

AGREEMENT

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3 THIS AGREEMENT is made and entered, in duplicate, as of December 9,
4 2008, for reference purposes only, pursuant to a minute order adopted by the City
5 Council of the City of Long Beach at its meeting on December 9, 2008, by and between
6 REWARD STRATEGY GROUP, INC., a California corporation ("Consultant"), with a
7 place of business at 12707 High Bluff Drive, Suite 200, San Diego, CA 92130, and the
8 CITY OF LONG BEACH, a municipal corporation ("City").

9 WHEREAS, City requires specialized services requiring unique skills to be
10 performed in connection with the scope of work. ("Project"); and

11 WHEREAS, City has selected Consultant in accordance with City's
12 administrative procedures and City has determined that Consultant and its employees
13 are qualified, licensed, if so required, and experienced in performing these specialized
14 services; and

15 WHEREAS, City desires to have Consultant perform these specialized
16 services, and Consultant is willing and able to do so on the terms and conditions in this
17 Agreement;

18 NOW, THEREFORE, in consideration of the mutual terms, covenants, and
19 conditions in this Agreement, the parties agree as follows:

20 1. SCOPE OF WORK OR SERVICES.

21 A. Consultant shall furnish specialized services more particularly
22 described in Exhibit "A", attached to this Agreement and incorporated by this
23 reference, in accordance with the standards of the profession, and City shall pay
24 for these services in the manner described below, not to exceed Three Hundred
25 Fifty Thousand Dollars (\$350,000.00), at the rates or charges shown in Exhibit "A".

26 B. Consultant may select the time and place of performance for
27 these services; provided, however, that access to City documents, records and the
28 like, if needed by Consultant, shall be available only during City's normal business

1 hours and provided that milestones for performance, if any, are met.

2 C. Consultant has requested to receive regular payments. City
3 shall pay Consultant in due course of payments following receipt from Consultant
4 and approval by City of invoices showing the services or task performed, the time
5 expended (if billing is hourly), and the name of the Project. Consultant shall certify
6 on the invoices that Consultant has performed the services in full conformance
7 with this Agreement and is entitled to receive payment. Each invoice shall be
8 accompanied by a progress report indicating the progress to date of services
9 performed and covered by the invoice, including a brief statement of any Project
10 problems and potential causes of delay in performance, and listing those services
11 that are projected for performance by Consultant during the next invoice cycle.
12 Where billing is done and payment is made on an hourly basis, the parties
13 acknowledge that this arrangement is either customary practice for Consultant's
14 profession, industry or business, or is necessary to satisfy audit and legal
15 requirements which may arise due to the fact that City is a municipality.

16 D. Consultant represents that Consultant has obtained all
17 necessary information on conditions and circumstances that may affect its
18 performance and has conducted site visits, if necessary.

19 2. TERM. The term of this Agreement shall commence at midnight on
20 December 10, 2008, and shall terminate at 11:59 p.m. on December 9, 2011, unless
21 sooner terminated as provided in this Agreement, or unless the services or the Project is
22 completed sooner.

23 3. COORDINATION AND ORGANIZATION.

24 A. Consultant shall coordinate its performance with City's
25 representative, if any, named in Exhibit "B", attached to this Agreement and
26 incorporated by this reference. Consultant shall advise and inform City's
27 representative of the work in progress on the Project in sufficient detail so as to
28 assist City's representative in making presentations and in holding meetings on

1 the Project. City shall furnish to Consultant information or materials, if any,
2 described in Exhibit "C", attached to this Agreement and incorporated by this
3 reference, and shall perform any other tasks described in the Exhibit.

4 B. The parties acknowledge that a substantial inducement to City
5 for entering this Agreement was and is the reputation and skill of Consultant's key
6 employee, Allan Crecelius, as the project manager. City shall have the right to
7 approve any person proposed by Consultant to replace that key employee.

8 4. INDEPENDENT CONTRACTOR. In performing its services,
9 Consultant is and shall act as an independent contractor and not an employee,
10 representative or agent of City. Consultant shall have control of Consultant's work and
11 the manner in which it is performed. Consultant shall be free to contract for similar
12 services to be performed for others during this Agreement; provided, however, that
13 Consultant acts in accordance with Section 9 and Section 11 of this Agreement.
14 Consultant acknowledges and agrees that (a) City will not withhold taxes of any kind from
15 Consultant's compensation; (b) City will not secure workers' compensation or pay
16 unemployment insurance to, for or on Consultant's behalf; and (c) City will not provide
17 and Consultant is not entitled to any of the usual and customary rights, benefits or
18 privileges of City employees. Consultant expressly warrants that neither Consultant nor
19 any of Consultant's employees or agents shall represent themselves to be employees or
20 agents of City.

21 5. INSURANCE.

