

## RESOLUTION NO. 2471

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD  
 AUTHORIZING THE CITY MANAGER TO ENTER INTO A  
 PROFESSIONAL SERVICES CONTRACT TOTALING  
 \$10,000 WITH MORTENSON-RICE-KOESTER  
 ASSOCIATES FOR DEVELOPMENT OF A  
 CLASSIFICATION AND PAY PLAN  
 TO BE FUNDED FROM THE  
 GENERAL FUND AND COST  
 SHARED ACCORDINGLY  
 AMONG ALL OPERATING FUNDS

**BE IT RESOLVED** by the City Council of the City of Soledad that City Manager/City Clerk is hereby authorized and directed for and in behalf of the City of Soledad to execute a Professional Services Contract in the form of the documents hereunto attached, marked "Exhibit A" and by reference made a part hereof.

**PASSED AND ADOPTED** by the City Council of the City of Soledad at a regular meeting duly held on the 6th day of December, 1995, by the following vote:

AYES, and in favor thereof, Councilmembers: Fred Ledesma, Richard Ortiz, Mayor Pro Tem Fabian Barrera, Mayor Ben Jimenez, Jr.

NAYES, Councilmembers: None

ABSENT, Councilmembers: John Holguin

  
 MAYOR OF THE CITY OF SOLEDAD

ATTEST:

  
 CITY CLERK OF THE CITY OF SOLEDAD


STANDARD  
CONTRACTUAL SERVICES AGREEMENT

THIS AGREEMENT is made at Soledad, California, as of November, 1995, by and between the CITY OF SOLEDAD, a municipal corporation ("City"), and Mortenson-Rice-Koester Associates, ("Contractor"), who agree as follows:

1. **SERVICES.** Subject to the terms and conditions set forth in this Agreement, Contractor shall provide to City the services described in Exhibit A. Contractor shall provide said services at the time, place and in the manner specified in Exhibit A.

2. **PAYMENT.** City shall pay Contractor for services rendered pursuant to this Agreement at the time and in the manner set forth in Exhibit B. The payments specified in Exhibit B shall be the only payments to be made to Contractor for services rendered pursuant to this Agreement.

3. **FACILITIES AND EQUIPMENT.** Except as set forth in Exhibit C, Contractor shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement. City shall furnish to Contractor only the facilities and equipment listed in Exhibit C according to the terms and conditions set forth in Exhibit C.

  
Mortenson-Rice-Koester Associates Agreement

4. GENERAL PROVISIONS. The general provisions set forth in Exhibit D are part of this Agreement. In the event of any inconsistency between said general provisions and any other terms or conditions of this Agreement, the other term or condition shall control insofar as it is inconsistent with the general provisions.

5. EXHIBITS. All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

6. CONTRACT ADMINISTRATION. This Agreement shall be administered by Soledad City Manager, Belinda Espinosa ("Administrator"). All correspondence shall be directed to or through the Administrator or his or her designee.

7. NOTICES. Any written notice to Contractor shall be sent to:

John K. Mortenson  
144 Montclair Drive  
Santa Cruz, CA 95060

Any written notice to City shall be sent to:

City of Soledad  
C/O Belinda Espinosa, City Manager  
248 Main Street  
Soledad, CA 93960

Executed as of the day first above stated:

CITY OF SOLEDAD, a municipal corporation

By Belinda B. Espinosa  
Belinda Espinosa, City Manager

Attest: Bve  
City Clerk

By [Signature]  
"Contractor"

Approved as to form:

[Signature]  
Michael F. Rodriguez, City Attorney

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EXHIBIT A

SCOPE OF SERVICES

(SEE ATTACHED)

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A PROPOSAL  
for a  
CLASSIFICATION AND COMPENSATION STUDY  
for the  
CITY OF SOLEDAD

-October 30, 1995-

MORTENSON-RICE-KOESTER ASSOCIATES proposes to conduct a classification and compensation study which would involve the inclusion of the following established classifications with approximately 35 incumbents, as follows:

