



City Clerk Document No. _____

City Council Meeting Date: December 9, 2021

**CITY OF CHANDLER SERVICES AGREEMENT
COMPENSATION AND CLASSIFICATION STUDY
CITY OF CHANDLER AGREEMENT NO. HR2-918-4354**

THIS AGREEMENT (Agreement) is made and entered into by and between the City of Chandler, an Arizona municipal corporation (City), and Logic Compensation Group, an Arizona limited liability company (Contractor), (City and Contractor may individually be referred to as Party and collectively referred to as Parties) and made _____, 2021 (Effective Date).

RECITALS

- A. City proposes to conduct a compensation and classification study as more fully described in Exhibit A, which is attached to and made a part of this Agreement by this reference.
- B. Contractor is ready, willing, and able to provide the services described in Exhibit A for the compensation and fees set forth and as described in Exhibit B, which is attached to and made a part of this Agreement by this reference.
- C. City desires to contract with the Contractor to provide these services under the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, City and Contractor agree as follows:

SECTION I: DEFINITIONS

For purposes of this Agreement, the following definitions apply:

Agreement means the legal agreement executed between the City and the Contractor

City means the City of Chandler, Arizona

Contractor means the individual, partnership, or corporation named in the Agreement

Days means calendar days

May, Should means something that is not mandatory but permissible

Shall, Will, Must means a mandatory requirement

SECTION II: CONTRACTOR'S SERVICES

Contractor must perform the services described in Exhibit A to the City's satisfaction within the terms and conditions of this Agreement and within the care and skill that a person who provides

similar services in Chandler, Arizona exercises under similar conditions. All work or services furnished by Contractor under this Agreement must be performed in a skilled and workmanlike manner. Unless authorized by the City in writing, all fixtures, furnishings, and equipment furnished by Contractor as part of the work or services under this Agreement must be new, or the latest model, and of the most suitable grade and quality for the intended purpose of the work or service.

SECTION III: PERIOD OF SERVICE

Following execution of this Agreement by City, the Contractor will immediately commence work and will complete all services described within 365 days from the date the Contractor is notified to proceed.

SECTION IV: PAYMENT OF COMPENSATION AND FEES

Unless amended in writing by the Parties, Contractor's compensation and fees as more fully described in Exhibit B for performance of the services approved and accepted by the City under this Agreement must not exceed \$215,000. Contractor must submit requests for payment for services approved and accepted during the previous billing period and must include, as applicable, detailed invoices and receipts, a narrative description of the tasks accomplished during the billing period, a list of any deliverables submitted, and any subcontractor's or supplier's actual requests for payment plus similar narrative and listing of their work. Payment for those services negotiated as a lump sum will be made in accordance with the percentage of the work completed during the preceding billing period. Services negotiated as a not-to-exceed fee will be paid in accordance with the work completed on the service during the preceding month. All requests for payment must be submitted to the City for review and approval. The City will make payment for approved and accepted services within 30 days of the City's receipt of the request for payment. Contractor bears all responsibility and liability for any and all tax obligations that result from Contractor's performance under this Agreement.

SECTION V: GENERAL CONDITIONS

5.1 Records/Audit. Records of the Contractor's direct personnel payroll, reimbursable expenses pertaining to this Agreement and records of accounts between the City and Contractor must be kept on the basis of generally accepted accounting principles and must be made available to the City and its auditors for up to three years following the City's final acceptance of the services under this Agreement. The City, its authorized representative, or any federal agency, reserves the right to audit Contractor's records to verify the accuracy and appropriateness of all cost and pricing data, including data used to negotiate this Agreement and any amendments. The City reserves the right to decrease the total amount of Agreement price or payments made under this Agreement or request reimbursement from the Contractor following final contract payment on this Agreement if, upon audit of the Contractor's records, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data. The Contractor will include a similar provision in all of its contracts with subcontractors providing services under the Agreement Documents to ensure that the City, its authorized representative, or the appropriate federal agency, has access to the subcontractors' records to verify the accuracy of all cost and pricing data. The City reserves the right to decrease Contract price or payments made on this Agreement or request reimbursement from the Contractor following final payment on this Agreement if the above provision is not included in subcontractor agreements, and one or more subcontractors refuse to allow the City to audit their

records to verify the accuracy and appropriateness of all cost and pricing data. If, following an audit of this Agreement, the audit discloses the Contractor has provided false, misleading, or inaccurate cost and pricing data, and the cost discrepancies exceed 1% of the total Agreement billings, the Contractor will be liable for reimbursement of the reasonable, actual cost of the audit.

5.2 Alteration in Character of Work. Whenever an alteration in the character of work results in a substantial change in this Agreement, thereby materially increasing or decreasing the scope of services, cost of performance, or Project schedule, the work will be performed as directed by the City. However, before any modified work is started, a written amendment must be approved and executed by the City and the Contractor. Such amendment must not be effective until approved by the City. Additions to, modifications, or deletions from this Agreement as provided herein may be made, and the compensation to be paid to the Contractor may accordingly be adjusted by mutual agreement of the Parties. It is distinctly understood and agreed that no claim for extra work done or materials furnished by the Contractor will be allowed by the City except as provided herein, nor must the Contractor do any work or furnish any materials not covered by this Agreement unless such work is first authorized in writing. Any such work or materials furnished by the Contractor without prior written authorization will be at Contractor's own risk, cost, and expense, and Contractor hereby agrees that without written authorization Contractor will make no claim for compensation for such work or materials furnished.