22 A. As a condition precedent to the effectiveness of this
23 Agreement, Consultant shall procure and maintain, at Consultant's expense for the
24 duration of this Agreement, from insurance companies that are admitted to write
25 insurance in California and have ratings of or equivalent to A:V by A.M. Best
26 Company or from authorized non-admitted insurance companies subject to
27 Section 1763 of the California Insurance Code and that have ratings of or
28 equivalent to A:VIII by A.M. Best Company, the following insurance:

1 (a) Commercial general liability insurance (equivalent in scope to
2 ISO form CG 00 01 11 85 or CG 00 01 10 93) in an amount not less than
3 \$1,000,000 per each occurrence and \$2,000,000 general aggregate. This
4 coverage shall include but not be limited to broad form contractual liability,
5 cross liability, independent contractors liability, and products and
6 completed operations liability. City, its boards and commissions, and their
7 officials, employees and agents shall be named as additional insureds by
8 endorsement (on City's endorsement form or on an endorsement
9 equivalent in scope to ISO form CG 20 10 11 85 or CG 20 26 11 85), and
10 this insurance shall contain no special limitations on the scope of
11 protection given to City, its boards and commissions, and their officials,
12 employees and agents. This policy shall be endorsed to state that the
13 insurer waives its right of subrogation against City, its boards and
14 commissions, and their officials, employees and agents.

15 (b) Workers' Compensation insurance as required by the California
16 Labor Code and employer's liability insurance in an amount not less than
17 \$1,000,000. This policy shall be endorsed to state that the insurer waives
18 its right of subrogation against City, its boards and commissions, and their
19 officials, employees and agents.

20 (c) Commercial automobile liability insurance (equivalent in scope
21 to ISO form CA 00 01 06 92), covering Auto Symbol 1 (Any Auto) in an
22 amount not less than \$500,000 combined single limit per accident.

23 B. Any self-insurance program, self-insured retention, or
24 deductible must be separately approved in writing by City's Risk Manager or
25 designee and shall protect City, its officials, employees and agents in the same
26 manner and to the same extent as they would have been protected had the policy
27 or policies not contained retention or deductible provisions.

28 C. Each insurance policy shall be endorsed to state that

1 coverage shall not be reduced, non-renewed or canceled except after thirty (30)
2 days prior written notice to City, shall be primary and not contributing to any other
3 insurance or self-insurance maintained by City, and shall be endorsed to state that
4 coverage maintained by City shall be excess to and shall not contribute to
5 insurance or self-insurance maintained by Consultant. Consultant shall notify City
6 in writing within five (5) days after any insurance has been voided by the insurer or
7 cancelled by the insured.

8 D. If this coverage is written on a "claims made" basis, it must
9 provide for an extended reporting period of not less than one hundred eighty (180)
10 days, commencing on the date this Agreement expires or is terminated, unless
11 Consultant guarantees that Consultant will provide to City evidence of
12 uninterrupted, continuing coverage for a period of not less than three (3) years,
13 commencing on the date this Agreement expires or is terminated.

14 E. Consultant shall require that all subconsultants or contractors
15 that Consultant uses in the performance of these services maintain insurance in
16 compliance with this Section unless otherwise agreed in writing by City's Risk
17 Manager or designee.

18 F. Prior to the start of performance, Consultant shall deliver to
19 City certificates of insurance and the endorsements for approval as to sufficiency
20 and form. In addition, Consultant shall, within thirty (30) days prior to expiration of
21 the insurance, furnish to City certificates of insurance and endorsements
22 evidencing renewal of the insurance. City reserves the right to require complete
23 certified copies of all policies of Consultant and Consultant's subconsultants and
24 contractors, at any time. Consultant shall make available to City's Risk Manager
25 or designee all books, records and other information relating to this insurance,
26 during normal business hours.

27 G. Any modification or waiver of these insurance requirements
28 shall only be made with the approval of City's Risk Manager or designee. Not

1 more frequently than once a year, City's Risk Manager or designee may require
2 that Consultant, Consultant's subconsultants and contractors change the amount,
3 scope or types of coverages required in this Section if, in his or her sole opinion,
4 the amount, scope or types of coverages are not adequate.

5 H. The procuring or existence of insurance shall not be
6 construed or deemed as a limitation on liability relating to Consultant's
7 performance or as full performance of or compliance with the indemnification
8 provisions of this Agreement.

9 6. ASSIGNMENT AND SUBCONTRACTING. This Agreement
10 contemplates the personal services of Consultant and Consultant's employees, and the
11 parties acknowledge that a substantial inducement to City for entering this Agreement
12 was and is the professional reputation and competence of Consultant and Consultant's
13 employees. Consultant shall not assign its rights or delegate its duties under this
14 Agreement, or any interest in this Agreement, or any portion of it, without the prior
15 approval of City, except that Consultant may with the prior approval of the City Manager
16 of City, assign any moneys due or to become due Consultant under this Agreement. Any
17 attempted assignment or delegation shall be void, and any assignee or delegate shall
18 acquire no right or interest by reason of an attempted assignment or delegation.
19 Furthermore, Consultant shall not subcontract any portion of its performance without the
20 prior approval of the City Manager or designee, or substitute an approved subconsultant
21 or contractor without approval prior to the substitution. Nothing stated in this Section
22 shall prevent Consultant from employing as many employees as Consultant deems
23 necessary for performance of this Agreement.

