarding position levels and descriptions, organizational structure, and other issues as needed.
- 4.4 Review and analyze the results from the JCQ data collection to assist in the determination of the following:
 - Education and experience requirements.
 - Certification / license requirements.
 - Levels of responsibility and authority.
 - FLSA / ADA compliance.
 - Internal and external relationships.
 - Updated job duties and responsibilities, including physical requirements.

Task 5.0: IDENTIFY RELEVANT RECRUITMENT MARKETS

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To identify the appropriate recruitment market(s) for positions included in the study and for use in the selection of relevant market data sources. 	<ul style="list-style-type: none"> ▪ Recruitment market(s) identified. ▪ Data sources identified for benchmarking.

Work Activities

- 5.1 Work with the Project Officer to identify the appropriate public / private recruitment market(s) for included positions. Market levels may include City-recommended local jurisdictions at the state, county, town, or other locality level. Additional regional and national benchmarks may be included for more uniquely competitive positions, such as senior leadership/executive.
- 5.2 Identify appropriate data sources for benchmarking positions. Data sources may include:
 - Salary.com CompAnalyst data available and designed to support unique situations, such as hybrid positions.
 - Data gathered through market peer salary surveys from identified comparable organizations (see Task 6.0 below).

Task 6.0: CONDUCT MARKET SURVEYS & BENCHMARK ALL POSITIONS

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To determine appropriate public and private organizations, in collaboration with the City of San Clemente, that offer comparable employment opportunities to use for benchmark comparisons. Consideration will be given to the following criteria: <ul style="list-style-type: none"> – Geographic Area (Location). The geographical scope of the labor market survey (i.e., local, statewide, regional, or national recruitment areas). – Service Structure. Organizations with comparable jobs and similar organizational structure and economic characteristics. – Size. Comparability of organizational size (measured through number of management and non-management positions, budget, population served, etc.). ▪ To select benchmark positions that meet the approval of the Project Officer and are appropriate to use in conducting a market salary survey. Benchmarks selected for the market salary survey should be based on the following criteria: <ul style="list-style-type: none"> – Benchmarks should be reasonably well-known and concisely described. – Benchmarks should have a clear and identifiable relationship to other classes in their occupational group to ensure they will serve as a good reference point in relating and establishing salaries for other classes within their job category. 	<ul style="list-style-type: none"> ▪ Creation and distribution of market survey(s). ▪ Analysis of market survey results.

<ul style="list-style-type: none"> – Benchmarks should be representative of the various functional areas, job categories, and pay levels within the City of San Clemente. 	
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Work Activities

- 6.1 Establish a set of benchmark classifications consisting of selected positions that are utilized by the City of San Clemente and comparable organizations.
- 6.2 In close collaboration with the City of San Clemente, identify comparable organizations to survey and use for benchmark comparisons.
- 6.3 Conduct salary surveys.
- 6.4 Analyze data.
- 6.5 Prepare report of survey results.

Task 7.0: REVISE AND PREPARE JOB DESCRIPTIONS AS NEEDED

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To revise staff job descriptions, as needed, in a format agreed to by the City of San Clemente. 	<ul style="list-style-type: none"> ▪ A set of updated job descriptions. ▪ Documented process for evaluating new / revising current jobs.

Work Activities

- 7.1 Review and examine JCQ data, MIP data, and additional comments from key stakeholders and managers concerning each position, personnel organizational charts, and similar documents.
- 7.2 Develop a draft job description format, if desired. All job descriptions will be updated in Microsoft Word format and will include factors such as but not limited to:
 - Essential job functions.
 - Knowledge, skills, and abilities.
 - Minimum qualifications.
 - Materials and equipment used.
 - Special certifications or requirements.
 - ADA characteristics of the position (i.e., physical, environmental, and sensory).
 - Appropriate FLSA designation.
- 7.3 Make appropriate revisions to job descriptions.
- 7.4 Document process used to evaluate new/revise current jobs and provide as an operating guide.

Task 8.0: DEVELOP CLASSIFICATION AND COMPENSATION SYSTEM, PRESENT REPORT

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none"> ▪ To provide an updated / new compensation system that: <ul style="list-style-type: none"> – Reflects the relevant recruitment markets in which the City of San Clemente competes. 	<ul style="list-style-type: none"> ▪ Draft report. ▪ Final report.

