SUBJECT: Resolution No. 2018-122, Authorizing an Agreement with Ralph Andersen & Associates to Conduct a Citywide Classification and Compensation Study

REPORT BY: Melissa Rojas, Human Resources Director
Nicole Almaguer, City Manager

SUMMARY

This report requests authorization to enter into an agreement with Ralph Andersen & Associates to conduct a Citywide Classification and Compensation Study for City of Albany employees.

STAFF RECOMMENDATION

That the Council adopt Resolution No. 2018-122 – A Resolution of the Albany City Council authorizing the City Manager to execute a professional consulting services contract with Ralph Andersen & Associates to conduct a comprehensive citywide classification and compensation study in an amount not-to-exceed $66,500.

BACKGROUND

In order to preserve the integrity of the staff classification and compensation structure, Human Resources conducts periodic reviews of identified classification series and/or job families. Accurate, current and ADA-compliant class descriptions provide the fundamental and essential building blocks for successfully administering recruitment, performance management, compensation, training and development, succession planning, and other human resource processes. The compensation study will focus on the development and implementation of a total compensation policy that will assist the City in attracting and retaining a qualified work force, including, but not limited to, a customized salary and benefit survey, analysis of market data, and analysis of compaction issues within salary ranges.

DISCUSSION

The City issued a Request for Proposals (RFP) for the provision of a citywide classification and compensation study on August 2, 2018. A total of 4 proposals were received. Based on staff review and scoring, it has been determined that Ralph Andersen
& Associates submitted the most comprehensive and competitive proposal to conduct such services to the City.

Ralph Andersen & Associates is a recognized leader in providing a full range of management consulting services to cities, counties, special districts, educational institutions, and non-profit organizations. The firm is a California corporation and has been in business providing consulting services to public agencies since 1972. They have conducted hundreds of classification and total compensation surveys for cities throughout California.

**SUSTAINABILITY IMPACT**

None.

**FINANCIAL IMPACT**

Financial allocation for this contract was approved in the Adopted Annual Operating Budget for Fiscal Year 2018/19.

**NEXT STEPS**

It is anticipated that the consultant team will begin work at the end of October, and that the project will be completed in early 2019. The report and all findings will be presented to the Council.

**ATTACHMENT**

Resolution No. 2018-122
Attachment A – Contract C19-23
RESOLUTION NO. 2018-122

A RESOLUTION OF THE ALBANY CITY COUNCIL AUTHORIZING AN AGREEMENT FOR CITYWIDE CLASSIFICATION AND COMPENSATION STUDY CONSULTING SERVICES WITH RALPH ANDERSEN & ASSOCIATES

WHEREAS, in order to preserve the integrity of the staff classification and compensation structure, periodic reviews of identified classification series and/or job families are conducted; and

WHEREAS, the development and implementation of a total compensation policy will assist the City in attracting and retaining a qualified work force; and

WHEREAS, the City issued a Request for Proposals (RFP) for citywide classification and compensation study consulting services; and

WHEREAS, Ralph Andersen & Associates submitted a comprehensive and competitive proposal to conduct such services to the City; and

WHEREAS, Ralph Andersen & Associates is a recognized leader in providing a full range of management consulting services to cities, counties, special districts, educational institutions, and non-profit organizations.

NOW, THEREFORE, BE IT RESOLVED, that the Albany City Council hereby authorizes the execution of an agreement with Ralph Andersen & Associates in an amount not to exceed $66,500.

_______________________
PEGGY MCQUAID, MAYOR
CONTRACT #C19-23
AGREEMENT FOR CONSULTANT SERVICES
BETWEEN
THE CITY OF ALBANY
AND
RALPH ANDERSEN & ASSOCIATES
FOR CITYWIDE CLASSIFICATION AND COMPENSATION STUDY

This AGREEMENT FOR CONSULTANT SERVICES ("AGREEMENT"), is made and entered into this ___ day of ___________ 2018 by and among the City of Albany a California charter city ("CITY") and Ralph Andersen & Associates ("CONSULTANT").

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

SECTION 1. TERM OF AGREEMENT.

Subject to the provisions of SECTION 19 "TERMINATION OF AGREEMENT" of this AGREEMENT, the term of this AGREEMENT shall be for a period of twelve months from the date of execution of this AGREEMENT, as first shown above. Such term may be reduced or extended upon written agreement of both parties to this AGREEMENT.

SECTION 2. SCOPE OF SERVICES.

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

SECTION 3. ADDITIONAL SERVICES.

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

SECTION 4. COMPENSATION AND METHOD OF PAYMENT.

Subject to any limitations set forth in this AGREEMENT, CITY agrees to pay CONSULTANT the amounts specified in EXHIBIT "B" "COMPENSATION" and made a part of this AGREEMENT. The total compensation, including reimbursement for actual expenses, shall not exceed SIXTY-SIX THOUSAND FIVE HUNDRED DOLLARS
($66,500) unless additional compensation is approved in writing by the City Council or City Manager.