24 7. CONFLICT OF INTEREST. Consultant, by executing this
25 Agreement, certifies that, at the time Consultant executes this Agreement and for its
26 duration, Consultant does not and will not perform services for any other client which
27 would create a conflict, whether monetary or otherwise, as between the interests of City
28 and the interests of that other client. And, Consultant shall obtain similar certifications

1 from Consultant's employees, subconsultants and contractors.

2 8. MATERIALS. Consultant shall furnish all labor and supervision,
3 supplies, materials, tools, machinery, equipment, appliances, transportation and services
4 necessary to or used in the performance of Consultant's obligations under this
5 Agreement, except as stated in Exhibit "C".

6 9. OWNERSHIP OF DATA. All materials, information and data
7 prepared, developed or assembled by Consultant or furnished to Consultant in
8 connection with this Agreement, including but not limited to documents, estimates,
9 calculations, studies, maps, graphs, charts, computer disks, computer source
10 documentation, samples, models, reports, summaries, drawings, designs, notes, plans,
11 information, material and memorandum ("Data") shall be the exclusive property of City.
12 Data shall be given to City, and City shall have the unrestricted right to use and disclose
13 the Data in any manner and for any purpose without payment of further compensation to
14 Consultant. Copies of Data may be retained by Consultant but Consultant warrants that
15 Data shall not be made available to any person or entity for use without the prior approval
16 of City. This warranty shall survive termination of this Agreement for five (5) years.

17 10. TERMINATION. Either party shall have the right to terminate this
18 Agreement for any reason or no reason at any time by giving fifteen (15) calendar days
19 prior notice to the other party. In the event of termination under this Section, City shall
20 pay Consultant for services satisfactorily performed and costs incurred up to the effective
21 date of termination for which Consultant has not been previously paid. The procedures
22 for payment in Section 1.B. with regard to invoices shall apply. On the effective date of
23 termination, Consultant shall deliver to City all Data developed or accumulated in the
24 performance of this Agreement, whether in draft or final form, or in process. And,
25 Consultant acknowledges and agrees that City's obligation to make final payment is
26 conditioned on Consultant's delivery of the Data to City.

27 11. CONFIDENTIALITY. Consultant shall keep all Data confidential and
28 shall not disclose the Data or use the Data directly or indirectly, other than in the course

1 of performing its services, during the term of this Agreement and for five (5) years
2 following expiration or termination of this Agreement. In addition, Consultant shall keep
3 confidential all information, whether written, oral or visual, obtained by any means
4 whatsoever in the course of performing its services for the same period of time.
5 Consultant shall not disclose any or all of the Data to any third party, or use it for
6 Consultant's own benefit or the benefit of others except for the purpose of this
7 Agreement.

8 12. BREACH OF CONFIDENTIALITY. Consultant shall not be liable for
9 a breach of confidentiality with respect to Data that: (a) Consultant demonstrates
10 Consultant knew prior to the time City disclosed it; or (b) is or becomes publicly available
11 without breach of this Agreement by Consultant; or (c) a third party who has a right to
12 disclose does so to Consultant without restrictions on further disclosure; or (d) must be
13 disclosed pursuant to subpoena or court order.

14 13. ADDITIONAL COSTS AND REDESIGN.

15 A. Any costs incurred by City due to Consultant's failure to meet
16 the standards required by the scope of work or Consultant's failure to perform fully
17 the tasks described in the scope of work which, in either case, causes City to
18 request that Consultant perform again all or part of the Scope of Work shall be at
19 the sole cost of Consultant and City shall not pay any additional compensation to
20 Consultant for its re-performance.

21 B. If the Project involves construction and the scope of work
22 requires Consultant to prepare plans and specifications with an estimate of the
23 cost of construction, then Consultant may be required to modify the plans and
24 specifications, any construction documents relating to the plans and specifications,
25 and Consultant's estimate, at no cost to City, when the lowest bid for construction
26 received by City exceeds by more than ten percent (10%) Consultant's estimate.
27 This modification shall be submitted in a timely fashion to allow City to receive new
28 bids within four (4) months after the date on which the original plans and

1 specifications were submitted by Consultant.

2 14. AMENDMENT. This Agreement, including all Exhibits, shall not be
3 amended, nor any provision or breach waived, except in writing signed by the parties
4 which expressly refers to this Agreement.

5 15. LAW. This Agreement shall be governed by and construed pursuant
6 to the laws of the State of California (except those provisions of California law pertaining
7 to conflicts of laws). Consultant shall comply with all laws, ordinances, rules and
8 regulations of and obtain all permits, licenses and certificates required by all federal, state
9 and local governmental authorities.