<ul style="list-style-type: none"> – Is flexible to manage and update for ongoing maintenance and administration. – Contributes to the overall efficiency and effectiveness of the City of San Clemente’s operations. – Reflects the mission, goals, and strategic plan of the City of San Clemente. – Provides implementation strategies for moving employees into the new structure(s). – Provides flexibility and guidelines for maintenance of the new structure(s). ▪ To develop and present a final report containing detailed narrative about the study’s methodology, results, implementation strategies, guidelines for maintenance, and implementation costs. The final report will include a detailed description of the development and characteristics of the proposed pay structure(s), including grade and range spreads. Includes onsite presentation on the study results if desired. 	
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Work Activities

- 8.1 Confirm with the Project Officer and other appropriate officials the desired characteristics of the updated City of San Clemente compensation and classification system.
- 8.2 Integrate employee and classification data into compensation and implementation reports.
- 8.3 Develop draft models for the City of San Clemente’s consideration. The drafts will provide steps for transitioning employees from their current classifications and / or salary structures to the proposed system.
- 8.4 Identify the financial impact of the revised compensation system.
- 8.5 Review the draft compensation system, including financial impact, with the Project Officer and other appropriate staff.
- 8.6 Complete revisions, if any and as appropriate, and prepare and provide the final report, which includes onsite presentation on the study results. The final report will detail the recommended compensation system and results of the market comparisons, including an overview of the key issues, methodology, and recommendations of the study. Specifically, the final report will include the following:
 - Identification of organizations surveyed and the selected benchmarks.
 - Identification of how the City of San Clemente’s positions relate and compare to the market.
 - Survey data information.
 - Inclusion of those classes where no market data were identified, if any, and discussion of how those positions are classified to ensure internal equity.
 - Detailed narrative of the study’s methodology, processes, and data selection.
 - Detailed description of the creation and characteristics of the proposed system.
 - Tables reflecting proposed salary structures and the recommended salary grade ranges for each classification.
 - Costs to implement study recommendations with the presentation of phase-in options.
 - Identification of outliers (i.e., employees falling above or below current proposed minimum and maximum salaries).
 - Guidelines for ongoing system maintenance and administration. Includes best practices on promotions, transfers, succession planning, and other compensation policies.

Task 9.0: DEVELOP IMPLEMENTATION STRATEGIES

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none">▪ To provide phase-in options and cost projections for proposed changes.▪ To provide policies and procedures for long-term system maintenance and administration.▪ To assist in communicating the results of the classification and compensation study to key stakeholders.	<ul style="list-style-type: none">▪ Phase-in options and cost projections.▪ Policies and procedures for system maintenance and administration.▪ Communication of study results.

Work Activities

- 9.1 Review study results with the Project Officer and other key staff, as directed, to identify and determine options for migrating the City of San Clemente from its current system to the recommended system.
- 9.2 Communicate study results to designated City of San Clemente leadership, including City of San Clemente staff, administration, and City Council, as desired.

Task 10.0: PROVIDE ONGOING ASSISTANCE

OBJECTIVE(S)	PROJECT DELIVERABLE(S)
<ul style="list-style-type: none">▪ To provide staff consultation for a period of 12 months.	<ul style="list-style-type: none">▪ On-call consultation for 12 months. (MGT maintains ongoing relationships with all clients.)

Work Activities

- 10.1 Prepare compensation system materials and training for administering and maintaining the system and share with the Project Officer and key stakeholders. Revise, as necessary, and provide final copies. All materials are provided in Microsoft Word or Excel format, and there is no additional software necessary for purchase in implementation and maintaining the new system.
- 10.2 Provide consultation to HR on the maintenance and administration of the system.
- 10.3 Follow-up with key staff to address any issues related to system implementation.

Work Plan Assumptions

Providing assumptions helps the entire team (client and consultant) fully understand each other's expectations for the project. The following outlines our work plan assumptions:

- 1) MGT will work with the City of San Clemente to find the appropriate balance between onsite and virtual work due to the COVID-19 pandemic. MGT can and has successfully performed all tasks virtually.
- 2) The City of San Clemente will designate a Project Officer in concert with (or prior to) project kick-off.