5.3 Termination for Convenience. The City and the Contractor hereby agree to the full performance of the covenants contained herein, except that the City reserves the right, at its discretion and without cause, to terminate or abandon any service provided for in this Agreement, or abandon any portion of the Project for which services have been performed by the Contractor. In the event the City abandons or suspends the services, or any part of the services as provided in this Agreement, the City will notify the Contractor in writing and immediately after receiving such notice, the Contractor must discontinue advancing the work specified under this Agreement. Upon such termination, abandonment, or suspension, the Contractor must deliver to the City all drawings, plans, specifications, special provisions, estimates and other work entirely or partially completed, together with all unused materials supplied by the City. The Contractor must appraise the work Contractor has completed and submit Contractor's appraisal to the City for evaluation. The City may inspect the Contractor's work to appraise the work completed. The Contractor will receive compensation in full for services performed to the date of such termination. The fee shall be paid in accordance with Section IV of this Agreement, and as mutually agreed upon by the Contractor and the City. If there is no mutual agreement on payment, the final determination will be made in accordance with the Disputes provision in this Agreement. However, in no event may the payment exceed the payment set forth in this Agreement nor as amended in accordance with Alteration in Character of Work. The City will make the final payment within 60 days after the Contractor has delivered the last of the partially completed items and the Parties agree on the final payment. If the City is found to have improperly terminated the Agreement for cause or default, the termination will be converted to a termination for convenience in accordance with the provisions of this Agreement.

5.4 Termination for Cause. The City may terminate this Agreement for Cause upon the occurrence of any one or more of the following events: in the event that (a) the Contractor fails to perform pursuant to the terms of this Agreement, (b) the Contractor is adjudged a bankrupt or insolvent, (c) the Contractor makes a general assignment for the benefit of creditors, (d) a trustee or receiver is

appointed for Contractor or for any of Contractor's property (e) the Contractor files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws, (f) the Contractor disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction, or (g) the Contractor fails to cure default within the time requested. Where Agreement has been so terminated by City, the termination will not affect any rights of City against Contractor then existing or which may thereafter accrue.

5.5 Indemnification. The Contractor (Indemnitor) must indemnify, defend, save and hold harmless the City and its officers, officials, agents and employees (Indemnitee) from any and all claims, actions, liabilities, damages, losses or expenses (including court costs, attorneys' fees and costs of claim processing, investigation and litigation) (Claims) caused or alleged to be caused, in whole or in part, by the wrongful, negligent or willful acts, or errors or omissions of the Contractor or any of its owners, officers, directors, agents, employees, or subcontractors in connection with this Agreement. This indemnity includes any claim or amount arising out of or recovered under workers' compensation law or on account of the failure of the Contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. The Contractor must indemnify Indemnitee from and against any and all Claims, except those arising solely from Indemnitee's own negligent or willful acts or omissions. The Contractor is responsible for primary loss investigation, defense and judgment costs where this indemnification applies. In consideration of the award of this Agreement, the Contractor agrees to waive all rights of subrogation against Indemnitee for losses arising from or related to this Agreement. The obligations of the Contractor under this provision survive the termination or expiration of this Agreement.

5.6 Insurance Requirements. Contractor must procure insurance under the terms and conditions and for the amounts of coverage set forth in Exhibit C against claims that may arise from or relate to performance of the work under this Agreement by Contractor and its agents, representatives, employees, and subcontractors. Contractor and any subcontractors must maintain this insurance until all of their obligations have been discharged, including any warranty periods under this Agreement. These insurance requirements are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement. The City in no way warrants that the minimum limits stated in Exhibit C are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this Agreement by the Contractor, the Contractor's agents, representatives, employees, or subcontractors. Contractor is free to purchase such additional insurance as may be determined necessary.

5.7 Cooperation and Further Documentation. The Contractor agrees to provide the City such other duly executed documents as may be reasonably requested by the City to implement the intent of this Agreement.

5.8 Notices. Unless otherwise provided, notice under this Agreement must be in writing and will be deemed to have been duly given and received either (a) on the date of service if personally served on the party to whom notice is to be given, or (b) on the date notice is sent if by electronic mail, or (c) on the third day after the date of the postmark of deposit by first class United States mail, registered or certified, postage prepaid and properly addressed as follows:

For the City

Name: Christina Pryor
 Title: Purchasing Manager
 Address: 175 S. Arizona Ave., 3rd Floor
Chandler, AZ 85225
 Phone: 408-782-2403
 Email: christina.pryor@chandleraz.gov

For the Contractor

Name: Lori Messer
 Title: Managing Director
 Address: 112 E. Palmcroft Dr.
Tempe, AZ 85282
 Phone: 480-431-4702
 Email: lori.messer@logiccompgroup.com

5.9 Successors and Assigns. City and Contractor each bind itself, its partners, successors, assigns, and legal representatives to the other party to this Agreement and to the partners, successors, assigns, and legal representatives of such other party in respect to all covenants of this Agreement. Neither the City nor the Contractor may assign, sublet, or transfer its interest in this Agreement without the written consent of the other party. In no event may any contractual relation be created between any third party and the City.

5.10 Disputes. In any dispute arising out of an interpretation of this Agreement or the duties required not disposed of by agreement between the Contractor and the City, the final determination at the administrative level will be made by the City Purchasing and Materials Manager.

5.11 Completeness and Accuracy of Contractor's Work. The Contractor must be responsible for the completeness and accuracy of Contractor's services, data, and other work prepared or compiled under Contractor's obligation under this Agreement and must correct, at Contractor's expense, all willful or negligent errors, omissions, or acts that may be discovered. The fact that the City has accepted or approved the Contractor's work will in no way relieve the Contractor of any of Contractor's responsibilities.

5.12 Withholding Payment. The City reserves the right to withhold funds from the Contractor's payments up to the amount equal to the claims the City may have against the Contractor until such time that a settlement on those claims has been reached.

