

PROFESSIONAL SERVICES AGREEMENT
FOR
CLASSIFICATION STUDY SERVICES

This Agreement is made and entered into as of the 21 day of June, 2021 by and between the City of Foster City hereinafter called "CITY" and Gallagher Benefit Services, Inc. hereinafter called "CONSULTANT".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That CITY desires to engage CONSULTANT to provide professional services in the CITY;
- B. That CONSULTANT is qualified to provide such services to the CITY and;
- C. That the CITY has elected to engage the services of CONSULTANT upon the terms and conditions as hereinafter set forth.

- 1. Services. The services to be performed by CONSULTANT under this Agreement shall include those services set forth in Exhibit A, which is, by this reference, incorporated herein and made a part hereof as though it were fully set forth herein.

Performance of the work specified in said Exhibit A is hereby made an obligation of CONSULTANT under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the said parties.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in Exhibit A.

- 2. Term; Termination. (a) The term of this Agreement shall commence upon the date hereinabove written and shall expire upon completion of performance of services hereunder by CONSULTANT. (b) Notwithstanding the provisions of (a) above, either party may terminate this Agreement without cause by giving written notice not less than ten (10) days prior to the effective date of termination, which date shall be included in said notice. In the event of such termination, CITY shall compensate CONSULTANT for services rendered, and reimburse CONSULTANT for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of CITY to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to CITY hereunder.

3. Compensation; Expenses; Payment. CITY shall compensate CONSULTANT for all services performed by CONSULTANT hereunder in an amount based upon CONSULTANT's hourly rates during the time of the performance of said services. A copy of CONSULTANT's hourly rates for which services hereunder shall be performed are set forth in CONSULTANT's fee schedule marked Exhibit "B" hereof, attached hereto and by this reference incorporated herein.

Notwithstanding the foregoing, the combined total of compensation and reimbursement of costs payable hereunder shall not exceed the sum of eighty four thousand, three hundred and twenty dollars (\$84,320). Invoices for amounts in excess of eighty four thousand, three hundred and twenty dollars (\$84,320) shall not be paid unless the performance of services and/or reimbursement of costs and expenses in excess of said amounts have been approved in advance of performing such services or incurring such costs and expenses by the City Manager (for contracts less than \$50,000) or City Council (for contracts \$50,000 or more) evidenced by motion duly made and carried and a written contract amendment having been executed.

Compensation and reimbursement of costs and expenses hereunder shall be payable upon monthly billing therefor by CONSULTANT to CITY, which billing shall include an itemized statement, briefly describing by task and labor category or cost/expense items billed.

4. Additional Services. In the event CITY desires the performance of additional services not otherwise included within the services described in Exhibit A, such services shall be authorized in advance of the performance thereof by the City Manager (for contracts less than \$50,000) or City Council (for contracts \$50,000 or more) by motion duly made and carried. Such amendment to this Agreement shall include a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefor, the time of performance thereof, and such other matters as the parties deem appropriate for the accomplishment of such services. Except to the extent modified by written amendment, all other terms and conditions of this Agreement shall be deemed incorporated in each such amendment.
5. Records. CONSULTANT shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by CONSULTANT hereunder. Said records shall be available to CITY for review and copying during regular business hours at CONSULTANT's place of business or as otherwise agreed upon by the parties.
6. Authorization. This Agreement becomes effective when endorsed by both parties in the space provided below.
7. Reliance on Professional Skill of CONSULTANT. CONSULTANT represents that it has the necessary professional skills to perform the

services required and the CITY shall rely on such skills of the CONSULTANT to do and perform the work. In performing services hereunder CONSULTANT shall adhere to the standards generally prevailing for the performance of expert consulting services similar to those to be performed by CONSULTANT hereunder.

8. Documents. All documents, plans, drawings, renderings, and other papers, or copies thereof, as finally rendered, prepared by CONSULTANT pursuant to the terms of this Agreement, shall, upon preparation and delivery to CITY, become the property of CITY.
9. Relationship of Parties. It is understood that the relationship of CONSULTANT to the CITY is that of an independent contractor and all persons working for or under the direction of CONSULTANT are its agents or employees and not agents or employees of the CITY.
10. Schedule. CONSULTANT shall adhere to the schedule set forth in Exhibit A; provided, that CITY shall grant reasonable extensions of time for the performance of such services occasioned by governmental reviews of CONSULTANT's work product or other unavoidable delays; provided, further, that such unavoidable delay shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, CONSULTANT's officers or employees.