Each month CONSULTANT shall furnish to CITY an original invoice for all work performed and expenses incurred during the preceding month. The invoice shall detail charges by the following categories: labor (by sub-category), travel, materials, equipment, supplies, sub-consultant contracts and miscellaneous expenses. CITY shall independently review each invoice submitted by the CONSULTANT to determine whether the work performed and expenses incurred are in compliance with the provisions of this AGREEMENT. In the event that no charges or expenses are disputed, the invoice shall be approved and paid according to the terms set forth below. In the event any charges or expenses are disputed by CITY, the original invoice shall be returned by CITY to CONSULTANT for correction and resubmission.

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

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

SECTION 5. INSPECTION AND FINAL ACCEPTANCE.

CITY may inspect and accept or reject any of CONSULTANT’s work under this AGREEMENT, either during performance or when completed. CITY shall reject or finally accept CONSULTANT’s work within sixty (60) days after submitted to CITY. CITY shall reject work by a timely written explanation, otherwise CONSULTANT’s work shall be deemed to have been accepted. CITY’s acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as amount to fraud. Acceptance of any of CONSULTANT’s work by CITY shall not constitute a waiver of any of the provisions of this AGREEMENT including, but not limited to, SECTIONS 15 and 16, pertaining to indemnification and insurance, respectively.

SECTION 6. OWNERSHIP OF DOCUMENTS.

All original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents prepared, developed or discovered by CONSULTANT in the course of providing any services pursuant to this AGREEMENT shall become the sole property of CITY and may be used, reused or otherwise disposed of by CITY without the permission of the CONSULTANT. Upon completion, expiration or termination of this AGREEMENT, CONSULTANT shall turn over to CITY all such original maps, models, designs, drawings, photographs, studies, surveys, reports, data, notes, computer files, files and other documents.
SECTION 7. CONSULTANT'S BOOKS AND RECORDS.

CONSULTANT shall maintain any and all documents and records demonstrating or relating to CONSULTANT’s performance of services pursuant to this AGREEMENT. CONSULTANT shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, or other documents or records evidencing or relating to work, services, expenditures and disbursements charged to CITY pursuant to this AGREEMENT. Any and all such documents or records shall be maintained in accordance with generally accepted accounting principles and shall be sufficiently complete and detailed so as to permit an accurate evaluation of the services provided by CONSULTANT pursuant to this AGREEMENT. Any and all such documents or records shall be maintained for three years from the date of execution of this AGREEMENT and to the extent required by laws relating to audits of public agencies and their expenditures.

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

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

SECTION 8. STATUS OF CONSULTANT.

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

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

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

SECTION 9. STANDARD OF PERFORMANCE.

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

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

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

CONSULTANT shall obtain and maintain in full force and effect during the term of this AGREEMENT a Business License from the CITY’s Finance Department. Provide City of Albany Business License number and Expiration Date on Page 11 of this contract.

SECTION 11. NONDISCRIMINATION.

CONSULTANT shall not discriminate, in any way, against any person on the basis of race, color, religious creed, national origin, ancestry, sex, age, physical handicap, medical condition or marital status in connection with or related to the performance of this AGREEMENT.
SECTION 12. UNAUTHORIZED ALIENS.

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

SECTION 13. CONFLICTS OF INTEREST.

(a) CONSULTANT covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of CITY or which would in any way hinder CONSULTANT’s performance of services under this AGREEMENT. CONSULTANT further covenants that in the performance of this AGREEMENT, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the City Manager. CONSULTANT agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of CITY in the performance of this AGREEMENT.

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

SECTION 14. CONFIDENTIAL INFORMATION AND RELEASE OF INFORMATION.

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

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

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

(d) CONSULTANT shall promptly notify CITY should CONSULTANT, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any party regarding this AGREEMENT and the work performed thereunder. CITY retains the right, but has no obligation, to represent CONSULTANT or be present at any deposition, hearing or similar proceeding. CONSULTANT agrees to cooperate fully with CITY and to provide CITY with the opportunity to review any response to discovery requests provided by CONSULTANT. However, this right to review any such response does not imply or mean the right by CITY to control, direct, or rewrite said response.

SECTION 15. INDEMNIFICATION.

(a) CITY and its elected and appointed boards, officials, officers, agents, employees and volunteers (individually and collectively, "INDEMNITEES") shall have no liability to CONSULTANT or any other person for, and CONSULTANT shall indemnify, defend, protect and hold harmless INDEMNITEES from and against, any and all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys' fees and disbursements (collectively "CLAIMS"), which INDEMNITEES may suffer or incur or to which INDEMNITEES may become subject by reason of or arising out of any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise occurring as a result of or allegedly caused by the CONSULTANT’s performance of or failure to perform any services under this AGREEMENT or by the negligent or willful acts or omissions of CONSULTANT, its agents, officers, directors, subcontractors or employees, committed in performing any of the services under this AGREEMENT.