5.13 City's Right of Cancellation. The Parties acknowledge that this Agreement is subject to cancellation by the City under the provisions of Section 38-511, Arizona Revised Statutes (A.R.S.).

5.14 Independent Contractor. For this Agreement the Contractor constitutes an independent contractor. Any provisions in this Agreement that may appear to give the City the right to direct the Contractor as to the details of accomplishing the work or to exercise a measure of control over the work means that the Contractor must follow the wishes of the City as to the results of the work only. These results must comply with all applicable laws and ordinances.

5.15 Project Staffing. Prior to the start of any work under this Agreement, the Contractor must assign to the City the key personnel that will be involved in performing services prescribed in the Agreement. The City may acknowledge its acceptance of such personnel to perform services under this Agreement. At any time hereafter that the Contractor desires to change key personnel while performing under the Agreement, the Contractor must submit the qualifications of the new personnel to the City for prior approval. The Contractor will maintain an adequate and competent staff of qualified persons, as may be determined by the City,

throughout the performance of this Agreement to ensure acceptable and timely completion of the Scope of Services. If the City objects, with reasonable cause, to any of the Contractor's staff, the Contractor must take prompt corrective action acceptable to the City and, if required, remove such personnel from the Project and replace with new personnel agreed to by the City.

5.16 Subcontractors. Prior to beginning the work, the Contractor must furnish the City for approval the names of subcontractors to be used under this Agreement. Any subsequent changes are subject to the City's written prior approval.

5.17 Force Majeure. If either party is delayed or prevented from the performance of any act required under this Agreement by reason of acts of God or other cause beyond the control and without fault of the Party (financial inability excepted), performance of that act may be excused, but only for the period of the delay, if the Party provides written notice to the other Party within ten days of such act. The time for performance of the act may be extended for a period equivalent to the period of delay from the date written notice is received by the other Party.

5.18 Compliance with Laws. Contractor understands, acknowledges, and agrees to comply with the Americans with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. All services performed by Contractor must also comply with all applicable City of Chandler codes, ordinances, and requirements. Contractor agrees to permit the City to verify Contractor's compliance.

5.19 No Israel Boycott. By entering into this Agreement, Contractor certifies that Contractor is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

5.20 Legal Worker Requirements. A.R.S. § 41-4401 prohibits the City from awarding a contract to any contractor who fails, or whose subcontractors fail, to comply with A.R.S. § 23-214(A). Therefore, Contractor agrees Contractor and each subcontractor it uses warrants their compliance with all federal immigration laws and regulations that relate to their employees and their compliance with § 23-214, subsection A. A breach of this warranty will be deemed a material breach of the Agreement and may be subject to penalties up to and including termination of the Agreement. City retains the legal right to inspect the papers of any Contractor's or subcontractor's employee who provides services under this Agreement to ensure that the Contractor and subcontractors comply with the warranty under this provision.

5.21 Lawful Presence Requirement. A.R.S. §§ 1-501 and 1-502 prohibit the City from awarding a contract to any natural person who cannot establish that such person is lawfully present in the United States. To establish lawful presence, a person must produce qualifying identification and sign a City-provided affidavit affirming that the identification provided is genuine. This requirement will be imposed at the time of contract award. This requirement does not apply to business organizations such as corporations, partnerships, or limited liability companies.

5.22 Covenant Against Contingent Fees. Contractor warrants that no person has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, and that no member of the Chandler City Council, or any City employee has any interest, financially, or otherwise, in Contractor's firm. For breach or violation of this warrant, the City may annul this Agreement

without liability or, at its discretion, to deduct from the Agreement price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

5.23 Non-Waiver Provision. The failure of either Party to enforce any of the provisions of this Agreement or to require performance of the other Party of any of the provisions hereof must not be construed to be a waiver of such provisions, nor must it affect the validity of this Agreement or any part thereof, or the right of either Party to thereafter enforce each and every provision.

5.24 Disclosure of Information Adverse to the City's Interests. To evaluate and avoid potential conflicts of interest, the Contractor must provide written notice to the City, as set forth in this Section, of any work or services performed by the Contractor for third parties that may involve or be associated with any real property or personal property owned or leased by the City. Such notice must be given seven business days prior to commencement of the services by the Contractor for a third party, or seven business days prior to an adverse action as defined below. Written notice and disclosure must be sent to the City's Purchasing and Materials Manager. An adverse action under this Agreement includes, but is not limited to: (a) using data as defined in the Agreement acquired in connection with this Agreement to assist a third party in pursuing administrative or judicial action against the City; or (b) testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; or (c) using data to produce income for the Contractor or its employees independently of performing the services under this Agreement, without the prior written consent of the City. Contractor represents that except for those persons, entities, and projects identified to the City, the services performed by the Contractor under this Agreement are not expected to create an interest with any person, entity, or third party project that is or may be adverse to the City's interests. Contractor's failure to provide a written notice and disclosure of the information as set forth in this Section constitute a material breach of this Agreement.