CONSULTANT acknowledges the importance to CITY of CITY's Project schedule and agrees to put forth its best professional efforts to perform its services under this Agreement in a manner consistent with that schedule.

11. Indemnity. To the fullest extent allowed by law, CONSULTANT hereby agrees to defend, indemnify, and save harmless CITY and Estero Municipal Improvement District, its Council, boards, commissions, officers, employees and agents, from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, City of Foster City or Estero Municipal Improvement District, its Council, boards, commissions, officers, employees or agents caused by, or alleged to have been caused by, the negligence, intentional tortuous act or omission, or willful misconduct of CONSULTANT, its officers, employees, subcontractors or agents in the performance of any services or work pursuant to this Agreement.

The duty of CONSULTANT to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein contained shall be construed to require CONSULTANT to indemnify City of Foster City and Estero Municipal Improvement District, its Council, boards, commissions, officers, employees and agents against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

CONSULTANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained within this Agreement.

12. Insurance. CONSULTANT shall acquire and maintain Workers' Compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability, and professional liability insurance coverage relating to CONSULTANT's services to be performed hereunder covering CITY's risks in form subject to the approval of the City Attorney and/or CITY's Risk Manager. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event, shall be as follows:

<u>Insurance Category</u>	<u>Minimum Limits</u>
Workers' Compensation	statutory minimum
Employer's Liability	\$1,000,000 per accident for bodily injury or disease
Commercial General Liability	\$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage
Automobile Liability	\$1,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to CONSULTANT's vehicle usage in performing services hereunder)
¹ Professional Liability	\$1,000,000 per claim and aggregate

It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the CITY as an Additional Insured. Furthermore, the requirements for coverage and limits shall be the greater of either (1) the minimum coverage and limits specified in this Agreement or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured.

¹ Note: Professional liability insurance coverage is not required if the CONSULTANT is not providing a service regulated by the state. (Examples of service providers regulated by the state are insurance agents, professional engineers, doctors, certified public accountants, lawyers, etc.) Please check and initial the following if professional liability is **NOT** required for this agreement. ☐ Recommended _____ [Project Manager] ☐ Approved _____ [Risk Manager]

CONSULTANT agrees to include with all subcontractors in their subcontracts the same requirements and provisions of this agreement including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by CONSULTANT shall agree to be bound to CONSULTANT and CITY in the same manner and to the same extent as CONSULTANT is bound to CITY under this Agreement and its accompanying documents. Subcontractors shall further agree to include these same provisions with any sub-subcontractors. A copy of the indemnity and insurance provisions of this Agreement will be furnished to the Subcontractor upon request. CONSULTANT shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the subcontract agreement and will provide proof of compliance to the CITY prior to commencement of any work by the subcontractor.

Concurrently with the execution of this Agreement, CONSULTANT shall furnish CITY, on the form included as Exhibit D or similar form, with certificates and copies of information or declaration pages of the insurance required hereunder to be included as Exhibit C hereto. With respect to evidence of commercial general liability insurance coverage, CONSULTANT must also include in Exhibit C the following original endorsements:

- (a) Precluding cancellation or reduction in per occurrence limits before the expiration of thirty (30) days (10 days for nonpayment) after CITY shall have received written notification of cancellation in coverage or reduction in per occurrence limits by first class mail;
- (b) Naming the City of Foster City and Estero Municipal Improvement District, its Council, officers, boards, commissions, employees, and agents, as additional insureds; and
- (c) Providing that CONSULTANT's Commercial General Liability insurance coverage shall be primary insurance with respect to City of Foster City and Estero Municipal Improvement District, its Council, officers, boards, commissions, employees, and agents, and any insurance or self-insurance maintained by CITY for itself, its Council, officers, boards, commissions, employees, or agents shall be in excess of CONSULTANT's insurance and not contributory with it. CONSULTANT and its insurer may not seek contribution from CITY's insurance or self-insurance.

The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of CITY, to the extent required by this Agreement, before the CITY's insurance or self-insurance may be called upon to protect CITY as a named Insured.