(b) If any action or proceeding is brought against INDEMNITEES by reason of any of the matters against which CONSULTANT has agreed to indemnify INDEMNITEES as provided above, CONSULTANT, upon notice from CITY, shall defend INDEMNITEES at CONSULTANT’s expense by counsel acceptable to CITY, such acceptance not to be unreasonably withheld. INDEMNITEES need not have first paid for any of the matters to which INDEMNITEES are entitled to indemnification in order to be so indemnified. The insurance required to be maintained by CONSULTANT under SECTION 16 shall ensure CONSULTANT’s obligations under this section, but the
limits of such insurance shall not limit the liability of CONSULTANT hereunder. The provisions of this section shall survive the expiration or earlier termination of this AGREEMENT.

(c) The provisions of this section do not apply to CLAIMS occurring as a result of the CITY’s sole negligence or willful acts or omissions.

SECTION 16. INSURANCE.

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

SECTION 17. ASSIGNMENT.

The expertise and experience of CONSULTANT are material considerations for this AGREEMENT. CITY has an interest in the qualifications of and capability of the persons and entities who will fulfill the duties and obligations imposed upon CONSULTANT under this AGREEMENT. In recognition of that interest, CONSULTANT shall not assign or transfer this AGREEMENT or any portion of this AGREEMENT or the performance of any of CONSULTANT’s duties or obligations under this AGREEMENT without the prior written consent of the CITY. Any attempted assignment shall be ineffective, null and void, and shall constitute a material breach of this AGREEMENT entitling CITY to any and all remedies at law or in equity, including summary termination of this AGREEMENT. CITY acknowledges, however, that CONSULTANT, in the performance of its duties pursuant to this AGREEMENT, may utilize subcontractors.

SECTION 18. CONTINUITY OF PERSONNEL.

CONSULTANT shall make every reasonable effort to maintain the stability and continuity of CONSULTANT’s staff assigned to perform the services required under this AGREEMENT. CONSULTANT shall notify CITY of any changes in CONSULTANT’s staff assigned to perform the services required under this AGREEMENT, prior to any such performance.
SECTION 19. TERMINATION OF AGREEMENT.

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

(b) CONSULTANT may terminate this AGREEMENT at any time upon
thirty (30) days written notice of termination to CITY. In the event such notice is given,
CONSULTANT shall cease immediately all work in progress.

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

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

SECTION 20. DEFAULT.

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

SECTION 21. EXCUSABLE DELAYS.

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

SECTION 22. COOPERATION BY CITY.

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

SECTION 23. NOTICES.

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

To CITY: Nicole Almaguer  
City Manager  
City of Albany  
1000 San Pablo Avenue  
Albany, CA 94706

To CONSULTANT: Heather Renschler  
President/CEO  
Ralph Andersen & Associates  
5800 Stanford Ranch Road, Suite 410  
Rocklin, CA 95765

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

SECTION 24. AUTHORITY TO EXECUTE.

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

SECTION 25. BINDING EFFECT.

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

SECTION 26. MODIFICATION OF AGREEMENT.

No amendment to or modification of this AGREEMENT shall be valid unless made in writing and approved by the CONSULTANT and by the CITY. The parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.
SECTION 27. WAIVER

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

SECTION 28. LAW TO GOVERN; VENUE.

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

SECTION 29. CLAIMS.

All claims arising out of or related to this agreement must be presented not later than six (6) months after the accrual of the cause of action. Such claims shall be governed by the provisions of the Albany Municipal Code and such claims shall further be governed by the provisions of section 930.4 of the Government Code for the purposes of filing leave to present a later claim. It is further provided that subdivision (b) of section 911.4 sections 911.6 to 912.2, inclusive and section 946.6 are applicable to all such claims, and the time specified in this agreement shall be deemed the “time specified” in section 911.2 within the meaning of sections 911.6 and 946.6.

SECTION 30. W-9 FORM

Complete the attached EXHIBIT “D W-9 FORM” that will be removed from this contract and forwarded to our Finance Department for use during invoice processing.

SECTION 31. ENTIRE AGREEMENT.

This AGREEMENT, including the attached EXHIBITS "A" through "D", is the entire, complete, final and exclusive expression of the parties with respect to the matters addressed therein and supersedes all other agreements or understandings, whether oral or written, or entered into between CONSULTANT and CITY prior to the execution of this AGREEMENT. No statements, representations or other agreements, whether oral or written, made by any party which are not embodied herein shall be valid and binding. No amendment to this AGREEMENT shall be valid and binding unless in writing duly executed by the parties or their authorized representatives.
SECTION 32. SEVERABILITY.

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

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

CITY OF ALBANY:

By___________________________
Nicole Almaguer, City Manager

Date _____________________

CONSULTANT:

By___________________________
Heather Renschler (Authorized Officer)
Name: Heather Renschler
Title: President/CEO

By___________________________
Heather Renschler (Authorized Officer)
Name: Heather Renschler
Title: Chief Financial Officer

APPROVED AS TO FORM:

_____________________________
Craig Labadie, City Attorney

Date _____________________

City of Albany Business ID #:

BL_______________

Expiration Date:

_____________________________
Exhibit A

SCOPE OF SERVICES

The City of Albany is interested in conducting a Classification and Compensation Study involving approximately 80 job classifications. To ensure that the City’s objectives are met, the following key study components and anticipated end-products are included in the work plan developed by Ralph Andersen & Associates.

