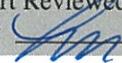


Agenda Report Reviewed by:  
City Manager: 

CITY OF SEBASTOPOL  
CITY COUNCIL  
STAFF REPORT

Meeting Date: July 17, 2018  
 To: Honorable Mayor and City Councilmembers  
 From: Ana Kwong - Finance Director  
 Subject: Approve and Authorize the City Manager to execute the related contract with Regional Government Services for Human Resource Services not to exceed \$50,000.

Recommendation: City Council adopt the information technology contract  
 Funding: Currently Budgeted:  X  Yes   No   N/A  
 Net General Fund Cost: \$12,500  
 If Cost to Other Fund(s),  
 Fund: Water \$19,000, Sewer \$18,500

**INTRODUCTION:** This item is to request that the City Council Approve and Authorize the City Manager to execute a contract with Regional Government Services for Human Resource Services for FY2018-19.

**BACKGROUND:**

Human Resource is a very large field, including the disciplines of selection techniques, benefit design, labor relations, compensation design, Equal Employment Opportunity and legal compliance, job design and classification, workflow analysis and organizational structures, staff development and training, strategic planning and human capital forecasting, statistical analysis, employee relations, organizational culture development and more. It is difficult to find a single person with expertise in all of these areas and many cities have a fully staff department with multiple employees to administer human resources duties and responsibilities.

**DISCUSSION:**

In the past, Human Resources was handled by the Administrative Services Office; however, in 2015, when the City of Sebastopol recruited for the Administrative Services a Finance Director, it was determined at that time that the position would focus on Finance related items and that the human resources functions would be conducted by an outside consultant. Since that time however, the Finance Department, in consultant with the City Manager’s office, has functioned as the human resource department. In light of the ever-changing, complicated and complex rules and regulations, the City requested proposals from companies who performed personnel services. After review of all proposals and conducting of interviews with said companies, the City chose Regional Government Services (RGS), a joint Powers Authority for government agency to agency partnership as the outside personnel consultant for the City. RGS was requested to complete an HR assessment to ensure that the City is in compliance with the mandated functions. RGS performed the assessment, met with all Department Heads to gather current practices, and as a result of the assessment, it was determined that mandated functions were not being fully managed and performed and the City was getting by at the minimum.

For the last year, the City has worked with RGS who has a team with various specialties in human resources to help the City to update and revise various City practices and policies to ensure that the City is in compliance with all rules and regulations. RGS's guidance and expertise has been invaluable to the City.

As the City does not have the staffing, expertise or a vast experience in human resources, it would be in the best interest of the City and its employees to outsource human resources to a company that can provide external experts to administer HR functions within the City.

**RECOMMENDATION:** Staff recommends the City Council approve and authorize the City Manager to execute the related contract with Regional Government Services (RGS).

**Attachment(s):**

Resolution

Regional Government Services Contract

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE COUNCIL OF THE CITY OF SEBASTOPOL AUTHORIZING  
THE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT WITH REGIONAL  
GOVERNMENT SERVICES (RGS) FOR HUMAN RESOURCE SERVICES IN AN  
AMOUNT NOT TO EXCEED \$50,000 FOR FISCAL YEAR 2018-19

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WHEREAS, the City of Sebastopol does not currently have a Human Resources Department; and

WHEREAS, the City the City Manager's office function as Human Resource/Personnel Officer with the help from the Finance Director; and

WHEREAS, human resource is a very large field and difficult to find a single person with expertise in all the areas and ready access to a team with various specialties; and

WHEREAS, the City recognizes the significant need to have human resource outsourcing human resource project delivery to external experts in to administer HR functions within the City; and

WHEREAS, RGS has been performing human resource services for various municipalities in a joint Powers Authority for government agency to agency partnership and is qualifies to perform human resource needed for the City;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sebastopol authorizes the City Manager to enter into a professional service agreement with RGS in the amount not to exceed \$50,000 in the budgeted account 100-1411-4210 (\$50,000) for human resource services.