All self-insured retentions (SIR) must be disclosed to CITY for approval and shall not reduce the limits of liability coverage. Policies containing and SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named CONSULTANT/Named Insured or CITY.

CITY reserves the right to obtain a certificate of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Any and all Subcontractors shall agree to be bound to CONSULTANT and CITY in the same manner and to the same extent as CONSULTANT is bound to CITY under this Agreement. Subcontractors shall further agree to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, in any agreement with sub-subcontractors to the extent that they apply to the scope of the sub-subcontractor's work. A copy of the indemnity and insurance provisions of this Agreement shall be furnished to any subcontractor upon request.

CONSULTANT shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of three (3) years following completion of this project or service. In the event CONSULTANT fails to obtain or maintain completed operations coverage as required by this Agreement, the CITY at its sole discretion may purchase the coverage required and the cost will be paid by CONSULTANT.

13. WORKERS' COMPENSATION. CONSULTANT certifies that he is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and CONSULTANT certifies that he will comply with such provisions before commencing the performance of the work of this agreement.
14. NON-DISCRIMINATION. The CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONSULTANT will take affirmative action to ensure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, advancement, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT shall at all times be in compliance with the requirements of the Federal Americans With Disabilities Act (Public Law 101-336) which prohibits discrimination on the basis of disability by public entities. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the CITY setting forth the provisions of this non-discrimination clause.
15. Payment. The CITY shall pay CONSULTANT for its fees and reimbursable expenses (if applicable) within 30 days following the date of receipt of each

applicable invoice. If CITY contests or questions any invoice, it agrees to raise any questions with management of CONSULTANT within such 30-day period. Late fees in the amount of 2% of invoice amount will accrue if current invoice is not paid within 30 days of payment due date of that invoice. If late fees are not paid, they will carry forward to next invoice.

16. Notice. All notices required by this Agreement shall be given to the CITY and CONSULTANT in writing, by first class mail, postage prepaid, addressed as follows:

CITY: City of Foster City
610 Foster City Boulevard
Foster City, CA 94404-2299
Attention: Maria Saguisag-Sid

CONSULTANT: Gallagher Benefit Services, Inc.
2835 Seventh Street
Berkeley, CA 94710
Attention: Katie Kaneko

17. Non-Assignment. This Agreement is not assignable either in whole or in part.
18. Amendments. This Agreement may be amended or modified only by written agreement signed by both parties.
19. Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
20. Governing Law. This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the parties hereto to enforce any provision of the Agreement, the unsuccessful party will pay the reasonable attorney's fees and expenses of litigation of the successful party.
21. Mediation. Should any dispute arise out of this Agreement, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of the settlement and each party shall bear its own legal costs.
22. Conflict of Interest. CONSULTANT may serve other clients, but none who are active within the City of Foster City or who conduct business that would place CONSULTANT in a "conflict of interest" as that term is defined in State law.

23. Entire Agreement. This Agreement, including Exhibits A, B C, and D, comprises the entire Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective representatives duly authorized in that behalf.

CITY OF FOSTER CITY

Dated: 7/8/2021 | 1:56 AM PDT

DocuSigned by:

Sanjay Gehani

6015CCD8CE83493...

Sanjay Gehani, Mayor

Dated: 7/8/2021 | 8:47 AM PDT

ATTEST:

DocuSigned by:

Priscilla Schaus

6131E59FA3384AB...

Priscilla Schaus, City Clerk

Dated: 6/29/2021 | 12:29 PM PDT

APPROVED AS TO FORM

DocuSigned by:

Jean Savaree

EE111547A480448...

Jean B. Savaree, City Attorney

Dated: 6/28/2021 | 12:21 PM PDT

CONSULTANT

DocuSigned by:

Georg Krammer

949D9E7481754E6...