- Conduct a meeting with City representatives at project initiation to confirm the study goals, objectives, and deliverables.
- Conduct an extensive review of background documents.
- Distribute job analysis questionnaires and conduct supplemental interviews with employees.
- Establish a management and employee review process.
- Review historical practices and recommend survey agencies, survey job classifications, and identify data collection needs.
- Conduct a custom salary and benefit survey and analyze the market data.
- Conduct internal relationship analyses and incorporate with the market survey results.
- Develop draft and final reports incorporating all study recommendations and supporting data.
- Present the findings to managers, employees, labor representatives, project committees, and the City Council, as needed.

Ralph Andersen & Associates has a strong commitment to develop and implement customized and tailored classification and compensation systems. While we have broad expertise and experience from hundreds of successful consulting assignments, we are committed to a “customer service” approach to all of our client engagements. This assures the preparation of study end-products that are uniquely customized to the City of Albany.

Involvement of City Staff

The work plan prepared by Ralph Andersen & Associates provides all of the necessary firm resources to complete the study with minimal time impacts on City staff. The minimal involvement required of City staff includes:

- Compiling background materials not readily available on the City’s website
- Coordinating and scheduling meetings
- Reviewing and providing input on draft reports
- Providing direction on policy issues

Specific roles and requirements of stakeholder groups will be discussed during project initiation meetings.
Project Approach

The approach our firm uses to conduct classification and compensation studies is customized to the specific needs and objectives of each client. While the work plan we have provided in this proposal is proven, we are happy to adapt our work plan and approach as needed during project initiation meetings and throughout the process. Our firm has an outstanding reputation working with elected officials, managers, and labor representatives. Our goal is to provide products and deliverables that ensure implementation by the City. Highlights of our approach include:

• A transparent and collaborative process. We have significant experience working with diverse stakeholders and ensuring that the project deliverables meet the objectives of the City. Our efforts include briefing sessions, meetings, workshops, and a comprehensive and interactive review of draft reports. We are confident in our ability to research and respond to issues that require clarification and to provide information and data that responds to issues of disagreement.
• Custom data presentations including base salary and benefits data. We do not rely on “canned” data analysis tools. The firm uses dynamic Excel spreadsheets and can prepare total compensation datasheets for all survey jobs.
• We are one of the few firms that has experience with private sector data analysis. We subscribe to the largest private sector database in North America, which is updated quarterly. This data can be regionalized to fit the recruitment region of the City.
• Extensive review and input by managers, employees, labor representatives, and elected officials. We provide easy to review draft reports and work with the City to ensure that the final reports meet or exceed all study objectives.

We will review our recommended approach including communication and stakeholder interaction plans with the City at the beginning of the project to ensure the City’s requirements are fully incorporated into the work plan.

Techniques

The consultant team will identify a wide range of background data that will be collected from the City as part of the study. The consultant team will provide the City with a complete list of background needs upon initiation of the project.

Materials collected and reviewed during this initial stage of the project will, at a minimum, include:

• Organization charts
• Existing class specifications
• Budgets
• Current pay plan and related salary schedules
• Benefits summaries
• Memorandums of Understanding
• Relevant administrative rules and procedures

These materials provide an understanding of the City’s personnel system and of current applicable policies and procedures.

**Job Analysis Questionnaires**

Project consultants will distribute a Job Analysis Questionnaire (JAQ) to all employees included in the classification analysis. The questionnaire provides an opportunity for employees to fully describe the duties and responsibilities of their position. The questionnaire is also designed to record data regarding other job related information such as the knowledge, skills, abilities, education, and physical requirements necessary to perform the work, as well as supervisory and managerial responsibilities.

Each questionnaire will be reviewed by the employee’s supervisory and managerial staff to ensure completeness and accuracy. Once completed, the questionnaires will be forwarded to the consultants for examination prior to the job analysis interviews. The questionnaire will be distributed and explained in detail during an employee briefing session at the initiation of the project. Appendix B includes a sample Job Analysis Questionnaire, however, all questionnaires used by Ralph Andersen & Associates can be tailored to each specific client and study.

**Job Analysis Interviews**

As a supplement to the questionnaires, project consultants will conduct interviews with a high percentage of employees included in the classification study. This will ensure that the consultants are able to obtain information regarding any existing job classification issues as well as confirm the job duties and tasks performed.

**Compensation Data Collection and Analysis**

The methodology utilized in collecting and analyzing compensation data involves an extensive process to ensure accuracy, reliability, and completeness. Ralph Andersen & Associates does not rely on published or previously collected data; all data is collected personally by the consulting team, who have, based on the classification analysis, an in-depth knowledge and understanding of the survey classifications.

Supporting our approach to labor market surveys, this component of the study will include the development of a comprehensive survey packet, the collection of base salary, salary structure, and total compensation data through written and electronic materials and telephone calls, and the analysis of the data at the survey market mean, median, and requested percentiles.
Work Plan

Task 1 – Project Kick-off Meetings
The consultants will begin all administrative and coordinative efforts in support of the project initiation meetings and briefings. Among other things, this will include:

- Preparation of a project schedule
- Identification and review of background data including existing class specifications, organization charts, employee listings, salary schedules, and related information
- Identification of scheduling parameters for meetings and interaction with various City employee groups.