Functional Grouping	Positions
<u>Management Personnel</u>	
Finance Officer	1
Building Official	1
Chief of Police	1
Director of Planning	1
Superintendent of Public Works	1
Superintendent of Utilities	1
<u>Confidential and Mid-Management Personnel</u>	
Police Sergeant	1
Secretary to the Chief of Police	1
Secretary to the City Manager/ Word Processor Operator	1
<u>Police</u>	
Police Officer I	1
Police Officer II	7

Classified

Clerk	1
Community Service Officer	1
Finance Clerk I	0
Finance Clerk II	1
Maintenance Worker I	1
Maintenance Worker II	1
Mechanic/Maintenance Worker	1
Public Works Foreman	1
Secretary	1
Secretary/Word Processor Operator	1
Senior Maintenance Worker II	1
Senior Mechanic/Maintenance Worker	1
Senior Sewer Plant Operator/ Maintenance Worker	2
Sewer Plant Operator/Maintenance Worker	0

Part-Time

Animal Control Worker	1
Taxi Drive (Trainee)	1
Taxi Driver	2
Clerk	1

In response to our discussion, this study will provide the following:

- a) an examination/review of the content of all positions and class specifications through interviews of each employee, his/her supervisor, and the cognizant manager; the re-drafting of specifications into a new common format; and the development of new specifications as necessary;
- b) an examination of the current classification structure, current titles and the internal organizational relationships, and recommendations for modifications of structure, titles and relationships, as appears appropriate;
- c) a survey of local agencies in the City's labor market to determine total compensation by examining -
  - (1) the salary each agency is paying for classifications determined to be comparable to those of Soledad, and
  - (2) the benefits each agency is paying and/or providing for classifications determined to be comparable to those of Soledad,

in order to recommend salary increases that will bring the maximum of each classification salary range into line with the local labor market and provide salary equity within the organizational structure of the City.

- d) development of a recommended pay plan model and a recommended salary schedule that implements the results of the survey of salaries and benefits.

It is our intent to meet these requirements of the City of Soledad, as outlined in our discussions of August 2, 1994 and October 30, 1995 as follows:

OVERVIEW and SUMMARY:

The classification and compensation survey will proceed under the oversight of the City Manager or others as directed. The consultant intends to involve the City's managers, supervisors and employees in pre-survey orientations.

The proposed work plan and methods are proposed for presentation to the cognizant City managers, soliciting information about departmental working environments so we can maximize our efficiency and minimize the disruptive nature of our presence within the City.

Where possible, we will be working simultaneously on various elements of this survey. Some of the survey work, especially that pertaining to the collection of benefits data and their costs, will be accomplished by mail. Following this early solicitation of benefits information, work on the classification element will begin.

The classification element will begin with interviews of each employee and supervisor concerning the content of his/her individual position and the positions of those they may supervise. New class specification will be drafted and the recommended specifications reviewed, revised as necessary to reflect current duties and ADA requirements, placed in ADA-appropriate format and approved by the City Manager or others as designated. Classifications meeting appropriate FLSA requirements will be identified and documented as exempt.

These new specifications will serve as the basis for comparison with similar classifications within the survey agencies when visited by the consultant. During these visits, the consultant will gather salary information for the classifications found comparable. The agencies to be surveyed will be either as mandated by the City or developed in cooperation with the City Manager.

We intend to provide the City with total compensation data; that is, an overview of the cost of both salaries and benefits of the individual positions. As a bi-product of this data, we will provide an evaluation of the City's benefits program compared to those offered by surveyed agencies.

A pay plan model will be developed and recommended for adoption, as will a salary schedule reflecting new and existing classifications that implement the findings of the salary survey.

Upon completion, the classification and compensation survey will be presented to the City Manager, or others as directed, for final review. Additions and adjustments to the material presented will be discussed by the consultant and the City representative(s). Upon endorsement of the plan it will be finalized. The consultant will be available to assist in presentation of the results of the study to the City Council and/or management, as requested.

WORK PROGRAM:

## I. Orientation Element

- A. The Mortenson-Rice-Koester Associates consultant performing the study will meet with the City Manager, and others as directed, in advance of beginning the study. This will give both parties an opportunity to review proposed study procedures, discuss special needs, approaches, and/or changes that could enhance the effectiveness of the study.

Survey agencies will be determined/proposed following consultation with the City Manager and others, as directed, concerning the extent of the appropriate labor markets for the City's classifications.