Georg S. Krammer, Managing Director

EXHIBIT A

SCOPE OF WORK AND SCHEDULE
FOR
CLASSIFICATION STUDY SERVICES



Study Objectives

Classification Objectives:

- To analyze and update the City's classification system and each study position's classification description and structure through a comprehensive process of job analysis and evaluation, including review of existing documentation, position description questionnaire completion, employee interviews, management interviews, analysis of existing positions and working situations, analysis of levels of duties and responsibilities, and other professional methods, as appropriate;
- To recommend each study position for title change or reclassification (as appropriate), create new classifications (if applicable), eliminate outdated classifications (if applicable), and consolidate classifications assigned to similar functional areas (as appropriate);
- To provide for growth and flexibility of assignment within the new classification structure, where feasible, in recognition that some job duties and responsibilities may evolve over time, as well as to provide adequate career paths and class series/job families that will foster career service within the City;
- To clearly state definitions of job classifications, the typical job functions, and minimum required and preferred/desired qualifications such as education, prior work experience, knowledge, skills, abilities, licenses, certifications, and physical demands and working conditions;
- To provide a classification structure that ensures regulatory compliance, including allocation of each study position to the correct classification with appropriate FLSA designation as well as meeting ADA and EEO regulations;
- To provide for adequate educational, review, and appeal processes that will result in a product that is understood by all levels of personnel and is internally equitable; and
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate classification and level, methods for logical progression of movement between classifications, classification concepts and distinguishing characteristics, as well as the delivery of final reports and recommendations to guide the organization in implementing, managing, and maintaining the classification system.

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, budgets, procedures, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of classification recommendations; finalize study plans and timetables; conduct orientation sessions with management, union leadership, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;



- To develop a classification structure that meets all legal requirements, that is totally non-discriminatory, and that easily accommodates organizational change, growth, and operational needs;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in classification analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

Methodology / Work Plan / Deliverables

CLASSIFICATION STUDY

Deliverable A: Meetings with Study Project Team and Management Staff and Initial Documentation Review

This phase includes identifying the City's Study Project Team, contract administrator, and reporting relationships. Our team of Project Managers and H.R. Associates will conduct an orientation and briefing session with the Study Project Team 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 employees, management, union representation, and the City Council; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, memoranda of understanding ("MOU"), personnel policies, 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, as well as the written questionnaire instrument for the classification study that will be used in the job analysis phase will be reviewed and agreed to. We will discuss methodology and agree to formats for class descriptions. We will respond to any questions that may arise from the various stakeholders.

Deliverable B. Orientation Meetings with Employees and Distribution of PDQ

The Position Description Questionnaire ("PDQ") will be discussed with the Study Project Team and customized as needed to meet the study objectives prior to distributing copies to employees.

We will facilitate orientation meetings with employees (within the same time frame as the initial project kick-off meeting) and distribute the PDQ to start the classification portion of the study. While these meetings are not mandatory, they form the beginning of the educational process that continues throughout the study. We will discuss the importance of the employees' involvement in the study and their participation in PDQ completion and job analysis interviews. Project processes will be explained,



expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and a detailed explanation and examples for completing the PDQ will be given.

Each PDQ will be handed out with the incumbent's current class description attached to the questionnaire so the employee can use this as a tool for completing the questionnaire.

We typically conduct these orientation sessions in person, onsite, and at various client locations. We're happy to do so, of course, as the current circumstance around the pandemic permits (i.e., in terms of guidance from state and local government officials). In case we are required to continue conducting business virtually for a period of time, we can provide the City with many technological options to ensure a smooth process, as we have with many of our clients in the last year.

Our clients have received virtual technology solutions very positively. We continue to ask our clients for feedback so we can implement continuous improvements. We recognize not all clients have the same technology as we do, which means we must provide viable technology options. While we provide multiple options, the expertise of our associates in asking relevant and probing questions of each study participant to better understand each employee's work is critical to the job evaluation interview process (see more information regarding employee interviews below). Our client-centric approach and methodology does not change with the venue.

Deliverable C. Collection and Review of PDQs

We recommend giving employees in the same classification the option of collaborating on completing a PDQ together, if the employees so choose. At the same time, we will invite employees to complete an individual PDQ if they prefer and if they wish to be interviewed separately. We provide an electronic version of our questionnaire so that employees can more easily complete it. Employees complete the questionnaire and then send it to their supervisor for review, comment, and signature. We typically require a second level of review by the next level of management in the reporting structure. This ensures that all staff have an opportunity to provide information as to what the nature of the job is for each job classification.

Upon receipt of the PDQs in our office, K&A staff will review and analyze the PDQs in detail along with other documentation to obtain an understanding of the duties and responsibilities assigned to each position.