10 16. ENTIRE AGREEMENT. This Agreement, including all Exhibits,
11 constitutes the entire understanding between the parties and supersedes all other
12 agreements, oral or written, with respect to the subject matter in this Agreement.

13 17. INDEMNITY. Consultant shall, with respect to services performed in
14 connection with this Agreement, indemnify and hold harmless City, its Boards,
15 Commissions, and their officials, employees and agents (collectively in this Section,
16 "City") from and against any and all liability, claims, allegations, demands, damage, loss,
17 causes of action, proceedings, penalties, costs and expenses (including attorney's fees,
18 court costs, and expert and witness fees) (collectively "Claims" or individually "Claim")
19 arising, directly or indirectly, in whole or in part, out of any negligent act or omission of
20 Consultant, its officers, employees, agents, sub-consultants or anyone under
21 Consultant's control (collectively "Indemnitor"), breach of this Agreement by Indemnitor,
22 misrepresentation or willful misconduct by Indemnitor, and Claims by any employee of
23 Indemnitor relating in any way to workers' compensation. Independent of the duty to
24 indemnify and as a free-standing duty on the part of Consultant, Consultant shall defend
25 City and shall continue this defense until the Claim is resolved, whether by settlement,
26 judgment or otherwise. No finding or judgment of negligence, fault, breach or the like on
27 the part of Indemnitor shall be required for the duty to defend to arise. Consultant shall
28 notify City of any Claim within ten (10) days. Likewise, City shall notify Consultant of any

1 Claim, shall tender the defense of the Claim to Consultant, and shall assist Consultant at
2 Consultant's sole expense, as may be reasonably requested, in the defense.

3 18. AMBIGUITY. In the event of any conflict or ambiguity between this
4 Agreement and any Exhibit, the provisions of this Agreement shall govern.

5 19. COSTS. If there is any legal proceeding between the parties to
6 enforce or interpret this Agreement or to protect or establish any rights or remedies under
7 it, the prevailing party shall be entitled to its costs, including reasonable attorneys' fees.

8 20. NONDISCRIMINATION.

9 A. In connection with performance of this Agreement and subject
10 to applicable rules and regulations, Consultant shall not discriminate against any
11 employee or applicant for employment because of race, religion, national origin,
12 color, age, sex, sexual orientation, gender identity, AIDS, HIV status, handicap or
13 disability. Consultant shall ensure that applicants are employed, and that
14 employees are treated during their employment, without regard to these bases.
15 These actions shall include, but not be limited to, the following: employment,
16 upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or
17 termination; rates of pay or other forms of compensation; and selection for training,
18 including apprenticeship.

19 B. It is the policy of City to encourage the participation of
20 Disadvantaged, Minority and Women-Owned Business Enterprises in City's
21 procurement process, and Consultant agrees to use its best efforts to carry out
22 this policy in its use of subconsultants and contractors to the fullest extent
23 consistent with the efficient performance of this Agreement. Consultant may rely
24 on written representations by subconsultants and contractors regarding their
25 status. City's policy is attached as Exhibit "D" to this Agreement. Consultant shall
26 report to City in May and in December or, in the case of short-term agreements,
27 prior to invoicing for final payment, the names of all subconsultants and
28 contractors hired by Consultant for this Project and information on whether or not

1 they are a Disadvantaged, Minority or Women-Owned Business Enterprise, as
2 defined in Section 8 of the Small Business Act (15 U.S.C. Sec. 637).

3 21. NOTICES. Any notice or approval required by this Agreement shall
4 be in writing and personally delivered or deposited in the U.S. Postal Service, first class,
5 postage prepaid, addressed to Consultant at the address first stated above, and to City at
6 333 West Ocean Boulevard, Long Beach, California 90802, Attn: City Manager, with a
7 copy to the City Engineer at the same address. Notice of change of address shall be
8 given in the same manner as stated for other notices. Notice shall be deemed given on
9 the date deposited in the mail or on the date personal delivery is made, whichever occurs
10 first.

11 22. COPYRIGHTS AND PATENT RIGHTS.

12 A. Consultant shall place the following copyright protection on all
13 Data: © City of Long Beach, California _____, inserting the appropriate year.

14 B. City reserves the exclusive right to seek and obtain a patent
15 or copyright registration on any Data or other result arising from Consultant's
16 performance of this Agreement. By executing this Agreement, Consultant assigns
17 any ownership interest Consultant may have in the Data to City.

18 C. Consultant warrants that the Data does not violate or infringe
19 any patent, copyright, trade secret or other proprietary right of any other party.
20 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
21 and employees harmless from any and all claims, demands, damages, loss,
22 liability, causes of action, costs or expenses (including reasonable attorney's fees)
23 whether or not reduced to judgment, arising from any breach or alleged breach of
24 this warranty.