- B. A meeting with the department managers will immediately follow the meetings in I.A., above, and will describe the proposed study procedures, familiarize the consultant with this management group and enlist their support and cooperation.
- C. General meetings will be held either with individual department staffs, or a general meeting of all involved employees, to explain the objectives and procedures of the study, and enlist their support and cooperation.

## II. Classification Element

- A. Each department/organizational segment will be scheduled individually, in a sequence developed in cooperation with the City Manager, or others as directed.
- B. Each employee available during the interview period will be personally interviewed concerning the content of his/her job, using the job descriptions/specifications and organization charts provided by the City as a reference point.
- C. Based on the interviews, conferences will be held with department supervisors to review the information developed from the employee and obtain supervisor/manager input on job content.
- D. From employee and supervisor/manager input, revised draft job descriptions/specifications will be prepared reflecting current duties assigned and classification ADA requirements, all placed in an ADA-appropriate format. The

employee and the supervisor/manager will be asked to review each job description/specification and comment on the content in a joint review session. Where significant differences in job content are revealed, the supervisor and/or manager will resolve differences.

- E. Preliminary observations and recommendations as to the appropriateness of the classification structure and relationships will be made to the City Manager, or others as directed, at the conclusion of the classification element. Based on the comments of these City representatives and the information developed during the interviews as outlined in B. and C., above, recommended job descriptions/ specifications and titles will be prepared. Classifications meeting appropriate FLSA requirements will be identified and documented as exempt.

The results of Section II (Classification Element) of the study will be reviewed with the City Manager, and others as directed, for authentication and approval before proceeding to the salary portion of Section III (Compensation Element).

### III. Compensation Element:

The data collection portion of this element of the study will be conducted in two phases. The objective of these two phases will be to provide the City with both salary and benefit (total compensation) information.

#### Phase 1

- A. At the beginning of the study, questionnaires will be mailed to the designated survey agencies in order to collect comprehensive data on the costs and nature of the benefits available to their employees.
- B. The questionnaire data will be analyzed and benefit cost derived in terms of dollars for each of the studied classes. These data will be displayed in table form to allow comparison of the cost of City of Soledad-provided benefits to similar costs incurred by the surveyed agencies.

#### Phase 2

- C. The consultant will visit each of the agencies to be surveyed. Using the authenticated/approved City job descriptions/specifications, the consultant will identify comparable classifications and acquire applicable salary

data. Data will be collected only on those classifications or classification series found to be comparable to City classification or class series.

- D. The collected data will be analyzed with reference to the comparable City classifications. Survey results will be displayed in table form, comparing the salaries of City classifications with comparable classification within the surveyed agencies. Benchmark classifications may be established.

Phases 1 and 2

- E. Salaries of City classifications comparable to classifications within the surveyed agencies will be displayed in table form, as will the attendant fringe benefits of each City classification or benchmark classifications and comparable classifications within the surveyed agencies.
- F. Based on salary survey data, written recommendations will be made concerning a) adjustments that may be necessary to provide salary levels that favorably compete with comparable classifications in the labor market; and b) internal adjustments that may be necessary to satisfactorily reflect appropriate/necessary internal comparisons and equity.
- G. Based on the findings of the survey, a new salary schedule will be recommended and a pay plan model developed to meet the needs of this year and continuing years.

The results of the Section III (Compensation Element) of the survey will be reviewed with the City Manager, and others as designated, prior to the finalization of the results.

IV. Reporting Element:

A final draft of the study, including recommended class specifications, titles, class structure and internal relationships; salary survey results, comprehensive total compensation data, recommended salary adjustments and internal alignments; and new salary schedule and pay plan model, along with attendant charts and tables, will be prepared and delivered to the City Manager and others as designated.

The consultant will review this draft with the City Manager, and others as designated, to assure that all issues are covered and explanations complete.

A final report in two (2) copies will be prepared and delivered to the City Manager. The consultant will be available to assist in the presentation of the survey to the City Council and/or management, as requested.

## MISCELLANEOUS:

Project Time Schedule

The following is an estimated time schedule based on a starting date of December 8, 1995. If a later starting date is realized, adjustments to this schedule can be made, with the start to completion of the survey not exceeding approximately 115 days.