5.25 Data Confidentiality and Data Security. As used in the Agreement, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by, obtained by, or transmitted to the Contractor or its subcontractors in the performance of this Agreement. The Parties agree that all data, regardless of form, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the Contractor or its subcontractors in connection with the Contractor's or its subcontractor's performance of this Agreement is confidential and proprietary information belonging to the City. Except as specifically provided in this Agreement, Contractor or its subcontractors must not divulge data to any third party without the City's prior written consent. Contractor or its subcontractors must not use the data for any purposes except to perform the services required under this Agreement. These prohibitions do not apply to the following data provided to the Contractor or its subcontractors have first given the required notice to the City: (a) data which was known to the Contractor or its subcontractors prior to its performance under this Agreement unless such data was acquired in connection with work performed for the City; or (b) data which was acquired by the Contractor or its subcontractors in its performance under this Agreement and which was disclosed to the Contractor or its subcontractors by a third party, who to the best of the Contractor's or its subcontractors knowledge and belief, had the legal right to make such disclosure and the Contractor or its subcontractors are not otherwise required to hold such data in confidence; or (c) data which is required to be disclosed by virtue of

law, regulation, or court order, to which the Contractor or its subcontractors are subject. In the event the Contractor or its subcontractors are required or requested to disclose data to a third party, or any other information to which the Contractor or its subcontractors became privy as a result of any other contract with the City, the Contractor must first notify the City as set forth in this Section of the request or demand for the data. The Contractor or its subcontractors must give the City sufficient facts so that the City can be given an opportunity to first give its consent or take such action that the City may deem appropriate to protect such data or other information from disclosure. Unless prohibited by law, within ten calendar days after completion or termination of services under this Agreement, the Contractor or its subcontractors must promptly deliver, as set forth in this Section, a copy of all data to the City. All data must continue to be subject to the confidentiality agreements of this Agreement. Contractor or its subcontractors assume all liability to maintain the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Section are violated by the Contractor, its employees, agents or subcontractors. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. A violation of this Section may result in immediate termination of this Agreement without notice.

5.26 Personal Identifying Information-Data Security. Personal identifying information, financial account information, or restricted City information, whether electronic format or hard copy, must be secured and protected at all times by Contractor and any of its subcontractors. At a minimum, Contractor must encrypt or password-protect electronic files. This includes data saved to laptop computers, computerized devices, or removable storage devices. When personal identifying information, financial account information, or restricted City information, regardless of its format, is no longer necessary, the information must be redacted or destroyed through appropriate and secure methods that ensure the information cannot be viewed, accessed, or reconstructed. In the event that data collected or obtained by Contractor or its subcontractors in connection with this Agreement is believed to have been compromised, Contractor or its subcontractors must immediately notify the City contact. Contractor agrees to reimburse the City for any costs incurred by the City to investigate potential breaches of this data and, where applicable, the cost of notifying individuals who may be impacted by the breach. Contractor agrees that the requirements of this Section must be incorporated into all subcontracts entered into by Contractor. It is further agreed that a violation of this Section must be deemed to cause irreparable harm that justifies injunctive relief in court. A violation of this Section may result in immediate termination of this Agreement without notice. The obligations of Contractor or its subcontractors under this Section must survive the termination of this Agreement.

5.27 Jurisdiction and Venue. This Agreement is made under, and must be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions thereof. Any action to enforce any provision of this Agreement or to obtain any remedy with respect hereto must be brought in the courts located in Maricopa County, Arizona, and for this purpose, each Party hereby expressly and irrevocably consents to the jurisdiction and venue of such court.

5.28 Survival. All warranties, representations, and indemnifications by the Contractor must survive the completion or termination of this Agreement.

5.29 Modification. Except as expressly provided herein to the contrary, no supplement, modification, or amendment of any term of this Agreement will be deemed binding or effective unless in writing and signed by the Parties.

5.30 Severability. If any provision of this Agreement or the application to any person or circumstance may be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application will not be affected and will be enforceable to the fullest extent permitted by law.

5.31 Integration. This Agreement contains the full agreement of the Parties. Any prior or contemporaneous written or oral agreement between the Parties regarding the subject matter is merged and superseded.

5.32 Time is of the Essence. Time of each of the terms, covenants, and conditions of this Agreement is hereby expressly made of the essence.

5.33 Date of Performance. If the date of performance of any obligation or the last day of any time period provided for should fall on a Saturday, Sunday, or holiday for the City, the obligation will be due and owing, and the time period will expire, on the first day after which is not a Saturday, Sunday or legal City holiday. Except as may otherwise be set forth in this Agreement, any performance provided for herein will be timely made if completed no later than 5:00 p.m. (Chandler time) on the day of performance.

5.34 Delivery. All prices are F.O.B. Destination and include all delivery and unloading at the specified destinations. The Contractor will retain title and control of all goods until they are delivered and accepted by the City. All risk of transportation and all related charges will be the responsibility of the Contractor. All claims for visible or concealed damage will be filed by the Contractor. The City will notify the Contractor promptly of any damaged goods and will assist the Contractor in arranging for inspection.

5.35 Third Party Beneficiary. Nothing under this Agreement will be construed to give any rights or benefits in the Agreement to anyone other than the City and the Contractor, and all duties and responsibilities undertaken pursuant to this Agreement will be for the sole and exclusive benefit of City and the Contractor and not for the benefit of any other party.

5.36 Conflict in Language. All work performed must conform to all applicable City of Chandler codes, ordinances, and requirements as outlined in this Agreement. If there is a conflict in interpretation between provisions in this Agreement and those in the Exhibits, the provisions in this Agreement prevail.

5.37 Document/Information Release. Documents and materials released to the Contractor, which are identified by the City as sensitive and confidential, are the City's property. The document/material must be issued by and returned to the City upon completion of the services under this Agreement. Contractor's secondary distribution, disclosure, copying, or duplication in any manner is prohibited without the City's prior written approval. The document/material must be kept secure at all times. This directive applies to all City documents, whether in photographic, printed, or electronic data format.

5.38 Exhibits. The following exhibits are made a part of this Agreement and are incorporated by reference:

Exhibit A - Project Description/Scope of Services

Exhibit B - Compensation and Fees

Exhibit C - Insurance Requirements

Exhibit D - Special Conditions

5.39 Special Conditions. As part of the services Contractor provides under this Agreement, Contractor agrees to comply with and fully perform the special terms and conditions set forth in Exhibit D, which is attached to and made a part of this Agreement.