25 23. COVENANT AGAINST CONTINGENT FEES. Consultant warrants
26 that Consultant has not employed or retained any entity or person to solicit or obtain this
27 Agreement and that Consultant has not paid or agreed to pay any entity or person any
28 fee, commission or other monies based on or from the award of this Agreement. If

1 Consultant breaches this warranty, City shall have the right to terminate this Agreement
2 immediately notwithstanding the provisions of Section 10 or, in its discretion, to deduct
3 from payments due under this Agreement or otherwise recover the full amount of the fee,
4 commission or other monies.

5 24. WAIVER. The acceptance of any services or the payment of any
6 money by City shall not operate as a waiver of any provision of this Agreement or of any
7 right to damages or indemnity stated in this Agreement. The waiver of any breach of this
8 Agreement shall not constitute a waiver of any other or subsequent breach of this
9 Agreement.

10 25. CONTINUATION. Termination or expiration of this Agreement shall
11 not affect rights or liabilities of the parties which accrued pursuant to Sections 7, 10, 11,
12 17, 19, 22 and 28 prior to termination or expiration of this Agreement.

13 26. TAX REPORTING. As required by federal and state law, City is
14 obligated to and will report the payment of compensation to Consultant on Form 1099-
15 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
16 resulting from payments under this Agreement. Consultant's Employer Identification
17 Number is [REDACTED] If Consultant has a Social Security Number rather than an
18 Employer Identification Number, then Consultant shall submit that Social Security
19 Number in writing to City's Accounts Payable, Department of Financial Management.
20 Consultant acknowledges and agrees that City has no obligation to pay Consultant until
21 Consultant provides one of these numbers.

22 27. ADVERTISING. Consultant shall not use the name of City, its
23 officials or employees in any advertising or solicitation for business or as a reference,
24 without the prior approval of the City Manager or designee.

25 28. AUDIT. City shall have the right at all reasonable times during the
26 term of this Agreement and for a period of five (5) years after termination or expiration of
27 this Agreement to examine, audit, inspect, review, extract information from and copy all
28 books, records, accounts and other documents of Consultant relating to this Agreement.

OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664


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29. THIRD PARTY BENEFICIARY. This Agreement is not intended or designed to or entered for the purpose of creating any benefit or right for any person or entity of any kind that is not a party to this Agreement.

IN WITNESS WHEREOF, the parties have caused this document to be duly executed with all formalities required by law as of the date first stated above.

REWARD STRATEGY GROUP, INC.,
a California corporation

December 31, 2008

By 

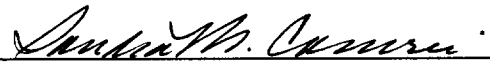
ALLAN M. CRECELIUS

Type or Print Name

PRESIDENT

Type or Print Title

December 31, 2008

By 

SANDRA M. COMRIE

Type or Print Name

CORP. SECRETARY/TREASURER

Type or Print Title

"Consultant"

CITY OF LONG BEACH, a municipal corporation


1/14, 2009

By 
City Manager

"City"

This Agreement is approved as to form on January 13, 2009.

ROBERT E. SHANNON, City Attorney

By 
Deputy

**City of Long Beach
Exhibit A – Scope of Work**

Classification and Compensation Study

Phase 1 – Planning and Stakeholder Orientations

Reward Strategy Group (RSG) will begin the project by meeting with members from the Classification and Compensation Committee to develop a more thorough understanding of expectations for this project. RSG will request available written documents and data relating to the classification and compensation structure in the City, and other background information such as administrative policies or instructions that may be relevant to current operations. The City will assist in providing requested information and producing any reports that may be useful for the study.

During this phase, RSG will conduct a kick off meeting with the Classification and Compensation Committee (Committee) to discuss the project schedule and develop a detailed project plan. In addition, RSG will meet with the negotiating team of the International Association of Machinists and Aerospace Workers (IAM) and the Departments' Administrative Officers to discuss the overview of the project and ways these groups may be involved in the study. RSG will also conduct communications meetings with other key stakeholder groups as outlined below in Activity 1.8. These initial communication meetings will lay the basis of the partnership between RSG and the City staff, and will afford the opportunity to share information and to refine the project schedule and plan.

Through these meetings, RSG and the Committee will develop a communication plan to be implemented throughout the study. Employee Orientation Sessions will also be identified and scheduled.