Deliverable D. Interviews with Employees, Supervisors, and Management

Interviews will be scheduled with employees. Because this is a critical step in the information-gathering and educational process, we recommend scheduling interviews with at least a representative sample of employees in each classification that will be included in the study. Typically, we employ the following approach and interview:

- All employees in single-position classifications;
- An adequate sampling of employees in multiple-position classifications; and
- Any employee who requests an interview.



We will offer employees the option to be interviewed in a focus group session with incumbents in the same classification or to request an individual interview if they prefer. We recommend individual interviews only if the employee wants to discuss certain issues (e.g., out of class responsibilities, etc.) in privacy with the consultant.

Interviews will then be held with supervisory and management staff (division managers, department heads, etc.), who will clarify their own responsibilities and/or confirm the information we have received in the interviews with their staff (we allow more time for these interviews).

The purpose of the interviews is to clarify and supplement the questionnaire data and to respond to potential perception differences regarding roles, tasks, scope, and supervisory responsibilities. The appropriateness of the following will be assessed:

- Work being completed and relationships of positions to each other within a division/department as well as across the organization; and
- Classification structure and reporting structure.

Deliverable E. Classification Concept and Preliminary Allocation

Prior to developing detailed class descriptions, our job evaluation will result in a classification concept and employee allocation document that will be submitted to the City for review and approval. We will compare changes in business need and operations, as well as any reorganizations, with the established classification system and job families as well as review internal relationships between classifications to define the reasons for, and effects of, the proposed changes.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position classification methodology include:

1. Education Levels, Specialized Trainings, Required Certifications/Licenses, Desirable Certifications/Licenses
2. Required 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. Equipment Used
10. Working Conditions
11. Physical/Mental Demands

This document will list broad class concepts and highlight where significant changes may be recommended, such as creating or collapsing class series in the same functional area and/or separating or combining classifications assigned to different functional areas. We will review and analyze potential career ladders and promotional opportunities, including clearly delineated and distinguished levels within classification series. We will also review and update established titling guidelines for the studied classifications for appropriate and consistent titling.



A detailed, incumbent-specific allocation list for each position included in the study will be prepared, specifying current and proposed classification title and the impact of our recommendations (reclassification – upgrade or downgrade, title change, or no change).

After we have completed this process, a meeting will be arranged to review any recommended changes to the classification plan with the Study Project Team.

Deliverable F. Draft Class Description Development

After preliminary approval of the class concepts and allocation lists, new and/or updated class descriptions will be developed for each proposed classification, following the format approved by the City.

From the review of the PDQs and employee interviews, we will update duties, responsibilities, and minimum qualifications of each class specification, as necessary. We will develop new class specifications if duties, responsibilities, and minimum qualifications have changed significantly, and/or if we recommend new classifications/class levels, and/or if operational changes, business needs, or reorganizations, have occurred.

Following EEO Uniform Guidelines, we will review, analyze, and update, as appropriate, knowledge, skills, abilities, education and experience, position definitions, purpose, distinguishing characteristics, supervision received and exercised, position functions and special requirements including licensing and certifications that are required and desirable. We will address relevance and hierarchical consistency of each classification and each class series.

We will also review and update physical demands based on the most typical job functions of each classification in accordance with the ADA.

Finally, we will review each classification's typical job functions and determine exempt vs. non-exempt status in accordance with "white collar" exemptions under the FLSA.

Deliverable G. Facilitation of Draft Class Description Review and Employee Feedback Process

A draft copy of the revised/new class description with allocation recommendation will be submitted to the Project Team and subsequently to each manager, supervisor, and employee, to give each stakeholder group an opportunity to provide comments and concerns regarding any modifications to the classification structure and specifications. Our experience has been that this is one of the most critical phases of the project (as well as one of the most time-consuming). Our proactive and effective communication process at this juncture has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of our studies.

We will work with the City's stakeholder groups, including employee representation, to determine the best approach to reviewing the draft classification specifications, and how to provide feedback to us. Supervisors and managers typically receive a copy of their employees' draft class descriptions and will be asked to review their employees' comments and feedback to verify and concur with, or recommend changes to, the information provided.



Our process involves asking employees to submit their concerns in writing. While employees may not always agree with our recommendations, they have a “second chance” to ensure that they have been heard and to continue learning the reasons specific recommendations were made.

Significant employee comments will be reviewed with management prior to making any significant changes to the proposed class plan. These discussions will be by email, telephone, or additional direct personal contact with employees, depending upon the extent of the response.