A. Orientation Element:	Start Completion	-January 8 to January 12
B. Classifications Element:	Start Completion	-January 15 to February 16
C. Compensation Element:		
Phase 1 -	Start Completion	-December 8 to February 9
Phase 2 -	Start Completion	-February 19 to March 8
D. Reporting Element:	Start Completion	-March 11 to April 1

Identification of Requirements

During the conduct of this Classification and Compensation Study, the City will be requested to provide the following:

- A. A copy of the City's classification policy and procedures; and copies of current job descriptions/specifications.
- B. A copy of the City's salary schedule; and the City's policy and procedure concerning salaries; and an organization chart.
- C. The names of those, if any, other than the City Manager, to review draft products after completion of Sections II, III and IV of the Work Plan.
- D. Assistance to the consultant in developing interview schedules with City personnel; space for interviews; temporary space for analytical work; and, as necessary, limited copy service.

COST OF CLASSIFICATION AND COMPENSATION STUDY:

A. It is estimated that the project will cost \$ 9,760 in professional services allocated to the various elements of the work plan, as follows:

Orientation Element -	= \$ 400
Classifications Element -	= \$ 4,080
Compensation Element -	
Phase 1 -	= \$ 480
Phase 2 -	= \$ 2,480
Phases 1 and 2 -	= \$ 480
Reporting Element -	= \$ 1,920
	<hr/>
<u>TOTAL COST OF PROFESSIONAL SERVICES</u>	<u>= \$ 9,760</u>

B. It is estimated that reimbursable costs, such as travel (at \$ .26/mile), and printing/copying and binding expenses (at cost), will not exceed \$200 during the course of the Classification and Compensation Study.

TOTAL COST OF EXPENSES  
SHALL NOT EXCEED ..... = \$ 200

C. A draft contract is included on the following page.

AGREEMENT

This is an agreement between MORTENSON-RICE-KOESTER ASSOCIATES and the CITY OF SOLEDAD for a Classification Study and Compensation Survey in accordance with the Work Plan as indicated in the proposal of October 30, 1995.

MORTENSON-RICE-KOESTER ASSOCIATES will provide the products indicated in the proposal, based on the overall schedule indicated in the proposal, for a cost of \$9,760, plus expenses not to exceed \$200.

The schedule of payments, assuming a December 8, 1995 start, shall be as follows:

- 1st Payment - Upon Award of the Contract.....\$3,000
- 2nd Payment - January 31, 1996.....\$2,230
- 3rd Payment - February 29, 1996.....\$2,230
- Final Payment - Upon Completion of the Reporting Element and Acceptance of the report by the City Manager.....\$2,300

Each payment will be made by the City within ten (10) days of billing.

Expenses incurred during each billing period indicated above will be included, at cost, in that billing as a separate item and subject to payment on the same schedule as above.

Any additional work requested by the City during the course of this study, not covered in this proposal, shall be compensated at \$80 per hour, shall be in addition to the price quoted and shall extend the timelines for completion of this study as is mutually satisfactory to the parties. Associated expenses will be billed at cost.

FOR:

MORTENSON RICE-KOESTER ASSOCIATES

*[Handwritten signature]*

DATE: 1-15-96

FOR:

CITY OF SOLEDAD

*[Handwritten signature]*

DATE: 1-22-96

**OVERALL QUALIFICATIONS OF THE FIRM:**

MORTENSON-RICE-KOESTER ASSOCIATES is a consulting firm specializing in Labor Relations, Personnel Administration and Risk Management services to management. The firm has been in business since July of 1982. Our clients are in both the private and public sectors; with public sector clients including municipalities, counties, special districts and joint powers authorities. Clients are in Northern and Central California.

Our practice includes significant involvement in labor negotiations, grievance handling, labor contract administration, personnel policy and procedure development and implementation, salary surveys, classification studies, benefit surveys, benefit analyses, risk evaluation and analysis, and a variety of tasks related to risk management. We also manage two large joint power authorities providing workers' compensation, liability and health insurance to several public agencies.