	ACTIVITY	DELIVERABLE	COST
	Phase 1 - Planning & Stakeholder Orientations		\$ 17,030
1.1	Project Planning. Background data collection/review	Project Schedule	
1.2	Conduct project kickoff and communications meetings with Class/Comp Committee, 12/18	Mtg agendas; mtg results summaries; project plan	
1.3	Develop Communications Plan	Communications plan/content	
1.4	Schedule communications meetings for January	Stakeholder mtg schedule	
1.5	Schedule employee orientation sessions	Orientation and venue schedules	
1.6	HR identifiers "extinct" classifications; removes from IAM class listing	Classes to be studied vs. extinct classes	
1.7	Finalize content of Position Description Questionnaire (PDQ) and Manager Supplement form	Documents to printer	

**City of Long Beach
Exhibit A – Scope of Work**

1.8	Conduct communications meetings with stakeholder groups: <ul style="list-style-type: none"> ▪ City Manager; ▪ Dept Heads ▪ Civil Service Commission & Department ▪ Sub-bargaining unit committees ▪ Special Services Officer Group ▪ Negotiating Team; ▪ AOs 	Stakeholder Communications	
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Phase 2 – Employee Orientation and Job Content Input

Employee input and involvement is a critical component to the study. To obtain the input of employees, RSG will prepare and develop a custom Position Description Questionnaire (PDQ) and Manager Supplement Form with the Committee. RSG will then conduct up to 24 employee orientation sessions to distribute and explain the PDQ requirements to IAM employees. To maximize exposure to the employees, RSG may also videotape an orientation session to be made available for employees who are unable to attend the orientation sessions. RSG may also assist select classifications in completing the survey, as determined as needed and beneficial by the Committee.

Once completed, RSG will collect and review all PDQs and Supplements. RSG will note where additional job content information or clarification is needed. Based on the analysis of the PDQs, RSG will select incumbents they will need/want to interview, and propose an interview schedule of up to 370 interview sessions. RSG will work with the City to schedule and conduct the job analysis interviews at designated City department locations. These interviews in conjunction with the PDQs collected will provide RSG with a full, detailed understanding of job content in order to make thoughtful classification decisions and, later, to perform accurate market comparability analyses during the compensation survey.

ACTIVITY	DELIVERABLE	COST
Phase 2 - Obtain Stakeholder Input on Classifications		\$ 98,690
2.1 Conduct up to 24 Employee Orientation Sessions and special sessions (1.5 hours) (Over 24 sessions at additional cost of \$600/session)	Orientations & special sessions completed	
2.3 Employee PDQ completion/submission deadline		
2.4 Managers review completed PDQs; prepare Supplement forms and submit to HR	PDQs & Supplements to HR	
2.5 RSG receives all PDQs & Supplements from City	List of Desired Incumbents	

**City of Long Beach
Exhibit A – Scope of Work**

2.6	Consultant reading & evaluations of all PDQ materials; team meetings	Consolidated initial findings; notes on additional info needed	
2.7	RSG prepares proposed employee interview schedules & submits to City	Multiple consultant interview schedules delivered	
2.8	City Schedule & confirms employee interviews	Schedules finalized	
2.9	RSG conducts up to 370 employee interviews	Interviews and input notes	

Phase 3 – Classification Analysis and Plan Design

RSG will evaluate all data gathered through Committee meetings, PDQs, Supervisor Supplement forms and job analysis interviews, and develop preliminary conclusions and recommendations on the many class series and the overall classification structure. RSG will meet with the Committee to review the preliminary findings, alternatives considered and classification plan improvement recommendations, with rationale. These recommendations will include new titling protocols, a master classification structure and allocation of positions into classes. RSG will work with the Committee to review, explain and resolve any concerns regarding the findings and recommendations.

Once the Committee has approved the new classification structure, RSG will prepare new classification specifications for all proposed classes. These documents will contain all appropriate job content information, note distinguishing characteristics, minimum qualifications, license/regulatory requirements, and comply with ADA requirements. Additionally, RSG will confirm the appropriate FLSA category for each class. The draft job descriptions will be submitted to the Committee for review and input, and the Committee's feedback will be incorporated, as appropriate, into the final classification specifications.

RSG will assist the Committee in developing a set of written materials that will effectively communicate the classification recommendations to employees. RSG will also prepare appropriate guidelines for ongoing maintenance of the new classification plan by the City.

ACTIVITY	DELIVERABLE	COST
Phase 3 - Classification Analysis and Design		\$ 107,710
3.1 Conduct classification analyses. Document findings, conclusions & recommendations ▪ Mtg w/ HR on class analysis progress ▪ Complete analysis; prepare documentation	Preliminary Classification architecture report / reallocation documents	
3.2 Present Preliminary Classification Report to Study Committee and Subcommittees. Receives committee/subcommittee input. Present to mgmt	Presentation. Committee & Subcommittee input documentation.	
3.3 Follow-up classification analyses. Finalize recommendations & employee allocations. Committee & mgmt approval processes	Final class plan architecture & employee allocation recs	

**City of Long Beach
Exhibit A – Scope of Work**

3.4	Draft new class specs for all approved classifications. Submit to City for review.	Draft class specifications	
3.5	Finalize Class Specs	Final specifications	
3.6	EE notification process implemented. Plan for ongoing maintenance of system	Notification communication docs. Maintenance plan	

Phase 4 – Compensation Survey

In this phase, RSG will conduct a compensation survey resulting in an accurate compilation of current compensation practices among the agreed-upon comparable agencies.