Allocation and/or class description changes will be made as required and the class specifications will be finalized and submitted for approval. All employees who submitted their comments during the review process will be notified in writing regarding the outcome of their concerns.

Deliverable H. Classification Plan and Draft of Interim Report and Final Report

A Draft Interim Report of the Classification Study will be completed and submitted to the Study Project Team for review and comment. The report will contain:

- Classification recommendations for each studied position, including documentation regarding study goals and objectives, classification methodology, approach, and process as well as all findings, analysis, and resulting recommendations;
- The recommended allocation list, classification title changes, job family and career ladder/career growth issues, reporting relationships, and other factors will all be included;
- The recommended classification structure will be in alignment with current business/operational needs of the City; and
- Classification concepts and guidelines as well as methods used to determine appropriate classification and level, methods for logical progression of movement between classifications, distinguishing characteristics and other pertinent information for implementation and continued maintenance of the recommendations will be detailed.

Once we have received the City’s comments regarding the Draft Interim Report and have made any necessary changes, a Final Classification Report will be developed.

Deliverable H. Formal Appeals Support

Should the City have a formal appeal process regarding the allocation of positions to classifications, this proposal does not cover time regarding a formal appeal process. 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.

Deliverable I. Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. We are available to make any final presentations of our draft final and/or final report and recommendations to City Council.



❖ Communication with the City:

Our typical communication model includes at least weekly or biweekly written status updates to keep the City informed on where we are during each phase of the project.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, employee representation, and the City Council, as desired. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

❖ Stakeholder Engagement:

The meetings and communications with stakeholders that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and encourage a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, employee representation, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- PDQ completion and review;
- Employee and management interviews;
- Employee, management, and Human Resources review of draft class descriptions;
- Contact with employees and management to address final classification issues;

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.



TIME REQUIREMENTS

Our professional experience is that classification studies of this scope and for this size organization take approximately five months to complete, allowing for adequate PDQ completion, interview time, classification description review and/or development, review steps by the City, the development of final reports, any appeals, and presentations. Therefore, we anticipate that the desired start date of June 1 and completion date in October is realistic and achievable. To allow for some extra time, we'd recommend starting the study as soon as possible after May 17, 2021, when the contract is reviewed (and we assume approved) by the City Council.

The following is a suggested timeline (which can be modified based on the City's needs):

Deliverable	Comprehensive Classification Study	Week #
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	Week 1
B.	Orientation Meetings with Employees and Distribution of PDQ	Week 2
C.	Collection and Review of PDQs	Week 6
D.	Interviews with Employees, Supervisors, and Management	Week 8
E.	Classification Concept & Preliminary Allocation	Week 11
F.	Draft Class Description Development	Week 17
G.	Facilitation of Draft Class Description Review and Employee Feedback Process	Week 19
H.	Classification Plan and Draft of Interim Report and Final Report	Week 20
I.	Formal Appeals Process *	As Needed
J.	Final Presentation	As Scheduled

EXHIBIT B
CONSULTANT'S FEE SCHEDULE



COST PROPOSAL

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with employees, employee representation, management, and the governing body. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, informal appeal process, etc.) results in significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has only had a handful of formal appeals to any of our studies in our 37 years in business. It has been our experience that the money and time invested in stakeholder communication throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Whenever our firm was hired after such an unfortunate experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our success rate is also attributable to the fact that we have 37 years of experience working with employees of all types of backgrounds, educational levels, and work experiences, and we are accustomed to successfully communicating with and educating them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.

Our clients always provide feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns, were available for discussion, and able to provide documentation and data to support our recommendations. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

For purposes for this cost proposal, we assume that, due to COVID-19, all meetings and presentations will be conducted virtually and not onsite travel will occur. We have several technological solutions that can easily facilitate the entire process. Of course, if the travel situation should change, we are more than happy to travel onsite to City offices, as needed.

Per the RFP, all price quotes will remain in effect for the entire term of the contract (up to two years).