This initial step in the study process will be used to identify significant compensation concerns that should be clarified during the initial meeting or addressed during the course of the study.

The consultants will meet with the City’s Project Manager and other staff as appropriate to ensure a full understanding of project objectives and deliverables. The project work plan and schedule will be adapted to achieve the objectives. This meeting will also include a discussion of the City’s compensation policies and confirmation of survey agencies, survey jobs, and survey elements.

Task 2 – Employees Complete Questionnaires

The JAQ provides employees with an opportunity to describe the duties and responsibilities of their positions with an emphasis on job related information such as knowledge, skills, abilities, and physical capabilities required to perform the work assigned. Space is also provided on the questionnaire for employees to make any additional comments they wish. The completed questionnaires are reviewed by supervisory and managerial staff, with space provided for their comments. Appendix B includes a sample JAQ which will be reviewed with the City before distribution to employees.

Task 3 – Conduct Job Analysis Interviews

Prior to conducting interviews, the consultants will thoroughly review the completed questionnaires. The consultants will evaluate position duties and responsibilities, classification series, class titles, job families, reporting relationships, and internal relationships. Based on this preliminary analysis, the project team will identify areas of concern that will be clarified or probed during the job analysis interviews.

A high percentage of employees in the classification study will be included in the interviews. The consultants will assume responsibility for the preparation of the employee interview schedule. The City’s Project Manager, or designee, will be
responsible for scheduling interview rooms, notifying employees, and related coordinative activities.

Task 4 – Prepare and Review Preliminary Classification Report

With the completion of the employee interviews, a preliminary classification report will be prepared. Key components of the preliminary report will include:

- Identification of all key issues identified in the classification analysis
- Recommended job titles
- Preliminary employee allocations.

In preparing the preliminary classification report, each position is analyzed according to the criteria set forth at initial review meetings. Such criteria typically will include factors relating to job knowledge, experience, training, decision making, management control, working conditions, and outside contacts. Like positions are grouped into tentative classes forming the basis for initial class definition.

The preliminary classification report will be reviewed with key management staff prior to preparing class specifications. Because the concepts provide the foundation for the resulting classification plan, management review of the recommendations in their respective areas of responsibility is essential.

Task 5 – Prepare Class Specifications

Once the preliminary classification recommendations have been reviewed, the project consultants will revise, update, or create new class specifications based on the issues identified in previous tasks. The City’s current job description format will be maintained if appropriate. The class specifications will be drafted and undergo a management/employee review process to ensure they accurately and adequately describe the scope of responsibilities. Once finalized, they will be provided to the City in both an electronic and hard-copy format.

Task 6 – Undertake Management/Employee Review Process

As an important component of the overall classification study, the project consultant team will provide additional opportunities for employee participation and input through the conduct of an employee review process. These steps will (1) build and facilitate the City’s understanding of the newly developed classification plan; (2) enhance employee commitment and understanding of the recommended system by giving each employee the opportunity to comment on the system; and (3) ensure that the consultants receive as much information as possible regarding the nature and responsibilities of the various positions in order to make appropriate and equitable final classification recommendations. The various subtasks within this portion of the project are as follows.
Task 6.1 – Distribute class specifications to all employees included within the study scope – Each employee will receive an individual copy of the specification for the class to which his/her position has been allocated along with a Position Allocation Notice and Employee Review Form. This will provide employees with an opportunity to review and comment on their proposed classification and allocation. These comments will then be forwarded to management for review and comment.

Task 6.2 – Review written comments received from employees – All written comments or suggestions from employees regarding the recommended class plan will be thoroughly reviewed and analyzed by the project consultants. Based upon written responses received, the consultant team will incorporate appropriate suggested revisions into the final classification plan.

Task 6.3 – Conduct follow-up telephone interviews as necessary – Based upon the analysis of written comments forwarded to the project consultants and where consultant staff needs further information prior to finalizing recommendations, follow-up interviews will be conducted by the project consultants with individual employees. This step will further clarify and refine any remaining problems or issues.

Task 7 – Finalize the Classification Recommendations

With the completion of the employee appeal process, the consultants will finalize all classification study recommendations. Supporting the finalization of the classification plan, each employee who submitted a notice for review will receive a direct response from the project consultants. This response will specifically outline the consultant’s understanding of the employee’s concern, specify the steps taken to resolve the concern, and indicate to the employee the substance of the consultant’s final recommendation.

Task 8 – Discuss and Document Compensation Policy

The City’s compensation policy directly impacts all study end-products resulting from the compensation components of the analysis. As a starting point for this phase of the study, therefore, we propose that the consulting team meet with key management staff to clarify and confirm the City’s compensation policy. Important considerations to be discussed include historical practices, recruitment and retention issues, pros and cons of the current compensation system, and reliance on external market data versus internal equity for purposes of setting salaries. The consultants will work with appropriate City representatives to determine comparison agencies and the scope of compensation data to be collected.