IN COUNCIL DULY PASSED this 17<sup>th</sup> day of July, 2018.

VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED: \_\_\_\_\_

Mayor Patrick Slayter

ATTEST: \_\_\_\_\_

Mary Gourley, MMC, Assistant City Manager / City Clerk

Preamble: The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

### **Our Values**

- **Expert Services:** RGS serves exclusively public sector agencies with its team of public-sector experts.
- **Innovation:** RGS encourages and develops innovative and sustainable services to help each Agency meet its challenges through new modes of service provision.
- **Customer Driven:** RGS customizes solutions to achieve the right level and right kind of service at the right time for each Agency’s unique organizational needs.
- **Perseverance:** Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, learning openly from each other’s hard won experience.
- **Commitment:** Government agencies are the public’s only choice for many services. Public trust is earned and must be used wisely. And RGS will do its part. Each Agency should and will know how RGS sets its rates. RGS’ pledge to you is that we will act with honesty, openness, and full transparency.

### **How RGS Does Business**

When you work with RGS you can expect:

- RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- Ongoing interaction throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.
- RGS is committed to honest interaction.
- When RGS employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public Agency, partnering is valued. We look out for each Agency’s interests consistent with maintaining the public trust.
- To keep expectations realistic, it is important to understand that RGS is a governmental, joint powers authority evolving to meet changing local government needs. RGS has carefully constructed policies and procedures to allow maximum flexibility to meet your needs.

## **Agreement for Management and Administrative Services**

**This Agreement** for Management Services (“Agreement”) is made and entered into as of the 11<sup>th</sup> day of July 2018, by and between the **CITY OF SEBASTOPOL**, a municipal Agency (“Agency”), and **Regional Government Services Authority** (RGS), a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

### **RECITALS**

**THIS AGREEMENT** is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render certain services to it;
- B. That RGS is a management and administrative services provider and is qualified to provide such services to the Agency; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

### **TERMS AND CONDITIONS**

**Section 1. Services.** The services to be performed by RGS under this Agreement shall include those services set forth in the attached **Exhibits**, which are incorporated by this reference herein and made a part hereof as though it were fully set forth herein.

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

- 1.1 Standard of Performance.** RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.
- 1.2 Lead Advisor.** To ensure quality and consistency for the services provided, RGS also assigns a lead advisor to Agency. The lead advisor is available to assigned RGS staff and to Agency management and will check in regularly with both to address program/project directives. Typically lead advisor time is not billed to Agency, with some exceptions where significant programmatic direction is provided.
- 1.3 Reassignment of Personnel.** Assignment of personnel to provide the services described in the **Exhibits** is at the sole discretion of RGS. In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons.
- 1.4 Time.** RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the services described in the **Exhibits**.

**Section 2. Term of Agreement and Termination.** Services shall commence on or about July 11, 2018, and this Agreement is anticipated to remain in force to June 30, 2019, at which time services may continue on a month-to-month basis until one party terminates the Agreement, or if Exhibit A contains a “not to exceed” amount, until that amount of charges has been reached, at which point the Parties shall either amend or terminate this Agreement. This Agreement may be terminated by either Party, with or without cause, upon 30 days’ written notice. Agency has the sole discretion to determine if the services performed by RGS are satisfactory to the Agency which determination shall be made in good faith. If Agency determines that the services performed by RGS are not satisfactory, Agency may terminate this Agreement by giving written notice to RGS. Upon receipt of notice of termination by either Party, RGS shall cease performing duties on behalf of Agency on the termination date specified and the compensation payable to RGS shall include only the period for which services have been performed by RGS.

**Section 3. Compensation.** Payment under this Agreement shall be as provided in the **Exhibits**.

**Section 4. Effective Date.** This Agreement shall become effective on the date first herein above written.

**Section 5. Relationship of Parties.**

**5.1** It is understood that the relationship of RGS to the Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. The Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of the Agency. Agency shall have the right to control RGS employees only insofar as the results of RGS’ services rendered pursuant to this Agreement. In furtherance of this Section 5.1, the Parties agree as follows:

**5.1.1** Agency shall not request from RGS or from an RGS employee providing services pursuant to this Agreement an RGS employee’s Social Security Number or other similar personally identifying information.