5.40 Cooperative Use of Agreement. In addition to the City of Chandler and with approval of the Contractor, this Agreement may be extended for use by other municipalities, school districts and government agencies of the State. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the respective political entity.

If required to provide services on a school district property at least five times during a month, the Contractor will submit a full set of fingerprints to the school of each person or employee who may provide such service. The District will conduct a fingerprint check in accordance with A.R.S. 41-1750 and Public Law 92-544 of all Contractors, subcontractors or vendors and their employees for which fingerprints are submitted to the District. Additionally, the Contractor will comply with the governing body fingerprinting policies of each individual school district/public entity. The Contractor, sub-contractors, vendors and their employees will not provide services on school district properties until authorized by the District.

Orders placed by other agencies and payment thereof will be the sole responsibility of that agency. The City will not be responsible for any disputes arising out of transactions made by other agencies who utilize this Agreement.

5.41 Non-Discrimination and Anti-Harassment Laws. Contractor must comply with all applicable City, state, and federal non-discrimination and anti-harassment laws, rules, and regulations.

5.42 Licenses and Permits. Beginning with the Effective Date and for the full term of this Agreement, Contractor must maintain all applicable City, state, and federal licenses and permits required to fully perform Contractor's services under this Agreement.

5.43 Warranties. Contractor must furnish a one-year warranty on all work and services performed under this Agreement. Contractor must furnish, or cause to be furnished, a two-year warranty on all fixtures, furnishings, and equipment furnished by Contractor, subcontractors, or suppliers under this Agreement. Any defects in design, workmanship, or materials that do not comply with this Agreement must be corrected by Contractor (including, but not limited to, all parts and labor) at Contractor's sole cost and expense. All written warranties and redlines for as-built conditions must be delivered to the City on or before the City's final acceptance of Contractor's services under this Agreement.

5.44 Emergency Purchases. City reserves the rights to purchase from other sources those items, which are required on an emergency basis and cannot be supplied immediately by the Contractor.

5.45 Non-Exclusive Agreement. This agreement is for the sole convenience of the City of Chandler. The City reserves the right to obtain like goods or services from another source when necessary.

5.46 Budget Approval Into Next Fiscal Year. This Agreement will commence on the Effective Date and continue in full force and effect until it is terminated or expires in accordance with the provisions of this Agreement. The Parties recognize that the continuation of this Agreement after the close of the City's fiscal year, which ends on June 30 of each year, is subject to the City Council's approval of a budget that includes an appropriation for this item as expenditure. The City does not represent that this budget item will be actually adopted. This determination is solely made by the City Council at the time Council adopts the budget.

This Agreement shall be in full force and effect only when it has been approved and executed by the duly authorized City officials.

FOR THE CITY

By: _____

Its: Mayor

FOR THE CONTRACTOR

By: Lori Messer

Its: Managing Director

APPROVED AS TO FORM:

By: _____
City Attorney 

ATTEST:

By: _____
City Clerk

EXHIBIT A TO AGREEMENT SCOPE OF SERVICES

Task 1 – Project Kick-Off

LCG will conduct activities that will establish the process and objectives for an on-time, on budget and successful study. LCG will meet with the City's project team to initiate the study process by discussing the City's current classification and compensation needs, issues and goals in addition to conducting a review of classification and compensation documents. Utilizing the information gained from these interviews and document reviews, LCG will collaborate with the City's Project Oversight Team and develop an updated or new classification and compensation philosophy document that will provide a roadmap for the study and the update of the applicable systems. Bi-weekly meetings by video or conference call will be held between LCG and the City's project manager and/or team to inform on study progress and address any concerns.

The general approach, which is consistent with best practices for the success of a study of this nature, is to start by defining an overall compensation philosophy and associated strategies with the City. This approach helps to define the comparative market, where in relation to the market the City wants to position itself (e.g., average, lead, lag), the strengths and weaknesses of the current systems, and any other relevant information that would be beneficial as we embark on the study. Once this strategy is defined, it is then possible to establish a classification and compensation system that ensures employees are paid equitably in relation to other jobs in the organization and relative to the market.

Timeline

1 month

Activities and Major Milestones

- Review of organization, classification structure, compensation philosophy, job descriptions, and other applicable background materials for full-time and part-time positions (excluding sworn positions covered under an MOU).
- Conduct initial meetings with management, HR, and other City stakeholders as appropriate to gain an understanding of current issues related to classification, compensation, pay practices, policies, philosophies, and strategies.
- Meet with department directors to gain an understanding of specific departmental needs and challenges.
- Review and discuss the City's current process for establishing internal equity across positions within the organization.
- Refine project timeline and roles/responsibilities of LCG and the City at each phase of the project.
- Develop City-wide communication plan. LCG will provide the City with recommendations on effective communication mediums and will provide develop draft communication pieces, to include: Frequently Asked Questions (FAQs) document with responses, project updates, and talking points and summary presentations, among others.
- Discuss and decide upon comparable organizations to survey.
- Clarify and define desired pay strategy. Schedule employee meetings to introduce them to the study and walk them through the Position Description Questionnaire (PDQ).

Deliverables

- Study plan detailing project goals, opportunities, information needs, roles and responsibilities, communication protocols, and timeline.
- Classification & compensation strategy document including communication plan.
- Initial study announcement.

Meetings

- Study initiation meeting.
- Stakeholder meetings.
- Bi-weekly meetings for study status update with the City's Project Oversight Team.

City Resources Needed

- Provision of requested materials on a timely basis.
- Scheduling of meetings.
- Provision of City-developed communication materials throughout the study to LCG in advance of publication to ensure consistency and accuracy of communications.
- Participation in the bi-weekly Project Oversight Team meeting.