- 3) All phases of the project will involve significant input from key identified City of San Clemente stakeholders, including the Project Officer.
- 4) MGT will request employee / position data in a standard database format (Excel). The City of San Clemente will need to provide a usable database within a reasonable amount of time (e.g., two weeks) to meet the agreed upon study schedule. The initial work conducted by MGT's team will be dependent on receiving the requested information in this database request. MGT will provide immediate notification if the database does not meet specifications. If data (e.g., employee names, salaries, etc.) cannot be provided, any additional programming or data mining work performed by MGT to establish a usable database or to clean a database provided by the City of San Clemente will be approved prior to initiation.
- 5) If the City of San Clemente prefers that MGT utilize additional sources of salary data (e.g., a subscriber service, or regional salary survey), the City of San Clemente will facilitate MGT's access and bear any associated costs.
- 6) Data collection and analyses will primarily be conducted online, with interviews and focus groups utilized as necessary to ensure successful project outcomes.
- 7) The implementation of the new system will be dependent upon the City of San Clemente's fiscal considerations and other factors to be identified by the City of San Clemente during the work effort.
- 8) The study is divided into tasks, although some will occur simultaneously to best meet the City of San Clemente's desired schedule. In order to meet the quick turnaround schedule proposed, any additional reviews of materials by the City of San Clemente will need to occur within one week of submission.
- 9) A clear and concise implementation plan and strategy will be provided to the City of San Clemente to enable an appropriate phase-in of study results.
- 10) MGT will be available to the City of San Clemente for a period of 12 months following the completion of the project, as needed, for implementation follow-up.
- 11) Final reports are assumed final, if we do not hear from the City of San Clemente within two weeks of report delivery (email or hard copy).

The entire classification and compensation study process is transparent, and all data collection instruments, methodology, and final outcomes will be documented in great detail. All files are provided in Excel or Word formats for maximum implementation efficiency and periodic updating.

EXHIBIT "B"
SCHEDULE OF SERVICES

Timeline

Based on MGT’s experience conducting similar studies and the RFP requirements, we anticipate the project can be completed within 3 months of project initiation as illustrated in Exhibit 1.

Exhibit 1. Proposed Schedule

WORK TASKS	MONTH 1				MONTH 2				MONTH 3			
	1	2	3	4	1	2	3	4	1	2	3	4
1.0 Conduct Initial Meeting(s) and Finalize Project Work Plan	█	█										
2.0 Develop/Implement a Communications Strategy; Hold Orientation Sessions	█	█	█	█								
3.0 Review Existing Classification and Compensation System			█	█	█	█						
4.0 Gather and Evaluate Current Organizational and Employee Job Data	█	█	█	█	█	█	█					
5.0 Identify Relevant Recruitment Market(s)				█	█	█						
6.0 Conduct Market Survey(s) and Benchmark All Positions					█	█	█	█	█			
7.0 Revise and Prepare Job Descriptions							█	█	█	█		
8.0 Develop Compensation System; Present Report							█	█	█	█		
9.0 Develop Implementation Strategies									█	█		
10.0 Provide Ongoing Assistance										█	█	█

Customer Support
We will not simply leave the City with a report and a plethora of recommendations. MGT is prepared to assist the City in developing, implementing, and sustaining an equitable compensation study and classification system. We will create detailed implementation strategies and work with you to successfully achieve the implementation process. We provide no-cost assistance for a 12-month period following study completion to ensure a smooth transition from current to desired state.

Fee

MGT proposes to complete the City’s part-time project for a total cost of \$17,668. The Exhibits below detail the cost by each work task in our work plan. This includes professional fees and other costs (travel, surveys, postage, etc., as applicable).

Exhibit 2. Part-Time Project Proposed Cost by Task

Milestones and Tasks		Professional Hours	Total Fees	Direct Expenses	GRAND TOTAL
1	Conduct Initial Meeting and Finalize Project Work Plan	4	\$ 672	0	\$ 672
2	Develop and Implement a Communications Strategy; Hold Orientation Sessions	15	\$ 2182	\$ 187	\$ 2369
3	Review Existing Classification and Compensation System	12	\$ 1846	0	\$ 1846
4	Gather & Evaluate Current Employee Job Data	19	\$ 2852	\$ 468	\$ 3320
5	Identify Relevant Recruitment Markets	3	\$ 504	0	\$ 504
6	Conduct Market Surveys	11	\$ 1678	0	\$ 1678
7	Revise & Prepare Job Descriptions as needed	20	\$ 3020	0	\$ 3020
8	Develop Compensation & Classification System & Present Report	18	\$ 2684	\$ 233	\$ 2917
9	Develop Implementation Strategies	9	\$ 1342	0	\$ 1342
10	Provide Ongoing Assistance	0	0	0	0
GRAND TOTAL, Hours and Fees		111	\$ 16,780	\$ 888	\$ 17,668

Hourly Rates

Our fee schedule by hourly rates is provided below.