**OVERALL QUALIFICATIONS OF FIRM PERSONNEL**

The partners of MORTENSON-RICE-KOESTER ASSOCIATES have extensive knowledge of personnel programs and functions in the public sector. Each has had hands-on involvement the professional-technical aspects of personnel work, as well as serving as professional managers of personnel and labor relations programs within the public sector environment.

JOHN MORTENSON, a partner in the firm, has been involved in professional personnel work in both public and private sectors for over 30 years. This includes sixteen years as the Personnel Manager of the University of California, Santa Cruz, where he was responsible for the full range of personnel and labor relations services that included classification and compensation. Prior to his University service, he served as an Industrial Relations Supervisor for Kaiser Aluminum and Chemical Corporation, responsible for wage and salary administration, labor relations and benefits administration. He also served as a Position Classifier and Employment Representative in Federal Service. Each assignment has involved professional compensation and classification responsibilities.

KENT RICE, a partner in the firm, has been involved in municipal personnel management for over fifteen years, most recently as the Personnel Director and Risk Manager for the City of Santa Cruz. He has also served as Acting Assistant City Manager and Acting City Manager. Prior to his Santa Cruz service, he served as Assistant Personnel Director/Administrator of Benefits for the City of Palo Alto and in professional personnel and loss preven-

tion work in the private sector. His professional personnel service has included significant developmental work and responsibility for compensation and classification programs.

DAVID KOESTER, a partner in the firm, has been a professional city manager for most of his working career, and has served as City Manager for the City of Roseville and the City of Santa Cruz. He has recently served as the first City Manager for the City of Jubal, Saudi Arabia.

KAREN SWEETLAND, an Associate of the firm, has fifteen years of experience in the Equal Employment Opportunity/Affirmative Action field. Seven years of service have been with the University of California, Santa Cruz. Her principal areas of expertise are in the development of Affirmative Action Plans, supporting policies and procedures, and management-employee conflict resolution.

\* \* \* \* \*

The consultant to be assigned to the City of Soledad will be John Mortenson. The consultant will be backed-up by Kent Rice and David Koester who will assist in the project in a variety of capacities off-site.

**SPECIFIC QUALIFICATIONS OF THE FIRM RELATIVE TO THIS STUDY**

Firm personnel bring to this type of study significant knowledge and experience in public sector classification and wage and salary matters. Principals and associates of the firm have not only managed and administered personnel programs, but have hands-on experience in the day-to-day problems associated with classification and compensation issues and salary setting.

Mortenson-Rice-Koester Associates have conducted full classification and compensation studies for several municipalities, special districts, Authorities and private firms, as indicated on the following list of current references.

We are familiar with the mission of municipalities and counties and county agencies, their basic organization and functions. We are well acquainted with the municipalities and counties of the central counties of this same area.

We are headquartered in a neighboring county and are within one and one-half hours driving time of City offices.

CURRENT REFERENCES

Housing Authority of the County of Alameda  
Ophelia Basgal, Executive Director @

Housing Authority of the County of Monterey  
Kathryn Coe Aguras, Executive Director @

Housing Authority of the County of Santa Clara \*\*\*  
John Burns, Executive Director

Housing Authority of the County of Santa Cruz @  
Mary James, Executive Director

City of Carmel-by-the-Sea \*\*\*  
Douglas J. Schmitz, City Administrator

City of Gonzales \*\*\*  
Carla Pew, City Manager

City of Los Banos \*\*\*  
David Witter, City Manager

City of Seaside \*\*\*  
Charles McNeely, City Manager

Central Fire Protection District of Santa Cruz County @  
Mark Tranchina, Chief

Menlo Park Fire Protection District \*\*\*  
Jack Bennett, Chief

Saratoga Fire Protection District @  
Ernest Kraule, Chief

Scotts Valley Fire Protection Agency \*\*\*  
C. Bruce Scott, Chief

Valley Packing Company, Inc. \*\*\*  
Ken Gray, Vice President, Administration

@ Classification and/or compensation studies during past 24 mos.  
\*\*\*Classification and/or compensation studies

EXHIBIT B  
PAYMENT SCHEDULE

City shall pay Contractor an amount not to exceed the total sum of NINE THOUSAND NINE HUNDRED AND SIXTY DOLLARS (\$9,960.00) for services to be performed and reimbursable costs incurred pursuant to this Agreement.