(Continued on the next page)



Classification Study Proposal

City of Foster City

Deliverables	Comprehensive Classification Study Approximately 93 Classifications, 155 Full-Time Employees and 34 Part-Time Employees	Hours
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	12
B.	Orientation Meetings with Employees and Distribution of PDQ	16
C.	Collection and Review of PDQs (assumes up to 130 PDQs)	48
D.	Interviews with Employees, Supervisors, and Management	95
E.	Classification Concept & Preliminary Allocation	60
F.	Draft Class Description Development (assuming up to 94 classification descriptions will be developed)	235
G.	Facilitation of Draft Class Description Review and Employee Feedback Process	45
H.	Classification Plan and Draft of Interim Report and Final Report	16
	Total Professional Hours	527
	Combined professional and clerical composite rate: \$160/Hour	\$84,320
	Expenses are included in the composite hourly rate:	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage, parking, meals, travel time, etc.</i>	
	TOTAL PROJECT COST NOT TO EXCEED:	\$84,320
	<i>*Additional consulting will be honored at composite rate (\$160/hr)</i>	

EXHIBIT C

INSURANCE FORMS

CONSULTANT shall provide, in addition to the Certificates of Insurance, original Endorsement affecting the coverages specified in Section 12 - INSURANCE of the Agreement on the attached form. No substitute form will be accepted.

ATTACHED

1. Insurance Coverage Form

ARTHUR J. GALLAGHER & CO. MEMORANDUM OF INSURANCE

This Memorandum of Insurance ("Memorandum") is produced as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of the Memorandum. This Memorandum does not amend, extend or alter the coverage described below. Copyright 2005, Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"). Gallagher grants permission to you to view, copy, print and distribute the information found on the Memorandum website ("Site") provided that the above copyright notice appears on all copies, that use is internal to you or for personal noncommercial informational purposes only, and that no modification is made to any materials. Any modification, use, reproduction or distribution of this Memorandum, the Site or its contents must be first approved by Gallagher in writing. You will not suffer or permit any unauthorized use of any Gallagher trademark, service mark or logo. This Memorandum, the Site and its contents, including but not limited to text, graphics, images, software, copyrights, trademarks, service marks, logos, and brand names ("Content"), are protected under both United States and foreign laws, and Gallagher or its affiliated entities retain all right, title and interest in and to the Content, all copies thereof, and all copyrights and other proprietary rights therein. The information contained herein is as the date referred to above. Gallagher shall be under no obligation to update such information.

DATE: 10/31/2020

INSURED:

Arthur J. Gallagher & Co. and its subsidiaries
2850 West Golf Road
Rolling Meadows, IL 60008

Insurance Companies

A: ARCH INSURANCE COMPANY

B: ACE PROPERTY AND CASUALTY INSURANCE COMPANY

C: LIBERTY MUTUAL FIRE INS. COMPANY

D: FEDERAL INSURANCE COMPANY

E: LEXINGTON INS. COMPANY

F: XL SPECIALTY INS. COMPANY

G. ILLNOIS NATIONAL INSURANCE COMPANY

The policies of insurance listed below have been issued to the "INSURED" named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this Memorandum may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

CO. LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION	LIMITS (In USD unless otherwise indicated)	
A	Commercial General Liability Occurrence Per location Aggregate	41GPP4938413	10/01/20	10/01/21	General Aggregate	4,000,000
					Products - Comp/Op Agg	4,000,000
					Personal and ADV Injury	2,000,000
					Each Occurrence	2,000,000
					Damage to Rented Premises (Each occurrence)	1,000,000
A	Automobile Liability Any Auto	41CAB4939013 41CAB4938313	10/01/20	10/01/21	Combined Single Limit	5,000,000
					Bodily Injury (per person)	
					Bodily Injury (per accident)	
B	Excess/Umbrella Liability Retention: \$10,000	XOO G46820149 003	10/01/20	10/01/21	Each Occurrence	25,000,000
					Aggregate	25,000,000
A	Workers Compensation and Employers Liability	41WCI4938113	10/01/20	10/01/21	Workers Comp Limits	Statutory
					EL Each Accident	1,000,000
					EL Disease - Each Employee	1,000,000
					EL Disease - Policy Limit	1,000,000
C	Property	YACL9L452870020	10/01/20	10/01/21	Blanket Bldg. & PP	10,000,000
D	Crime/Fidelity Bond (Employee Dishonesty)	81326283	09/01/20	09/01/21	Single Loss Limit	15,000,000
E	Errors & Omissions (Primary Policy)	01-701-81-63	09/01/20	09/01/21	Per Claim and Aggregate	12,000,000
F	Errors & Omissions (Excess Policy)	ELU163265-19	09/01/20	09/01/21	Per Claim and Aggregate	13,000,000
G	Cyber Liability	026062402	10/31/19	05/01/2021	Limit of Liability	10,000,000

Description of Operations / Other Information: See ADDITIONAL INFORMATION on the following page.