**5.1.2** Agency shall not report an RGS employee to a third party as an employee of Agency. For the purposes of this Section 5.1, “third party” means another government agency, private company, or individual.

**5.1.3** In the event that a third-party requests information about an RGS employee—including but not limited to personally identifying information, hours or locations worked, tasks performed, or compensation—Agency shall inform RGS of the request prior to responding. If Agency possesses such information about an RGS employee, the Parties shall confer in good faith about an appropriate and legally compliant response to the request.

- 5.2** RGS shall provide services under this Agreement through one or more employees of RGS qualified to perform services contracted for by Agency. The positions of RGS staff that will coordinate services to the Agency are indicated in the **Exhibits**. The Executive Director or assigned supervising RGS staff will consult with Agency on an as-needed basis to assure that the services to be performed are meeting Agency's objectives. At any time the RGS employee may be providing services to one or more RGS clients concurrent with the services being provided under this agreement.
- 5.3** Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish set hours or days for performance of services, except as set forth in the **Exhibits**.
- 5.4** RGS employees may require access to Agency's computer systems and networks to complete the assigned services. RGS requires its employees to agree to appropriate system usage policies, which include a pledge not to use partner agency electronic equipment for anything other than partner agency work. (These policies can be provided to Agency upon request.)
- 5.5** Agency shall not have any right to discharge any employee of RGS from RGS employment.
- 5.6** RGS shall, at its sole expense, supply for its employees providing services to Agency pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

**Section 6. Loss Occurrence Coverage.** RGS is self-insured and maintains loss occurrence coverage through its membership in the Municipal Insurance Cooperative ("MIC"), a California Joint Powers Authority, which is a risk purchasing joint powers authority. Consistent with sections 990.4 and 990.8 of the Government Code, the MIC provides coverage to RGS, in excess of its member retained limit, against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors.

**6.1 Workers' Compensation Coverage.**

**6.1.1 General requirements.** RGS shall, at its sole cost and expense, maintain Workers' Compensation coverage and Employer's Liability coverage with limits of not less than \$1,000,000.00 per occurrence.

**6.1.2 Waiver of subrogation.** The Workers' Compensation coverage shall be endorsed with or include a waiver of subrogation in favor of Agency for all work performed by RGS, its employees, agents, and subcontractors.

## **6.2 Commercial General, Automobile, and Professional Liability Coverages.**

**6.2.1 General requirements.** RGS, at its own cost and expense, shall maintain commercial general and automobile liability coverage for the term of this Agreement in an amount not less than \$2,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. RGS shall additionally maintain commercial general liability coverage in an amount not less than \$2,000,000 aggregated for bodily injury, personal injury, and property damage.

**6.2.2 Minimum scope of coverage.** The MIC Memorandum of Coverage (MOC) is not written on ISO forms but provides coverage at least as broad as the latest version of the following: (A) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (B) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 001, code 1 (any auto).

**6.3 Professional Liability Insurance.** RGS, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability coverage for licensed professionals performing work pursuant to this Agreement in an amount not less than \$2,000,000 covering the licensed professionals' errors and omissions.

## **6.4 All Policies Requirements.**

**6.4.1 Coverage requirements.** Each of the following shall be included in the coverage or added as an endorsement:

- a. Agency and its officers, employees, agents, and volunteers shall be covered as additional covered parties with respect to RGS' general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to RGS' performance of this Agreement and to the extent caused by RGS' negligent act, error, or omission.
- b. An endorsement to RGS' general commercial and automobile coverages must state that coverage is primary with respect to Agency and its officers, officials, employees and volunteers.
- c. All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.

**6.4.2 Acceptability of coverage providers.** All coverages required by this section shall be acquired through providers with a Bests' rating of no less than A: VII or through sources that provide an equivalent level of reliability.