Task 2: Data Collection and Assessment

Following the project kick-off, LCG will work with the City to solidify an approach for the classification and compensation components of the study.

The classification phase of this task will focus on understanding, verifying, and describing the nature and level of work of each job under study. LCG will review existing classification structures and job descriptions for the 50% of current job classifications. During Task 1, the City's desired outcome of the classification study (e.g., broad classifications, narrowly defined classifications) will be identified. Also, during Task 1, employees will be introduced to the PDQ and educated on the proper completion of the questionnaire. This ensures the information required to assess the types and levels of work being performed at the City is collected in full and accurate.

Following LCGs review of the completed PDQs, LCG will facilitate employee focus groups to clarify information obtained from the PDQs and ensure understanding of all positions within the City. Classification updates will be recommended to the City that may combine like or similar jobs, add or eliminate job titles, and/or create career ladders within job families which will align with the City's organization and strategy.

LCG will discuss options for managing internal alignment among the City's jobs, otherwise known as job evaluation. LCG utilizes four options for the organization's consideration. LCG will apply the selected job evaluation system that establishes the internal hierarchy of jobs relative to each other within the City and recommended job classification placement for approval. The results of job evaluation will be coordinated with the market data obtained from the custom survey to develop a new or updated pay plan.

This compensation phase of this task will assess how the City's compensation and benefits program compares to the relevant labor market. Through the survey process, data is collected and analyzed to develop the City's updated pay system and make benefit recommendations. LCG

will collaborate with the City to identify comparator organizations.

A survey document is developed to collect the appropriate pay and benefits data. LCG will ensure that data received is accurate and conduct a competitive analysis. An updated pay plan will be developed based on data collected and an analysis of internal relationships of the City's jobs and the City's identified, desired pay philosophy. Recommendations for benefit program improvements will be provided. LCG will provide up to three (3) implementation strategies and discuss options for implementation an update the system, should recommendations be approved. Considerations will be given to budget constraints and current personnel practices.

Timeline

9 months, inclusive of time to edit existing and/or compose new job descriptions.

Activities and Major Milestones

- Review existing job descriptions, employee completed PDQs, and other available classification information.
- Facilitate meetings with employees regarding the PDQ process to explain how to complete the form. The City will collect the PDQs and forward on to LCG.
- Conduct focus group interviews of employees by job family to obtain input regarding the type and level of work performed by employees.
- Develop a recommended classification structure, incorporating standardized job titling and appropriate FLSA designations, that defines career ladders by job family.
- Meet with the Project Oversight Team and department directors to discuss and review recommendations regarding changes to the classification structure.
- Finalize classification structure.
- Provide final, approved classification structure and crosswalk to the City.
- Recommend employee placement based on information gained from PDQs, focus groups, and meetings with department directors.
- Recommend policy and procedure updates associated with updated classification structure (reclassification methodologies, maintenance processes, and related administrative issues).
- Develop a reconsideration process for employees who believe they have been improperly allocated to a classification that incorporates reviews by the City and LCG; LCG to present written recommendations on appeals submitted to the City; the City designee will make the final decision in the process.
- Draft an electronic job description format for City review and approval that is consistent with best practices, concise essential duties that focus on the type of work performed and eliminate task-specific functions.
- Present available job evaluation methodologies to the City, including LCG's proprietary Job Architecture Guide, for evaluating jobs within an organization and creating career paths that easy to understand and administer.
- Apply the selected job evaluation system to recommend job classifications for City approval, which will establish the internal hierarchy of jobs.
- Meet with the Project Oversight Team and department directors to discuss and review job evaluation recommendations.
- Provide finalized job evaluations results for City approval.
- Schedule and conduct training for City HR staff in the use of the new job evaluation system.
- Survey cities defined in Task 1, may include using published survey data for private sector organizations where applicable. Major considerations are given to size, geographic location,

recruitment and retention markets, and other relevant factors when determining appropriate organizations as comparators. Recommend benchmark jobs to be surveyed and coordinate any modifications to the benchmark list with the City. The City desires to have 50% of the job classifications surveyed.

- Provide survey specifications detailing the survey and data collection process for City approval.
- Distribute survey by email and follow-up with surveyed organizations to encourage participation, answer questions, and ensure data quality.
- Review and analyze survey data according to specifications determined in partnership with the City. Time and location adjustments are considered and applied to the data as appropriate to ensure that the data are reflective of the City's labor market, economic conditions, and plan implementation date.
- Conducts an analysis to determine the competitive position of the City's pay and benefits levels in relationship to the market.
- Coordinate the results of the market survey and classification recommendations to develop or update pay structure options in alignment with the City's philosophy.
- Recommend updates to the City's benefits offerings.
- Discuss transition options, including a communications plan, from the existing to the updated system with the City. Considerations will be given to budget constraints and current personnel practices. The estimated cost for up to three (3) transition options will be developed and analyzed.

Deliverables

- Position Description Questionnaire (PDQ) document video for employee PDQ introduction and education.
- Proposed classification structure that identifies career paths within job families.
- Proposed electronic job description format (focusing on streamlining the job descriptions with concise essential duties reflecting the type of work performed and eliminating task-specific functions).
- Recommendation of employee placement into appropriate job based on approved classification structure and information obtained from the PDQs and employee interviews in the form of a report of all job classification that were part of the study with recommended actions (i.e., no change, title change only, merge with other job classification, new job classification, pay range change, etc.).
- Reconsideration process for employees who believe they have been improperly allocated to a classification.
- Recommendation of classifications according to City-approved job evaluation methodology.
- Survey instrument that covers a variety of pay and benefits information, including but not limited to: leave accrual rates, management/executive compensation pay programs, cost of living adjustments, market adjustments, bonuses/stipends, shift differential pay, work schedules, and base pay.
- Survey specifications, list of organizations surveyed, and classification benchmarks to include within the survey.
- Recommendation of new/updated salary structure, benefits, pay practices, and compensation philosophy based on City's desired position, identified in Task 1.
- Implementation strategy options, including costs to move to the new system and a communication plan.
- Recommendation of classification and compensation policy and procedure updates including but not limited to: pay progression, performance-based pay, new hire pay, pay adjustments

associated with job changes, and other applicable areas.