This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.

**ARTHUR J. GALLAGHER & CO.
MEMORANDUM OF INSURANCE**

ADDITIONAL INFORMATION

As respects GENERAL LIABILITY POLICY

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES *

Endorsement Form # CG 20 11 04 13 modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

1. Designation of Premises (Part Leased to You): ANY PREMISES OR PART THEREOF LEASED TO YOU.
2. Name of Person or Organization (Additional Insured): ANY AND ALL PERSONS OR ORGANIZATIONS CONTRACTUALLY REQUIRING ADDITIONAL INSURED STATUS AS THE MANAGER OR LESSOR OF PREMISES TO YOU.
3. Additional Premium: INCLUDED

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

We waive any right of recovery we may have against the person or organization where required by written contract because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only where required by written contract.

As respects PROPERTY

This policy insures against "All Risks" of physical loss or damage, except as excluded, to covered property while on Described Premises, provided such physical loss or damage occurs during the term of this policy. Coverage is subject to policy deductibles, terms, conditions and exclusions. Loss Payable clause included for whom Insured has agreed to per written contract.

IMPORTANT NOTICE

***All other Additional Insureds requests requires Legal approval and issuance of a Certificate of Insurance.**

***For special requests, such as a *WET SIGNATURE*, please contact the appropriate team: P&C – Doreen Morris or Therese Scamardo; E&O – Helen Ponce de Leon or Ryan Mule; Cyber – Jeremy Gillespie or Ariel Magrini.**

This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.

EXHIBIT D**This INSURANCE COVERAGE FORM modifies or documents insurance provided under the following:**

Named Insured: _____ Effective Work Date(s): _____

Description of Work/Locations/Vehicles: _____

ADDITIONAL INSURED:**City of Foster City/Estero Municipal Improvement District (CITY)****610 Foster City Boulevard, Foster City, CA 94404****Attention:** _____**Contract Administrator**

Endorsement and Certificates of Insurance Required		Insurer	Policy No.
The Additional Insured, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (Check all that apply)			
<input type="checkbox"/>	General Liability: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, (c) premises owned, leased occupied or used by the Named Insured, and/or (d) permits issued for operations performed by the Named Insured. {Note: MEETS OR EXCEEDS ISO Form # CG 20 10 11 85}		
<input type="checkbox"/>	Auto Liability: the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Named Insured, regardless of whether liability is attributable to the Named Insured or a combination of the Named Insured and the Additional Insured, its elected or appointed officers, officials, employees or volunteers.		
<input type="checkbox"/>	Other:		
Certificates of Insurance Required (no endorsement needed) (Check all that apply)		Insurer	Policy No.
<input type="checkbox"/>	Workers Compensation: work performed by employees of the Named Insured while those employees are engaged in work under the simultaneous directions and control of the Named Insured and the Additional Insured.		
<input type="checkbox"/>	Professional Liability:		

PRIMARY/NON-CONTRIBUTORY: This insurance is primary and is not additional to or contributing with any other insurance carried by or for the benefit of Additional Insureds.**SEVERABILITY OF INTEREST:** The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limit of liability.**PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS:** Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Additional Insured, its elected or appointed officers, officials, employees, or volunteers.**CANCELLATION NOTICE:** The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice (ten (10) days if canceled due to non-payment) by regular mail return receipt requested has been given to the Additional Insured. Such notice shall be addressed as shown above.**WAIVER OF SUBROGATION:** The insurer(s) named above agree to waive all rights of subrogation against the CITY, its elected or appointed officers, officials, agents, volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the CITY.**Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated.****SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER**

I, _____ (print/type name), warrant that I have authority to bind the above-named insurance company and by my signature hereon do so bind this company.

SIGNATURE OF AUTHORIZED REPRESENTATIVE (original signature required)**ORGANIZATION:** _____ **TITLE:** _____**ADDRESS:** _____**TELEPHONE:** () _____ **DATE ISSUED:** _____