- 6.4.3 Verification of coverage.** Prior to beginning any work under this Agreement, RGS shall furnish Agency with notifications of coverage and with original endorsements effecting coverage required herein. The notifications and endorsements are to be signed by a person authorized by the MIC to bind coverage on its behalf. Agency reserves the right to require complete, certified copies of all MOC at any time.
- 6.4.4 Subcontractors.** RGS shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- 6.4.5 Variation.** During the term of this Agreement, RGS may change the insurance program in which it participates. RGS will provide reasonable notice of any such change to Agency and replacement copies of Certificates of Coverage and endorsements.
- 6.4.6 Deductibles and Self-Insured Retentions.** RGS shall disclose any self-insured retention if Agency so requests prior to performing services under this Agreement or within a reasonable period of time of a request by Agency during the term of this Agreement.
- 6.4.7 Maintenance of Coverages.** The coverages stated herein shall be maintained throughout the term of this Agreement and proof of coverage shall be available for inspection by Agency upon request.
- 6.4.8 Notice of Cancellation or Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, RGS shall provide written notice to Agency at RGS earliest possible opportunity and in no case later than five business days after RGS is notified of the change in coverage.

## **Section 7. Legal Requirements.**

- 7.1 Governing Law.** The laws of the State of California shall govern this Agreement.
- 7.2 Compliance with Applicable Laws.** RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 Reporting Requirements.** If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.
- 7.4 Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.

- 7.5 **Licenses and Permits.** RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.
- 7.6 **Nondiscrimination and Equal Opportunity.** RGS shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

## **Section 8. Keeping and Status of Records.**

- 8.1 **Records Created as Part of RGS' Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use.
- 8.2 **Confidential Information.** RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.

**8.3 RGS Books and Records.** RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

**8.4 Inspection and Audit of Records.** Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

**Section 9. Non-assignment.** This Agreement is not assignable either in whole or in part without the written consent of the other party.

**Section 10. Amendments.** This Agreement may be amended or modified only by written Agreement signed by both Parties.

**Section 11. Validity.** The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

**Section 12. Disputes.** Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

**Section 13. Venue/Attorneys' Fees.** Any suit or action initiated by either party shall be brought in Alameda County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs of litigation.

**Section 14. 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.

**Section 15. Employment Offers to RGS Staff.** Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month, using the most recent RGS bill rate for the RGS employee's services to Agency. This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.

**Section 16. Entire Agreement.** This Agreement, including the **Exhibits**, comprises the entire Agreement.

**Section 17. Indemnification.**

**17.1 RGS' indemnity obligations.**

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, boards and commissions, officers, and employees ("Indemnitees") from and against all claims, demands, and causes of action by third parties, including but not limited to attorneys' fees, arising out of RGS' performance of this Agreement, to the extent caused by RGS' negligent act, error, or omission. Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

**17.2 Agency's indemnity obligations.** Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in Exhibit B.

It is the intent of the parties here to define indemnity obligations that are related to or arise out of Agency's actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or
- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action, or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

**17.3 Obligations and indemnity related to CalPERS.**

- a. RGS and Agency acknowledge and agree that, if Agency contracts with CalPERS for retirement benefits, it is possible that CalPERS may determine that RGS employees providing services pursuant to this Agreement are common-law employees of Agency and should be enrolled in CalPERS as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5.1 of this Agreement, Agency has an obligation to treat all persons

working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency.