The schedule of payments shall be as follows:

- 1st Payment - Upon Award of Agreement..... \$3,000
- 2nd Payment - December 16, 1995..... \$2,230
- 3rd Payment - January 16, 1995..... \$2,230
- Final Payment - Upon Completion of the  
Reporting Element and  
Acceptance of the Report  
by the City Manager..... \$2,300

Each payment will be made by the City within thirty (30) days of billing.

Reimbursable expenses incurred during each billing period indicated above will be included, at cost, in that billing as a separate item and subject to payment on the same schedule as above.

The total sum stated above shall be the total which City shall pay for the services to be rendered by Contractor pursuant to this Agreement. City shall not pay

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any additional sum for any expense or cost whatsoever incurred by Contractor in rendering services pursuant to this Agreement.

City shall make no payment for any extra, further or additional service pursuant to this Agreement unless such extra service and the price therefor is agreed to in writing executed by the City Manager or other designated official of City authorized to obligate City thereto prior to the time such extra service is rendered and in no event shall such change order exceed twenty-five (25%) of the initial contract price.

Reimbursable expenses are specified on Attachment A, and shall not exceed Two Hundred Dollars (\$200.00).

The services to be provided under this Agreement may be terminated without cause at any point in time in the sole and exclusive discretion of City. In this event, City shall compensate the Contractor for all outstanding costs incurred for work satisfactorily completed as of the date of written notice thereof. Contractor shall maintain adequate logs and timesheets in order to verify costs incurred to date.

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## EXHIBIT C

City shall furnish physical facilities such as desks or tables and conference space, as may be reasonably necessary for Contractor's use while consulting with City employees and reviewing records and the information in possession of City. The location, quantity, and time of furnishing said physical facilities shall be in the sole discretion of City. In no event shall City be obligated to furnish any facility which may involve incurring any direct expense, including, but not limiting the generality of this exclusion, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

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## EXHIBIT D

GENERAL PROVISIONS

1. INDEPENDENT CONTRACTOR. At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee of City. City shall have the right to control Contractor only insofar as the results of Contractor's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Contractor accomplishes services rendered pursuant to this Agreement.

2. LICENSES; PERMITS; ETC. Contractor represents and warrants to City that it has all licenses, permits, qualifications and approvals of whatsoever nature which are legally required for Contractor to practice its profession. Contractor represents and warrants to City that Contractor shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Contractor to practice its profession. In addition to the foregoing, Contractor shall obtain and maintain during the term hereof a valid City of Soledad Business License.

3. TIME. Contractor shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary for satisfactory performance of Contractor's obligations pursuant to this Agreement.

4. INSURANCE REQUIREMENTS. Contractor shall procure and maintain for the duration of the contract "occurrence coverage" insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors. The cost of such insurance shall be included in the Contractor's bid.

(a) Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office

Commercial General Liability coverage ("occurrence" form CG 0001.)

- (b) Minimum Limits of Insurance. Contractor shall maintain limits no less than:
1. General Liability: \$500,000 combined single limit per occurrence for bodily injury, personal injury and property damage. If commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- (c) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials and employees; or the Contractor shall procure a bond guarantencing payment of losses and related investigations, claim administration and defense expenses.
- (d) Acceptability of Insurers. Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.
- (e) Verification of Coverage. Contractor shall furnish City with certificates of insurance and with original endorsements effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.
- (f) Subcontractors. Contractor shall include all subcontractors, if any, as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.
- (g) The City Manager may approve a variation in those insurance requirements upon a determination that the coverages, scope, limits and

forms of such insurance are either not commercially available or that the City's interests are otherwise fully protected.