Our analysis of the potential and recommended survey agencies will be documented in a memorandum report after consultation with appropriate City representatives. If desired, the consultants can conduct a workshop session that identifies labor market selection parameters, options, and pros/cons of different market approaches. The draft labor market recommendations will be reviewed by appropriate City representatives so that all
questions and issues are resolved. Due to the fact that these decisions directly impact the parameters of the market survey, as well as the design and structure of the resulting compensation plan, our suggested approach recommends that these study tasks occur prior to the collection and analysis of the market data.

Task 9 – Collect Compensation Data

After the compensation policy discussion, the consultant team will collect and analyze the compensation data. Our proposed approach would include:

- An initial contact to each labor market agency included in the study to explain the purpose and scope of the survey and confirm cooperation.
- The collection and analysis of source documents from each survey agency including position control documents, job descriptions, salary schedules, benefit summaries, and MOUs.
- The confirmation of all compensation data through telephone calls, email, and other means. This will assure that comparability is established and that all compensation data is factual and complete.

Our survey can also include the collection and analysis of private sector data using private databases the firm subscribes to.

Task 10 – Compile and Format Compensation Data

The salary data, once collected and thoroughly reviewed for completeness and accuracy, will be appropriately formatted and the results tabulated in a consistent and uniform manner by the project consultants. The analysis will include pay structure trends and base salary analysis to ensure all appropriate comparison criteria is available for developing recommendations. Through the use of spreadsheet applications developed by our office, it is anticipated that standard formulas will be applied in the calculation of the survey data mean, median, and selected percentiles, with the corresponding percentage relationship to the market data also calculated. Data presentation will be customized to fit the City’s objectives as specified in the RFP.

Task 11 – Audit and Finalize Compensation Data

Prior to developing specific salary recommendations, the consultants will thoroughly review and audit the collected survey data. This will include a detailed analysis of data reliability, comparability, statistical validity, and consistency. This audit will be conducted by the project manager independent of the consultant who collected that data. This will ensure that the most accurate and defensible survey data is utilized in comparing the City’s compensation plan to the pay practices of the labor market. This analysis will also include the preparation of graphs and other presentation materials to aide in understanding the market relationships broken down by employee/bargaining group.
Task 12 – Conduct Internal Relationship Analysis

Using the results of the job evaluation analysis, the consultants will analyze internal pay relationships. The internal pay relationship analysis will involve a number of steps in order to arrive at sound and equitable relationships for the new compensation plan. Among others, the most important of these will include:

- Analysis of existing and historical pay relationships
- Development of consistent, uniform, and realistic guidelines for determining internal relationships
- Recommendation of equitable and appropriate internal relationship differentials based on the above.

Since the balance of market values versus internal values can be a policy issue, options and methodologies for achieving an appropriate balance of internal and external salary equity will be reviewed with the City before developing the salary range recommendations.

Task 13 – Develop Salary Recommendations

Based upon the results of the internal relationships analysis and the labor market survey, the project consultants will develop salary recommendations for all job classes included as a part of the study process. These salary recommendations will clearly document the means of determining the appropriate pay range and the computation of the dollar and percentage difference between the current maximum salary and the recommended maximum salary.

Before finalizing the recommendations, a careful audit of the results will be undertaken to ensure that internal salary compression or compaction does not result.

Task 14 – Develop Implementation Strategy Options and Compute Implementation Costs

Recognizing that public agencies often have limited funds available for implementation, the project consultants will develop several strategies for implementing the recommended salary structure. Such strategies will address:

- The placement of individual employees into ranges and steps
- Implementation phasing according to the needs and priorities of the City
- Integration of the study recommendations with the balance of the City’s human resource management system including recruitment, selection, and performance appraisal.

The cost estimates will reflect City-wide impacts, as well as impacts on individual employees. The cost estimates will serve as a basis for the City to make necessary policy decisions to implement the compensation system in an orderly and effective manner.
Task 15 – Prepare and Review Preliminary Compensation Report

The Preliminary Compensation Report documents all compensation study recommendations and the supporting information used for developing the recommendations. Specifically, the Preliminary Report will include the following:

- The City’s documented compensation policy including survey agencies and survey classifications
- Results of the labor market salary survey using tables and graphs
- Documentation of selected benchmark classifications and the related job families
- Appendices containing detailed labor market data sheets, recommended salary schedules, and supporting documentation.

The project consultants will conduct an in-depth review of the Preliminary Compensation Report with the City including presentations with employee groups. Any needed corrections, clarifications, or modifications will be discussed at this time.

Task 16 – Prepare and Submit Final Reports

The Final Reports will incorporate any appropriate revisions identified and submitted during the review of the preliminary reports and will serve as the implementation and maintenance manuals for updating and maintaining the classification and compensation plans. The submittal of final reports will also include on-site presentations to managers, employees, and City Council.
**Exhibit B**

**COMPENSATION**

The total fixed cost for professional service fees and expenses to conduct the classification and compensation study, as proposed, amounts to $66,500. The cost of professional services and expense reimbursement is based upon the project as described in the work plan and is a “fixed fee” regardless of which consultant performs the task and/or the number of hours needed to complete a particular element of the study. The table provided below has a breakdown of the total fixed cost by professional services and expense reimbursement:

<table>
<thead>
<tr>
<th>Professional Services</th>
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<tbody>
<tr>
<td>Expense Reimbursement*</td>
<td>$5,800</td>
</tr>
<tr>
<td><strong>Total Fixed Cost</strong></td>
<td><strong>$66,500</strong></td>
</tr>
</tbody>
</table>

* Includes clerical services, copying/printing, postage/delivery, long distance telephone, transportation, lodging, meals, and related items.