Executive-in-Charge	Project Director	Consultant Senior Consultant Partner Principal	Consultant / Associate Designer	Administrative Support / Office Manager
\$245	\$220	\$250	\$125-225	\$105

Pricing Assumptions:

Wage/salary survey of 8 comparison agencies in addition to the City. Survey to be made of all City classes (i.e. 18 part-time job classifications as referenced in the RFP's supplemental materials) indicating matches identified and analysis of pay comparison data.

All meetings and employee interviews allowed to be virtual (via Zoom/Teams) at the Consultant's discretion.

Benchmarks will not be 100% of the jobs. It is our experience that this will be approximately 50% of the job classifications.

Three (3) in-person meetings, as determined by both Parties.

Administer an employee review and appeal process and provide conclusions to be billed separately based on actual work requirements as a function of appeals filed. The proposed cost would be subject to approval prior to MGT starting appeal work if any needed.

Other Deliverables Included in Pricing:

Updated job classification descriptions in City-identified format as editable MS Word files that include a Purpose statement, examples of functions/duties/responsibilities, Knowledge, Skills, and Abilities related to each job, the typical qualifying education and experience for the job class, and FLSA classification (Exempt/Non-Exempt).

Initial virtual project kickoff meeting with key stakeholders (typically a steering committee with City, bargaining unit, confidential, and management/supervisory representation) to establish clear roles and expectations, followed by one or more employee engagement presentations to foster greatest participation possible.

Periodic status reports and progress updates during the study and final project closeout report of findings and recommendations including executive overview, details for each job class recommended, wage/salary tables, allocation tables for each employee, and job class descriptions.

EXHIBIT "C"
INSURANCE REQUIREMENTS

3.2.12 Insurance.

3.2.12.1 Time for Compliance. Consultant shall not commence work under this Agreement until it has provided evidence satisfactory to the City that it has secured all insurance required under this section. In addition, Consultant shall not allow any subconsultant to commence work on any subcontract until it has provided evidence satisfactory to the City that the subconsultant has secured all insurance required under this section.

3.2.12.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the Consultant, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Consultant agrees to amend, supplement or endorse the policies to do so.

(A) **Commercial General Liability:** Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office "occurrence" form CG 0001, or the exact equivalent, with limits of not less than \$1,000,000 per occurrence and no less than \$2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions (1) limiting coverage for contractual liability; (2) excluding coverage for claims or suits by one insured against another (cross-liability); or (3) containing any other exclusion(s) contrary to the terms or purposes of this Agreement.

(B) **Automobile Liability Insurance:** Automobile Liability Insurance with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities with limits of not less than \$1,000,000 combined limit for each occurrence. (1) a Personal Automobile Liability policy for the Consultant's own vehicle stipulating "Automobile Liability Insurance with a limit of not less than \$1,000,000 each accident"; and (2) a non-owned auto endorsement to the Commercial General Liability policy if Consultant uses vehicles of others (e.g., vehicles of employees).

(C) **Workers' Compensation:** Workers' Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury and disease.

(D) **Professional Liability (Errors & Omissions):** Professional Liability insurance or Errors & Omissions insurance appropriate to Consultant's profession with limits of not less than \$1,000,000 per claim. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

3.2.12.3 Insurance Endorsements. Required insurance policies shall contain the following provisions, or Consultant shall provide endorsements on forms approved by the City to add the following provisions to the insurance policies:

(A) Commercial General Liability:

(1) Additional Insured: The City, its officials, officers, employees, agents, and volunteers shall be additional insureds with regard to liability and defense of suits or claims arising out of the performance of the Agreement.

Additional Insured Endorsements shall not (1) be restricted to "ongoing operations"; (2) exclude "contractual liability"; (3) restrict coverage to "sole" liability of Consultant; or (4) contain any other exclusions contrary to the terms or purposes of this Agreement. For all policies of Commercial General Liability insurance, Consultant shall provide endorsements in the form of ISO CG 20 10 10 01 (or endorsements providing the exact same coverage) to effectuate this requirement.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(B) Automobile Liability:

(1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

3.2.12.4 Professional Liability (Errors & Omissions):

(A) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

(B) Contractual Liability Exclusion Deleted: This insurance shall include contractual liability applicable to this Agreement. The policy must "pay on behalf of" the insured and include a provision establishing the insurer's duty to defend.