- b.** In the event that CalPERS initiates an audit of Agency that includes examination of whether individuals providing services to Agency are Agency's common-law employees, Agency shall inform RGS within five days and share all communications and documents from CalPERS that it may legally share. Agency and RGS shall cooperate to determine the manner of responding to the inquiry and what, if any, documents to provide. Agency agrees not to ask RGS employees for personally identifying information
- c.** In the event that CalPERS' preliminary determination is that one or more RGS employees are common-law employees of Agency, Agency shall promptly inform RGS and share all communications and documents from CalPERS that it may legally share. RGS and Agency shall cooperate in determining how to respond to the direction from CalPERS in its preliminary determination, including but not limited to whether and how to make any corrections described in the preliminary determination.
- d.** RGS and Agency each reserves the right to file an administrative appeal of a CalPERS determination that an RGS employee is a common-law employee of Agency and should be enrolled in CalPERS as an employee of Agency and to challenge such a decision in court. Agency assigns its right to file an administrative appeal of such a CalPERS determination to RGS, if Agency does not itself file an administrative appeal. In the event that either RGS or Agency files an administrative appeal or court challenge of such a CalPERS determination, RGS and Agency each agree to cooperate with each other in pursuit of the action.
- e.** Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to a CalPERS investigation, including but not limited to costs of an administrative appeal or court challenge. In the event that (1) CalPERS determines that an RGS employee is a common-law employee of Agency and should be enrolled as an employee of Agency; (2) CalPERS determines that a payment is required to enroll the employee as an employee of Agency; and (3) neither RGS nor Agency challenges those determinations or the payment is upheld in a final administrative appeal or court decision, RGS' obligation for any payments to Agency for CalPERS benefits shall be limited to 50% of the employer's share of those payments that Agency may be required to pay.

**Section 18. Notices.** All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

**Agency:** City Of Sebastopol  
7120 Bodega Avenue / P.O. Box 1776  
Sebastopol, CA 95473

**RGS:** Regional Government Services Authority  
P. O. Box 1350  
Carmel Valley, CA 93924  
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00p.m. on a regular business day or else on the next business day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

DATED: \_\_\_\_\_, 2018 **Agency**

By: \_\_\_\_\_  
Larry McLaughlin, City Manager / City Attorney

DATED: \_\_\_\_\_, 2018 **Regional Government Services Authority**

By: \_\_\_\_\_  
Richard H. Averett, Executive Director

## Exhibit A

### **Compensation.**

1. **Fees.** Agency agrees to pay to RGS the hourly rates set forth in the tables below for each RGS employee providing services to Agency, which are based in part on RGS' full cost of compensation and support for the RGS employee(s) providing the services herein described.

RGS and Agency acknowledge and agree that compensation paid by Agency to RGS under this Agreement is based upon RGS' costs of providing the services required hereunder, including salaries and benefits of employees. The parties further agree that compensation hereunder is intended to include the costs of contributions to any pensions and/or annuities for which RGS may be obligated for its employees or may otherwise be contractually obligated.

Consequently, the parties agree that adjustments to the hourly rate shown below for "RGS Staff" will be made for changes to the salary and/or benefits costs provided by RGS to such employee. On July 1 of each year, RGS' hourly bill rates will be adjusted by the percentage change in the Consumer Price Index (Bureau of Labor Statistics, CPI for urban wage earners and clerical workers in the San Francisco-Oakland-San Jose area) ("CPI") for the twelve months through the end of December of the prior year. Irrespective of the movement of the CPI, RGS will not adjust its hourly rates downward; nor will RGS adjust its hourly rates upward in excess of a two and one-half percentage (2.5%) change excepting instances where there was no increase in the prior year's hourly rates. In that event, RGS will adjust its hourly rates by the full percentage change in the CPI for the twelve months through the end of December of the prior year.

2. **Reimbursement of RGS' Administrative Cost.** Agency shall reimburse RGS for overhead as part of the hourly rate specified below, and direct external costs. Support overhead costs are those expenses necessary to administering this Agreement, and are included in the hourly rate. Direct external costs, including such expenses as travel or other costs incurred for the exclusive benefit of the Agency, will be invoiced to Agency when received and without mark-up. These external costs will be due upon receipt.
3. **Terms of Payment.** RGS shall submit invoices monthly for the prior month's services. Invoices shall be sent approximately 10 days after the end of the month for which services were performed and are due and shall be delinquent if not paid within 30 days of receipt. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of one-half of one percent per month, which is an annual percentage rate of six percent, which will be applied to any unpaid balance owed commencing 7 days after the payment due date. Additionally, in the event the Agency fails to pay any undisputed amounts due to RGS within 15 days after payment due date, then Agency agrees that RGS shall have the right to consider said default a total breach of this Agreement and the duties of RGS under this Agreement may be terminated by RGS upon 5 working days' advance written notice.