The costs outlined assume five (5) separate field trips to the City of Albany to conduct study-kick off meetings, employee briefings, interviews, and report presentations. Reviews of preliminary and draft documents can also be accomplished by video or teleconference.

If additional on-site meetings are required, they would be billed at a reduced hourly billing rate of $135/hour, to a maximum of $1,350/day, plus expense reimbursement. The project will be billed monthly based on the percentage completion of the project. If the scope of the analysis creates budget problems for the City, or if additional analysis is desired, we are willing to review the work plan and adjust it and the cost so that it is mutually satisfactory.

The firm does not reuse compensation survey data since job comparability assessment and job matching are tailored to fit the specific characteristics of the City’s job classifications. We have surveyed many of the potential cities that would be used in this project and have built our familiarly and any time-savings into our proposed cost.

Our proposal including costs will remain in effect for the entire term of the contract, through 2020.
CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 10/03/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER. IMPORTANT: if the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER: Ice Insurance Agency
(916) 387-6800  (888) 250-8403
Ice Insurance Agency
PO Box 340338
Sacramento, CA 95834

INSURED: Ralph Andersen & Associates
5800 Stanford Ranch Rd., #400
Rocklin, CA 95765

INSURER A: Philadelphia Indemnity Insurance Comp
INSURER B: Hartford Accident & Indemnity Company
INSURER C:
INSURER D:
INSURER E:
INSURER F:

COVERAGE

EXPIRY

INSR. LTR. | TYPE OF INSURANCE | ADD/SUB | POLICY NUMBER | POLICY EFF | POLICY EXP | LIMITS |
--- | --- | --- | --- | --- | --- | --- |
A | GENERAL LIABILITY | ✓ ✓ | PHSD1283292 | 11/10/2017 | 11/10/2018 | EACH OCCURRENCE ± 1,000,000 |
B | WORKERS COMPENSATION AND EMPLOYERS' LIABILITY | ✓ ✓ | 57WECP19708 | 10/20/2017 | 10/20/2018 | E.L. EACH ACCIDENT ± 1,000,000 |
A | ERRORS AND OMISSIONS | ✓ ✓ | PHSD1283292 | 11/10/2017 | 11/10/2018 | $2,000,000 Claims Made |

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City of Albany, its officers, officials, employees, and volunteers listed as additional insureds per attached endorsements

CERTIFICATE HOLDER

City of Albany
1000 San Pablo Avenue
Albany, CA 94706
Attn: Melissa Rojas, HR Director

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

© 1988-2010 ACORD CORPORATION. All rights reserved.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESSOWNERS POLICY-ELITE ENHANCEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposures are provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy.

Throughout this endorsement the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we”, “us” and “our” refer to the Company providing this insurance.

Part 1: Property Coverage Enhancements:

The following amendments are a part of the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM:

1. Increased Glass Limits

   Section A. Coverage, item 4.b. is replaced by:

   b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of an outdoor sign, we will not pay more than $3,000 for the total of all loss or damage in any one occurrence.

   This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

2. Increased Fire Department Service Charge

   Section A. Coverage, item 5.c. is replaced by:

   c. Fire Department Service Charge

   When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $3,000 for your liability for fire department service charges:

   (1) Assumed by contract or agreement prior to loss; or
   (2) Required by local ordinance.

3. Reduced Waiting Period and Longer Duration for Civil Authority Coverage

   Section A. Coverage, item 5.i. is replaced by:

   i. Civil Authority

   We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

   The coverage for Business Income will begin 48 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.
The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

1. 5 consecutive weeks after the time of that action; or
2. When your Business Income coverage ends; whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

4. Broadened Personal Property Coverage

Section A. Coverage, item 1.b., the first paragraph is replaced by:

b. Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,250 feet of the described premises, including:

5. Increased limits for Personal Property Off Premises

Section A. Coverage, item 6.b. is replaced by:

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is $10,000.

6. Increased limits for Outdoor Property

Section A. Coverage, item 6.c. is replaced by:

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

1. Fire;
2. Lightning;
3. Explosion;
4. Riot or Civil Commotion; or
5. Aircraft.

The most we will pay for loss or damage under this Extension is $5,000, but not more than $1,000 for any one tree, shrub or plant.

7. Fire Extinguisher Recharge

Section A. Coverage, item 6. Coverage Extensions will also include:

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide, or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is $3,000.
No deductible shall apply to this coverage.

8. Business Income Enhancement

Section A. Coverage, item 5. Additional Coverages, section f. Business Income is amended as follows:

The reference to “60 days” as the limitation on payroll expenses is replaced by “365 days.”