- Classification and compensation administration recommendations, including long term maintenance of new processes, and procedures of new pay philosophy and structure, to ensure the system remains relevant.

Meetings

- Employee meetings to introduce them to the study and walk through the PDQ.
- Employee and/or group interviews.
- Department head meetings.
- Training for City HR staff on methodologies and processes employed for classification, job evaluation, and compensation components of the study.
- Bi-weekly meetings for study status update with the City's Project Oversight Team.

City Resources Needed

- Coordination of the internal completion and collection of the PDQs.
- Posting of video on City's intranet.
- Scheduling of interviews and meetings.
- Review and approval of the recommended classification structure, employee allocations, and job descriptions, if applicable.
- Review and approval of the recommended job evaluation results.
- Review and approval of electronic job description format.
- Participation in the bi-weekly Project Oversight Team meeting.

Task 3: Project Deliverables

This task is comprised of several elements required to accomplish the activities requested in Task 2. LCG will work collaboratively with the City to develop deliverables that meet the overall study objectives and goals identified in Task 1.

Timeline

10 months, aligned with Task 2.

Activities and Major Milestones

- A customized survey document is developed to collect comparable pay and benefits data from the City's specific labor market organizations. Given the anticipated size of the survey and to encourage participation from comparator organizations, this may be a phased approach in which 2 surveys are distributed separately at different times during the study: benefits and pay practices survey early in the study process and a benchmark job compensation survey following the conclusion of the classification portion of the study. LCG will conduct research and collect information on job matches for comparator organizations and will validate matches with the comparator organizations upon completing the research and data collection to maximize participation and timely responses.
- LCG will provide job descriptions for new classifications and assist in the effort to streamline existing job descriptions; however, the electronic format will be provided to the City to update the remaining job descriptions.
- Review policies and procedures associated with the classification and compensation systems and make recommendations for adjustments to ensure alignment with proposed

recommendations and the City's goals and objectives as identified in Task 1.

Deliverables

- Compensation structure that is easy to understand with defined career paths within job families.
- Updated salary range plans and salary range assignments.
- Finalized job descriptions for new or streamlined classifications.
- Standardized job titling guide.
- Results of the salary, benefits, and pay practices survey for 50% of the City's classifications, including a determination of the City's level of competitiveness with the designated market.
- Updated benefits, pay practices, and compensation philosophy based on City's desired position, identified in Task 1.
- Implementation strategy options, including costs to move to the new system and a communication plan.
- Classification and compensation policy and procedure updates including but not limited to: pay progression, performance-based pay, new hire pay, pay adjustments associated with job changes, and other applicable areas.
- Classification and compensation administration training for City HR including maintenance processes and procedures to ensure the system remains relevant.
- Provide survey data that includes pay and benefits information, including but not limited to: leave accrual rates, management/executive compensation pay programs, cost of living adjustments, market adjustments, bonuses/stipends, shift differential pay, work schedules, and base pay.

Meetings

- Presentation of preliminary results to applicable stakeholders.
- Meeting with City Management to present job classification and job evaluation study results, compensation survey results, analysis, and recommendations.
- Bi-weekly meetings for study status update with the City's Project Oversight Team.

City Resources Needed

- Scheduling of meetings.
- Review and approval of project deliverables.
- Participation in the bi-weekly Project Oversight Team meeting.

Task 4: Final Report

LCG will be communicating the results of each phase, along with our recommendations, at key milestones and critical junctures during the project with the City's Project Oversight Team. Throughout the project, draft reports for each phase of the project will be prepared and delivered to the City. Because LCG consultants will be providing in-depth explanation and approved deliverables throughout the process, the final report will be a culmination of the comprehensive results of all study activities. At the conclusion of the study, a draft report is prepared and presented by LCG that combines all prior phase reports into a consolidated document detailing the study's processes, methodologies, findings, and recommendations. Based on discussions with the City, the report will be finalized. The final report will be presented by LCG consultants that have been involved in the study each step of the way.

Timeline

1 month

Activities and Major Milestones

- Development of draft reports for each Phase and facilitation of discussion of each draft with the City's Project Oversight Team.
- Development of final report outlining all processes, methodologies, findings, and recommendations of the study.
- Presentation of final report to the City and facilitation of discussion with stakeholders concerning the recommendations.
- Training provided to the City's HR staff on the use, administration, and maintenance of the approved classification, job evaluation, and compensation systems.

Deliverables

- Draft and final report documents.
- 20 hard copies and 2 electronic copies of the final report delivered to Human Resources. Survey summary report for participants.

Meetings

- Staff training and education.
- Bi-weekly Project Oversight Team meetings.
- Presentation of final report to City staff and leadership.

City Resources Needed

- Review and provide feedback to the draft report and presentation materials.
- Coordination of final study presentations and staff meetings.
- Participation in the bi-weekly Project Oversight Team meeting.

Optional Task: Job Descriptions

At the City's sole discretion, LCG may perform the following services.

- In addition to creating job descriptions to all new job classifications, the city may require LCG to review and update other job descriptions included in the study.
- Training scheduled and conducted for HR as appropriate in the use of the new job evaluation system.

Additional Services

The Contractor may provide other related services upon request from the City.