RSG will work with the Committee to develop a compensation survey plan identifying the additional comparable agencies to be used for certain specialty departments, in addition to the ten comparable agencies identified in the IAM MOU. RSG will also work with the Committee to establish the classes to be used as benchmarks in the study. RSG will also conduct training for the Committee on survey benchmark comparability analyses.

With the agreed-upon plan, RSG will conduct the compensation study by obtaining complete salary structure, additional forms of pay, organization charts, operating budgets and classification documents from the comparable agencies. The overall survey results will be thoroughly documented in tables, charts and exhibits, including a hierarchical rank order of the survey data for each benchmark.

ACTIVITY		DELIVERABLE	COST
Phase 4 - Compensation Survey			\$ 55,330
4.1	Compensation survey planning & agreement on comparison agencies and IAM benchmarks to be surveyed, including specialty class series (Public Health; Water, etc.)	Agency & benchmark lists	
4.2	Committee training on survey benchmark comparability analyses	Training conducted	
4.3	Collect Survey materials from comparison agencies	Materials collected	
4.4	Conduct IAM benchmark job comparability analyses among each comparison agency	Job matching documented	
4.5	Conduct survey Committee and subcommittee meetings to review survey benchmark "matches."	Meetings conducted	
4.6	Conduct survey data for benchmark classes; document results on data sheets	Survey data compiled	

**City of Long Beach
Exhibit A – Scope of Work**

Phase 5 – Compensation Analysis and Presentation

During this phase, RSG will conduct a thorough analysis of the external competitiveness of the City’s benchmark classifications, addressing base salary opportunity, skills pay, education pay and impact on cash compensation from required employee contribution benefits. RSG will also employ a point-factor job measurement system to quantitatively evaluate and compare all IAM-represented classifications based on their intrinsic job content and relative worth. These evaluations will be documented and reviewed with the Committee and will serve as the internal equity template as RSG makes recommendations on salary grade allocations for the studied classes. RSG will develop recommended salary range assignments that incorporate skill-based pay into the base salary when applicable, and present the recommendations to the Committee.

ACTIVITY	DELIVERABLE	COST
Activity 5 - Compensation Analysis		\$ 44,680
5.1 Conduct Competitive Compensation Analysis; document finding & comparisons to market medians for each benchmark class	Survey findings report	
5.2 Internal Classification Relationship Analysis; document internal job content hierarchy. Review & explain to Study committee	Evaluated classification hierarchy	
5.3 Allocate benchmark & non-benchmark classes to appropriate salary ranges based on market survey results & internal relationship evaluations; present recommendations to study Committee & obtain committee input	Range allocation report; presentation to Committee, Committee input	

Phase 6 – Finalize Project/Implementation

During this phase, RSG will perform and present to the Committee a detailed assessment of studied employee current pay levels versus the recommended, newly competitive salary range. RSG will clearly document undervalued classes and the degree to which they are below market median. RSG will present a strategy, with cost analysis, to bring the IAM-represented incumbents’ pay up to median over time, in accordance with the negotiated agreements. A plan will also be formed for any classifications currently above the survey median. During this phase, RSG will also develop a plan to sustain the compensation structure, as well as work with the Committee to prepare a draft final report. After obtaining the Committee’s input, RSG will submit a thorough written report covering the study methods, results and recommendations. As requested, RSG’s Principals will attend meetings and make presentations regarding the Study.

**City of Long Beach
Exhibit A – Scope of Work**

ACTIVITY	DELIVERABLE	COST
Activity 6 - Final Report and Implementation		\$ 26,560
6.1 Assessment of range allocation impact. Assess strategy to bring IAM incumbents to market median & implications of the strategy	Decisions on employee salary increases	
6.2 Develop recommended policy for compensation plan sustainability; prepare draft final report; meetings with Committee & City management; prepare/submit final report; final presentations	Final report & Presentation	
Project Total		\$ 350,000

Payments to RSG will be made as individual activities are completed and the associated deliverables are delivered in accordance to Exhibit A "Scope of Work Detail and Estimated Project Schedule."

Exhibit A "Scope of Work Detail and Estimated Project Schedule"

MONTHLY INVOICING AND ASSOCIATED DELIVERABLES										
DELIVERABLE		COST	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
Costs		\$ 17,030	\$ 8,500	\$ 8,530						
Review	Project Schedule		X							
Agendas	Mtg agendas; mtg results summaries; project plan		X							
	Communications plan/content		X							
Stakeholder	Stakeholder mtg schedule		X							
	Orientation and venue schedules		X							
Classes	Classes to be studied vs. extinct classes		X							
Documents	Documents to printer			X						
Stakeholder	Stakeholder Communications			X						
DELIVERABLE		COST	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
Classifications		\$ 98,690			\$ 11,240		\$ 34,120		\$ 26,800	\$ 26,530
Sessions	Orientations & special sessions completed			X	X					
Timeline						X				
PDQs	PDQs & Supplements to HR					X				
City	List of Desired Incumbents					X				
Findings	Consolidated initial findings; notes on additional info needed					X	X			
Interviews	Multiple consultant interview schedules delivered						X			
Schedules	Schedules finalized							X		
Notes	Interviews and input notes							X	X	
									X	X
										X
			\$ 8,500	\$ 8,530	\$ 11,240	\$ -	\$ 34,120	\$ -	\$ 26,800	\$ 26,530