9. Lock Replacement

Section A. Coverage, item 6. Coverage Extensions will also include:

You may extend the insurance provided by this coverage form to cover necessary expense to repair or replace exterior or interior door locks of a covered building:

a) If your door keys are stolen in a covered theft loss; or
b) When your property is damaged and your door keys are stolen by the burglars.

The most we will pay under this extension of $250 for any one occurrence.

10. Removal of Sewer Backup Exclusion

Section B. Exclusions, item g(3) is amended to include:

Backups of sewers will not be excluded, but the most we will pay for such losses is $500 in the policy period.

Part 2: Liability Coverage Enhancements:

The following amendments are a part of the BUSINESSOWNERS LIABILITY COVERAGE FORM:

1. Medical Payments

If Medical Payments Coverage (Coverage A.2.) is not otherwise excluded from this Coverage Part:

The Medical Expense Limit is changed subject to all the terms of Limits Of Insurance (Section D) to the greater of:

a. $10,000; or
b. The Medical Expense Limit shown in the Declarations of this Coverage Part.

2. Supplementary Payments

In the Supplementary Payments – (Coverage A.1.d.):

1. The limit for the cost of bail bonds (item (2)) is changed from $250 to $500; and
2. The limit for loss of earnings (item (4)) is changed from $250 a day to $500 a day.

3. Blanket Additional Insureds

Who is An Insured (Section C) is amended to include the following, but only for liability arising out of the negligence of the Named Insured:

Each of the following is also an Insured:

a. any Contractor, including contracting governmental entities, who hires you as their subcontractor;
b. any person or organization who has an ownership interest in you;
c. any lessor of leased equipment, who rents equipment to you, but only with respect to liability arising out of the maintenance, operation, or use by you, provided however that this...
item c. will not apply to (1) any occurrence which takes place after the equipment lease expires; or (2) “Bodily Injury” or “Property Damage” arising out of the negligence of the lessor or contractor engaged to operate the leased equipment; and
d. any owner, mortgagor, lessor, landlord, condominium association or manager of a premises leased by you, but only for “occurrences” that take place while you occupy the premises, provided however that this item d. will not apply to structural alterations, new construction, or demolition operations; and

With regard to parties applicable under items a. through d. above, the Insurer and the Named Insured agree to waive rights of recovery, as provided within the policy.

Nothing contained in this section C. shall serve to nullify matters excluded under section B. of the policy.

4. Bodily Injury - Mental Anguish

The definition of “bodily injury” is changed to read:

“Bodily Injury”:
a. Means bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
b. Except for mental anguish, includes death resulting from the foregoing (item a. above) at any time.

5. Liberalization

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

6. Employee Indemnification Defense Coverage

Under SUPPLEMENTARY PAYMENTS – COVERAGES A.1.d., the following is added:

(8) We will pay on your behalf defense costs incurred by an “employee” in a criminal proceeding, provided, however that you must have a prior written agreement with such “employee” whereby you agree to indemnify the “employee” for such defense costs, and the agreement includes a provision for repayment of defense costs in the event of an adverse judgment. The most we will pay for any "employee" who is alleged to be directly involved in a criminal proceeding is $2,500 regardless of the number of employees, claims or "suits" brought or persons or organizations making claims or bringing "suits."

7. Amendment of Aggregate Limit

SECTION D.4. – Aggregate Limits, item B is replaced by:

b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is three times the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

8. Amendment to Watercraft Exclusion

Part B- Exclusions, item g.(2)(a) is amended by the following:

The phrase “less than 26 feet” is replaced by “less than 51 feet.”
Part 3: Amendment of Conditions:

1. Other provisions of the policy notwithstanding, this policy will be primary for all losses covered herein, and the existence of other insurance will not serve to reduce our obligation.

2. You will have the right to waive our rights of recovery prior to a loss with respect to any party. This must be done in writing to affect our rights.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT - CALIFORNIA

Policy Number: 57 WEC PI9708
Endorsement Number:
Effective Date: 10/20/17
Effective hour is the same as stated on the Information Page of the policy.
Named Insured and Address: RALPH ANDERSEN & ASSOCIATES

5800 STANFORD RANCH RD STE 410
ROCKLIN, CA 95765

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

You must maintain payroll records accurately segregating the remuneration of your employees while engaged in the work described in the Schedule.

The additional premium for this endorsement shall be 2% of the California workers' compensation premium otherwise due on such remuneration.

SCHEDULE

<table>
<thead>
<tr>
<th>Person or Organization</th>
<th>Job Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANY PERSON OR ORGANIZATION FROM WHOM YOU ARE REQUIRED BY WRITTEN CONTRACT OR AGREEMENT</td>
<td>AS REQUIRED BY WRITTEN CONTRACT.</td>
</tr>
<tr>
<td>TO OBTAIN THIS WAIVER OF RIGHTS FROM US.</td>
<td></td>
</tr>
</tbody>
</table>

Countersigned by ____________________________________________  
Authorized Representative

Form WC 04 03 06   (1) Printed in U.S.A.  
Process Date: 09/02/17  
Policy Expiration Date: 10/20/18