EXHIBIT B TO AGREEMENT COMPENSATION AND FEES

Section 1 – Compensation and Classification Study

Fees are inclusive of all of the services described in the Scope of Work.

Description	Fees
Task 1: Project Kick Off	\$25,000
Task 2: Data Collection and Assessment	\$75,000
Task 3: Project Deliverables	\$50,000
Task 4: Final Report and Recommendations	\$20,000
Project Total	\$170,000
Optional Task: Job Descriptions	Not to exceed \$45,000
Project Total with Optional Task	\$215,000

Section 2 – Hourly Rates

Should the City require services in addition to the Scope of Work, these rates will serve as the basis of fees for services.

Team Member Role	Hourly Rate
Managing Director	\$325
Principal Consultant	\$300
Technical Advisor	\$300
Senior Consultant	\$225

EXHIBIT C TO AGREEMENT INSURANCE

INSURANCE

General.

- A. At the same time as execution of this Agreement, the Contractor shall furnish the City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona possessing a current A.M. Best, Inc. rating of A-7, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to City. Provided, however, the A.M. Best rating requirement shall not be deemed to apply to required Workers' Compensation coverage.
- B. The Contractor and any of its subcontractors shall procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Agreement are satisfied, the insurances set forth below.
- C. The insurance requirements set forth below are minimum requirements for this Agreement and in no way limit the indemnity covenants contained in this Agreement.
- D. The City in no way warrants that the minimum insurance limits contained in this Agreement are sufficient to protect Contractor from liabilities that might arise out of the performance of the Agreement services under this Agreement by Contractor, its agents, representatives, employees, subcontractors, and the Contractor is free to purchase any additional insurance as may be determined necessary.
- E. Failure to demand evidence of full compliance with the insurance requirements in this Agreement or failure to identify any insurance deficiency will not relieve the Contractor from, nor will it be considered a waiver of its obligation to maintain the required insurance at all times during the performance of this Agreement.
- F. Use of Subcontractors: If any work is subcontracted in any way, the Contractor shall execute a written contract with Subcontractor containing the same Indemnification Clause and Insurance Requirements as the City requires of the Contractor in this Agreement. The Contractor is responsible for executing the Agreement with the Subcontractor and obtaining Certificates of Insurance and verifying the insurance requirements.

Minimum Scope and Limits of Insurance. The Contractor shall provide coverage with limits of liability not less than those stated below.

- A. *Commercial General Liability-Occurrence Form.* Contractor must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$4,000,000 aggregate. Said insurance must also include coverage for products and completed operations, independent

contractors, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

- B. *Automobile Liability-Any Auto or Owned, Hired and Non-Owned Vehicles*
Vehicle Liability: Contractor must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on Contractor owned, hired, and non-owned vehicles assigned to or used in the performance of the Contractor's work or services under this Agreement. If any Excess or Umbrella insurance is utilized to fulfill the requirements of this paragraph, the Excess or Umbrella insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

- C. *Workers Compensation and Employers Liability Insurance:* Contractor must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of Contractor employees engaged in the performance of work or services under this Agreement and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident and \$1,000,000 disease for each employee.

- D. *Professional Liability.* If the Agreement is the subject of any professional services or work performed by the Contractor, or if the Contractor engages in any professional services or work adjunct or residual to performing the work under this Agreement, the Contractor must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the Contractor, or anyone employed by the Contractor, or anyone whose acts, mistakes, errors and omissions the Contractor is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims. In the event the Professional Liability insurance policy is written on a "claims made" basis, coverage must extend for three years past completion and acceptance of the work or services, and the Contractor, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a three-year period.

Additional Policy Provisions Required.

- A. *Self-Insured Retentions or Deductibles.* Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any deductible or self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.
 - 1. The Contractor's insurance must contain broad form contractual liability coverage.
 - 2. The Contractor's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees

shall be in excess of the coverage provided by the Contractor and must not contribute to it.

3. The Contractor's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
4. Coverage provided by the Contractor must not be limited to the liability assumed under the indemnification provisions of this Agreement.
5. The policies must contain a severability of interest clause and waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the Contractor for the City.
6. The Contractor, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Agreement for a minimum period of three years following completion and acceptance of the Work. The Contractor must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this three year period containing all the Agreement insurance requirements, including naming the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.
7. If a Certificate of Insurance is submitted as verification of coverage, the City will reasonably rely upon the Certificate of Insurance as evidence of coverage but this acceptance and reliance will not waive or alter in any way the insurance requirements or obligations of this Agreement.

B. *Insurance Cancellation During Term of Contract/Agreement.*

1. If any of the required policies expire during the life of this Contract/Agreement, the Contractor must forward renewal or replacement Certificates to the City within ten days after the renewal date containing all the required insurance provisions.
2. Each insurance policy required by the insurance provisions of this Contract/Agreement shall provide the required coverage and shall not be suspended, voided or canceled except after 30 days prior written notice has been given to the City, except when cancellation is for non-payment of premium, then ten days prior notice may be given. Such notice shall be sent directly to Chandler Law-Risk Management Department, Post Office Box 4008, Mailstop 628, Chandler, Arizona 85225. If any insurance company refuses to provide the required notice, the Contractor or its insurance broker shall notify the City of any cancellation, suspension, non-renewal of any insurance within seven days of receipt of insurers' notification to that effect.

A. *City as Additional Insured.* The policies are to contain, or be endorsed to contain, the following provisions:

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the Contractor including the City's general supervision of the Contractor; Products and Completed operations of the Contractor; and automobiles owned, leased, hired, or borrowed by the Contractor.
2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the Contractor even if those limits of liability are in excess of those required by this Agreement.

**EXHIBIT D TO AGREEMENT
SPECIAL CONDITIONS**

NONE