3.2.12.5 Workers' Compensation:

(A) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the City except ten (10) days shall be allowed for non-payment of premium.

3.2.12.6 Primary and Non-Contributing Insurance. All policies of Commercial General Liability and Automobile Liability insurance shall be primary and any other insurance, deductible, or self-insurance maintained by the City, its officials, officers, employees, agents, or volunteers shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.12.7 Waiver of Subrogation. All policies of Commercial General Liability and Automobile Liability insurance shall specifically allow Consultant or others providing

insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against the City, its officials, officers, employees, agents, and volunteers, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

3.2.12.8 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention greater than \$5,000 must be approved in writing by the City and shall protect the City, its officials, officers, employees, agents, and volunteers in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.12.9 Evidence of Insurance. The Consultant, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates on forms approved by the City, together with all endorsements affecting each policy. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the City for approval. 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 and not replaced immediately so as to avoid a lapse in the required coverage, 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.

3.2.12.10 Failure to Maintain Coverage. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced immediately so as to avoid a lapse in the required coverage, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement effective upon notice.

3.2.12.11 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A- VII and authorized to transact business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.12.12 Enforcement of Agreement Provisions (non estoppel). Consultant acknowledges and agrees that actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligation on the City nor does it waive any rights hereunder.

3.2.12.13 Requirements Not Limiting. Requirement of specific coverage or minimum limits contained in this Appendix are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance.

3.2.12.14 Insurance for Subconsultants. Consultant shall include all subconsultants engaged in any work for Consultant relating to this Agreement as additional insureds under the Consultant's policies, or the Consultant shall be responsible for causing

subconsultants to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the City, its officials, officers, employees, agents, and volunteers as additional insureds to the subconsultant's policies. All policies of Commercial General Liability insurance provided by Consultant's subconsultants performing work relating to this Agreement shall be endorsed to name the City, its officials, officers, employees, agents and volunteers as additional insureds using endorsement form ISO CG 20 38 04 13 or an endorsement providing equivalent coverage. Consultant shall not allow any subconsultant to commence work on any subcontract relating to this Agreement until it has received satisfactory evidence of subconsultant's compliance with all insurance requirements under this Agreement, to the extent applicable. The Consultant shall provide satisfactory evidence of compliance with this section upon request of the City.

WORKER'S COMPENSATION INSURANCE CERTIFICATION

WORKERS' COMPENSATION DECLARATION

I hereby affirm under penalty of perjury one of the following declarations:

(ONE OF THE BOXES BELOW MUST BE CHECKED)

I have and will maintain a certificate of consent from the California Labor Commission to self-insure for workers' compensation, as provided for by Section 3700 of the Labor Code, for the performance of the work to be performed under this contract.

I have and will maintain workers' compensation insurance, as required by Section 3700 of the Labor Code, for the performance of the work to be performed under this contract. My workers' compensation insurance carrier and policy number are:

Carrier Hartford Insurance Group

Policy Number 10 WB AR7J14

I certify that, in the performance of the work under this Agreement, I shall not employ any person in any manner so as to become subject to the workers' compensation laws of California, and I hereby agree to indemnify, defend, and hold harmless the City of San Clemente and all of its officials, employees, and agents from and against any and all claims, liabilities, and losses relating to personal injury or death, economic losses, and property damage arising out of my failure to provide such worker's compensation insurance. I further agree that, if I should become subject to the workers' compensation provisions of Section 3700 of the Labor Code, I shall forthwith comply with those provisions.

WARNING: FAILURE TO SECURE WORKERS' COMPENSATION COVERAGE IS UNLAWFUL, AND SHALL SUBJECT AN EMPLOYER TO CRIMINAL PENALTIES AND CIVIL FINES UP TO ONE HUNDRED THOUSAND DOLLARS (\$100,000), IN ADDITION TO THE COST OF COMPENSATION, DAMAGES AS PROVIDED FOR IN SECTION 3706 OF THE LABOR CODE, INTEREST, AND ATTORNEY'S FEES.

Dated: _____, 20____

Consultant

By:

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke, written over a horizontal line.

Title

Address