**Payment Address.** All payments due RGS shall be paid to:  
Regional Government Services Authority  
PO Box 1350  
Carmel Valley, CA 93924

***[EXHIBIT A CONTINUES ON FOLLOWING PAGE]***

## AGENCY CONTACTS

**Agency Billing Contact.** Invoices are sent electronically only. Please provide the contact person to whom invoices should be sent:

NAME	EMAIL
Ana Kwong, Finance Director	akwong@cityofsebastopol.org

**Agency Insurance Contact.** Please provide the contact person to whom the certificate of coverage should be sent:

NAME	ADDRESS
Mary Gourley, Assistant City Manager	mgourley@cityofsebastopol.org

### RGS STAFF

CLASSIFICATION	HOURLY RATE*
Chief Operating Officer	\$120 to \$175
Deputy Chief Operating Officer	\$120 to \$165
Senior/Lead Advisor	\$115 to \$165
Advisor	\$105 to \$135
Project Advisor	\$95 to \$115
Project Coordinator	\$75 to \$105
Technical Specialist	\$65 to \$95

\*The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup and will fall outside of the not-to-exceed of \$50,000.00 for services provided.

## **Exhibit B**

**Scope of Services.** Subject to the terms and conditions of this Agreement, RGS shall assign RGS employee(s) to serve as the Human Resources Advisor(s) to the Agency, which may require performing any or all of the functions described below:

1. Provide immediate ongoing Human Resources Management services. This work may be done onsite or remotely. Human Resources Management services include initiation of work on identified priority projects, and also include the following activities as needed:
  - 1.1. Provide professional human resources assistance regarding best practice to facilitate the effective and compliant administration of Agency's human resources policies and practices.
  - 1.2. Analyze a variety of information and recommend appropriate management action; provide written documentation of analysis and recommendations as needed.
  - 1.3. Draft specific documentation relevant to resolving a range of personnel issues; coach supervisors on conducting sensitive personnel conversations.
  - 1.4. Draft required management communications to employees and facilitate effective job performance, interpersonal skills and relationship building.
  - 1.5. Develop and/or update human resources administrative policies, procedures, forms and templates as needed to develop an effective and compliant system of human resources management practices and personnel transactions.
  - 1.6. Confer with staff as requested to obtain input and/or feedback regarding policy and procedure recommendations; or to obtain information relevant to the resolution of personnel issues.
  - 1.7. Create policy implementation plans and timelines, including identification of roles/activities to be carried out by the Agency's managers and supervisors.
  - 1.8. Coach staff as needed in team building, conflict resolution, and other communication and collaborative workplace skills.
  - 1.9. Draft or update individual job classification descriptions on an as-needed basis, and make preliminary compensation recommendations for new job classes; conduct research and prepare individual essential functions information as needed.
  - 1.10. Monitor and manage medical leaves of absence, modified returns-to-work, and other illness/injury/disability issues as needed from initial injury through return to work or separation from employment; ensuring correct communications to all parties, and creating appropriate documentation.
  - 1.11. Develop and conduct training courses.

- 1.12. Conduct recruitments as requested, and design selection processes and instruments to be used.
  - 1.13. Conduct comparative and/or analytical studies of job classifications and compensation.
  - 1.14. Be reasonably available to perform services during the normal work week.
  - 1.15. Meet as often as necessary for the purpose of consulting about the Agency's human resources needs and issues, and the scope of work performed.
2. Projects and activities may be modified on request of the Agency. Agency will only be invoiced for the actual hours worked.
  3. 3. The RGS team assigned will be led by a Lead Advisor, who will both perform work and direct projects to other RGS staff as needed. RGS staff, with equal or lower bill rates will be assigned to projects or tasks at Lead Advisor's discretion.