5. CONTRACTOR NO AGENT. Except as City may specify in writing, Contractor shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent. Contractor shall have no authority, express or implied, pursuant to this Agreement to bind City to any obligation whatsoever.
6. ASSIGNMENT PROHIBITED. No party to this Agreement may assign any right or obligation pursuant to this Agreement. Any attempted or purported assignment of any right or obligation pursuant to this Agreement shall be void and of no effect.
7. PERSONNEL. Contractor shall assign only competent personnel to perform services pursuant to this Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the removal of any such persons, Contractor shall, immediately upon receiving notice from City of such desire of City, cause the removal of such person or persons.
8. STANDARD OF PERFORMANCE. Contractor shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession. All instruments of service of whatsoever nature which Contractor delivers to City pursuant to this Agreement shall be prepared in a substantial, first class and workmanlike manner and conform to the standards of quality normally observed by a person practicing in Contractor's profession.
9. HOLD HARMLESS AND RESPONSIBILITY OF CONTRACTORS. Contractor shall take all responsibility for the work, shall bear all losses and damages directly or indirectly resulting to it, to any subcontractor, to the City, to City officers and employees, or to parties designated by the City, on account of the performance or character of the work, unforeseen difficulties, accidents, occurrences or other causes predicated on active or passive negligence of the Contractor or of any subcontractor. Contractor shall indemnify, defend and hold harmless the City, its officers, officials, directors, employees and agents from and against any or all loss, liability, expense, claim, costs (including costs of defense), suits, and damages of every kind, nature and description directly or indirectly arising from the performance of the work. This paragraph shall not be construed to exempt the City, its employees and officers from its own fraud, willful injury or violation of law whether willful or

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FAX NO. 510 351 4481

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negligent. For purposes of Section 2782 of the Civil Code the parties hereto recognize and agree that this agreement is not a construction contract. By execution of this Agreement, Contractor acknowledges and agrees that it has read and understands the provisions hereof and that this paragraph is a material element of consideration.

Approval of the insurance contracts does not relieve the Contractor or subcontractors from liability under this paragraph.

10. GOVERNMENTAL REGULATIONS. To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, Contractor shall comply with all applicable rules and regulations to which City is bound by the terms of such fiscal assistance program.

11. DOCUMENTS. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda or other written documents or materials prepared by Contractor pursuant to this Agreement shall become the property of City upon completion of the work to be performed hereunder or upon termination of the Agreement.

12. COMPLIANCE WITH APPLICABLE LAWS. Contractor shall comply with all laws applicable to the performance of the work hereunder, including, but not limited to, laws prohibiting discrimination based on race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status or sex.

13. USE OF RECYCLED PRODUCTS. Contractors shall prepare and submit all reports, written studies and other printed material on recycled paper to the extent it is available at equal or less cost than virgin paper.

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SENT BY:

12- 1-95 ; 2:18PM ; Kinko's Santa Cruz

408 678 3965;# 2

MORTENSON-RICE-  
KOESTER ASSOCIATES

144 MONTCLAIR DRIVE, SANTA CRUZ, CA 95060 (408) 438-1632

December 1, 1995

Belinda Espinosa  
City Manager  
City of Soledad  
248 Main Street  
Soledad, CA 93960


Dear Belinda:

Effective with the award of the contract on December 6, 1995, Mortenson-Rice-Koester Associates will acquire Professional/General Liability Insurance in the amount of \$500,000.

As I understand it, this fulfills the insurance the needs of the City with regard to this contract.

I look forward to working with you and getting this study under way.

Sincerely,



John E. Mortenson  
Partner

cc: Hector De La Rosa

MORTENSON-RICE-  
KOESTER ASSOCIATES

144 MONTCLAIR DRIVE, SANTA CRUZ, CA 95060 [408] 438-1632

November 28, 1995

Belinda Espinosa  
City Manager  
City of Soledad  
248 Main Street  
Soledad, CA 93960



Dear Belinda:

The issue of Professional Liability Insurance continues to be an issue in getting the Classification and Compensation Study under way.

The General Provisions section of the materials you forwarded calls for Professional Liability Insurance of \$1,000,000 for contractors of the City. Base on your expressed need for some insurance coverage for the City, I have queried local insurance brokers and find that the next level of coverage available is \$500,000.

I propose that the requirement for Professional Liability Insurance coverage, for work of the magnitude of this study, be reduced to \$500,000. If this is acceptable, we will acquire Professional Liability Insurance coverage in the amount of \$500,000.

Let me know if this alternative is acceptable.

I look forward to working with you and getting this study under way.

Sincerely,

A handwritten signature in black ink, appearing to be "John K. Mortenson".

John K. Mortenson  
Partner

cc: Hecor De La Rosa ✓