Exhibit A "Scope of Work Detail and Estimated Project Schedule"

August 2009 - June 2010		MONTHLY INVOICING AND ASSOCIATED DELIVERABLES											
ACTIVITY	DELIVERABLE	COST	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10
Phase 3 - Classification Analysis and Design		\$ 107,710	\$ 15,000	\$ 16,120	\$ 12,100	\$ 16,000	\$ 33,950		\$ 14,540				
3.1	Conduct classification analyses. Document findings, conclusions & recommendations • Mtg w/ HR on class analysis progress • Complete analysis; prepare documentation	Preliminary Classification architecture report / reallocation documents	X	X									
3.2	Present Preliminary Classification Report to Study Committee and Subcommittees. Receives committee/subcommittee input. Present to mgmt	Presentation, Committee & Subcommittee input documentation		X	X								
3.3	Follow-up classification analyses. Finalize recommendations & employee allocations. Committee & management approval processes	Final class plan architecture & employee allocation recommendations			X								
3.4	Draft new class specifications for all approved classifications. Submit to City for review.	Draft class specifications				X	X						
3.5	Finalize Class Specs	Final specifications						X	X				
3.6	EE notification process implemented. Plan for ongoing maintenance of the class system	Notification communication docs. Maintenance plan							X				
Phase 4 - Compensation Survey		\$ 55,330				\$ 6,530	\$ 9,100		\$ 26,500	\$ 7,400	\$ 5,800		
4.1	Compensation survey planning & agreement on comparison agencies and IAM benchmarks to be surveyed, including specialty class series (Public Health; Water, etc.)	Agency & benchmark lists			X	X							
4.2	Committee training on survey benchmark comparability analyses	Training conducted				X							
4.3	Collect Survey materials from comparison agencies	Materials collected				X	X						
4.4	Conduct IAM benchmark job comparability analyses among each comparison agency	Job matching documented						X	X				
4.5	Conduct survey Committee and subcommittee meetings to review survey benchmark "matches."	Meetings conducted								X			
4.6	Conduct survey data for benchmark classes; document results on data sheets	Survey data compiled								X	X		
Activity 5 - Compensation Analysis		\$ 44,680									\$ 7,520	\$ 27,440	\$ 9,720
5.1	Conduct Competitive Compensation Analysis; document finding & comparisons to market medians for each benchmark class	Survey findings report									X		
5.2	Internal Classification Relationship Analysis; document internal job content hierarchy. Review & explain to Study committee	Evaluated classification hierarchy								X	X	X	
5.3	Allocate benchmark & non-benchmark classes to appropriate salary ranges based on market survey results & internal relationship evaluations; present recommendations to study Committee & obtain committee input	Range allocation report; presentation to Committee, Committee input										X	X
INVOICING TOTAL AND BY MONTH			\$ 15,000	\$ 16,120	\$ 12,100	\$ 22,530	\$ 43,050	\$ -	\$ 41,040	\$ 7,400	\$ 13,320	\$ 27,440	\$ 9,720

Exhibit A "Scope of Work Detail and Estimated Project Schedule"

July 2010- Sept 2010			MONTHLY INVOICING AND ASSOCIATED DELIVERABLES				
ACTIVITY	DELIVERABLE	COST	Jul-10	Aug-10	Sep-10		
Activity 6 - Final Report and Implementation		\$ 26,560	\$ 7,960		\$ 18,600		
6.1	Assessment of range allocation impact. Assess strategy to bring lam incumbents to market median & implications of the strategy		X	-			
6.2	Develop recommended policy for compensation plan sustainability; prepare draft final report; meetings w/ Committee & City management; prepare/submit final report; final presentations			X	X		
INVOICING TOTAL AND BY MONTH			\$ 7,960		\$ 18,600		
Total Budget, Fees, & Expenses		\$ 350,000					

Exhibit B

City of Long Beach
City's Representative
Suzanne R. Mason
Director of the Human Resources Department
333. W. Ocean Blvd. – 13th Floor
Long Beach, CA 90802

Exhibit C

City Responsibilities:

1. Provide, upon request, reports, documents, records, City personnel and other data deemed necessary to support Labor Relations and Union Negotiations.
2. Provide access to related data and resources. The City's project coordinator will also be available to assist the professional consultant with additional data collection, as needed.
3. Provide project administration through the City's Representative, who will act as the project's focal point for reporting.