

**CITY OF PORTLAND
AGREEMENT FOR PROFESSIONAL, TECHNICAL, OR EXPERT SERVICES**

CONTRACT NUMBER 30004008

TITLE OF WORK PROJECT

NON REPRESENTED CLASSIFICATION AND COMPENSATION STUDY

This contract is between the City of Portland ("City," or "Bureau") and Sjoberg Evashenk Consulting, Inc., hereafter called Consultant. The City's Project Manager for this contract is Elisabeth Nunes.

Effective Date and Duration

This contract shall become effective on June 30, 2014. This contract shall expire, unless otherwise terminated or extended, on April 30, 2017.

Consideration

- (a) City agrees to pay Consultant a sum not to exceed \$363,875.00 for accomplishment of the work.
- (b) Interim payments shall be made to Consultant according to the schedule identified in the STATEMENT OF THE WORK AND PAYMENT SCHEDULE.

CONSULTANT DATA AND CERTIFICATION

Name (print full legal name): Sjoberg Evashenk Consulting, Inc.

Address: 455 Capitol Mall, Suite 700, Sacramento, CA 95814

Employer Identification Number (EIN): 71-0956506

[INDEPENDENT CONTRACTORS: DO NOT PROVIDE SOCIAL SECURITY NUMBER (SSN) – LEAVE BLANK IF NO EIN]

City of Portland Business Tax Registration Number: _____

Citizenship: Nonresident alien ☐ Yes ☒ No

Business Designation (check one): ☐ Individual ☐ Sole Proprietorship ☐ Partnership ☒ Corporation

☐ Limited Liability Co (LLC) ☐ Estate/Trust ☐ Public Service Corp. ☐ Government/Nonprofit

Payment information will be reported to the IRS under the name and taxpayer I.D. number provided above. Information must be provided prior to contract approval.

TERMS AND CONDITIONS

1. Standard of Care

Consultant shall perform all services under this contract using that care, skill, and diligence that would ordinarily be used by similar professionals in this community in similar circumstances.

2. Effect of Expiration

Passage of the contract expiration date shall not extinguish, prejudice, or limit either party's right to enforce this Contract with respect to any default or defect in performance that has not been corrected.

3. Order of Precedence

This contract consists of these Terms and Conditions, the Statement of Work and Payment Schedule, and any exhibits that are attached. Any apparent or alleged conflict between these items will be resolved by using the following order of precedence:

a) these Terms and Conditions; b) Statement of Work and Payment Schedule; and c) any exhibits attached to the contract.

4. Early Termination of Contract

- (a) The City may terminate this Contract for convenience at any time for any reason deemed appropriate in its sole discretion. Termination is effective immediately upon notice of termination given by the City.
- (b) Either party may terminate this Contract in the event of a material breach by the other party that is not cured. Before termination is permitted, the party seeking termination shall give the other party written notice of the breach, its intent to terminate, and fifteen (15) calendar days to cure the breach. If the breach is not cured within 15 days, the party seeking termination may terminate immediately by giving written notice that the Contract is terminated.

5. Remedies and Payment on Early Termination

- (a) If the City terminates pursuant to 4(a) above, the City shall pay the Consultant for work performed in accordance with the Contract prior to the termination date. No other costs or loss of anticipated profits shall be paid.
- (b) If the City terminates pursuant to 4(b) above, the City is entitled all remedies available at law or equity. In addition, Consultant shall pay the City all damages, costs, and sums incurred by the City as a result of the breach.
- (c) If the Consultant justifiably terminates the contract pursuant to subsection 4(b), the Consultant's only remedy is payment for work prior to the termination. No other costs or loss of anticipated profits shall be paid.
- (d) If the City's termination under Section 4(b) was wrongful, the termination shall be automatically converted to one for convenience and the Consultant shall be paid as if the Contract was terminated under Section 4(a).
- (e) In the event of early termination the Consultant's work product before the date of termination becomes property of the City.

6. Assignment

Consultant shall not subcontract, assign, or transfer any of the work scheduled under this agreement, without the prior written consent of the City. Notwithstanding City approval of a subconsultant, the Consultant shall remain obligated for full performance hereunder, and the City shall incur no obligation other than its obligations to the Consultant hereunder. The Consultant agrees that if subconsultants are employed in the performance of this Agreement, the Consultant and its subconsultants are subject to the requirements and sanctions of ORS Chapter 656, Workers' Compensation.

7. Compliance with Applicable Law

Consultant shall comply with all applicable federal, state, and local laws and regulations. Consultant agrees it currently is in compliance with all tax laws. Consultant shall comply with Title VI of the Civil Rights Act of 1964 and its corresponding regulations as further described at: <http://www.portlandoregon.gov/bibs/article/446806>. In connection with its activities under this Contract, the Contractor shall comply with all applicable Grant Terms and conditions. This includes all terms and conditions contained in this contract and, for a contract involving a grant, the Grant Terms and Conditions as further described at: <http://www.portlandoregon.gov/bibs/article/455735>.

8. Indemnification for Property Damage and Personal Injury

Consultant shall indemnify, defend, and hold harmless the City, its officers, agents, and employees, from all claims, losses, damages, and costs (including reasonable attorney fees) for personal injury and property damage arising out of the intentional or negligent acts or omissions of the Consultant, its Subconsultants, suppliers, employees or agents in the performance of its services. Nothing in this paragraph requires the Consultant or its insurer to indemnify the City for claims of personal injury or property damage caused by the negligence of the City. This duty shall survive the expiration or termination of this contract.

9. Insurance

Consultant shall obtain and maintain in full force at Consultant expense, throughout the duration of the Contract and any warranty or extension periods, the required insurance identified below. The City reserves the right to require additional insurance coverage as required by statutory or legal changes to the maximum liability that may be imposed on Oregon cities during the term of the Contract.

- (a) Workers' compensation insurance as required by ORS Chapter 656 and as it may be amended. Unless exempt under ORS Chapter 656, the Consultant and all subconsultants shall maintain coverage for all subject workers.

☒ Required and attached // ☐ Proof of exemption (i.e., completion of Workers' Compensation Insurance Statement)

- (b) General commercial liability (CGL) insurance covering bodily injury, personal injury, property damage, including coverage for independent contractor's protection (required if any work will be subcontracted), premises/operations, contractual liability, products and completed operations, in per occurrence limit of not less than \$1,000,000, and aggregate limit of not less than \$2,000,000.

☒ Required and attached // ☐ Waived by Bureau Director or designee // ☐ Reduce by Bureau Director or designee

- (c) Automobile liability insurance with coverage of not less than \$1,000,000 each accident, and an umbrella or excess liability coverage of \$2,000,000. The insurance shall include coverage for any auto or all owned, scheduled, hired and non-owned auto. This coverage may be combined with the commercial general liability insurance policy.

☒ Required and attached // ☐ Waived by Bureau Director or designee // ☐ Reduce by Bureau Director or designee

- (d) Professional Liability and/or Errors & Omissions insurance to cover damages caused by negligent acts, errors or omissions related to the professional services, and performance of duties and responsibilities of the Consultant under this contract in an amount with a combined single limit of not less than \$1,000,000 per occurrence and aggregate of \$3,000,000 for all claims per occurrence. In lieu of an occurrence based policy, Consultant may have claims-made policy in an amount not less than \$1,000,000 per claim and \$3,000,000 annual aggregate, if the Consultant obtains an extended reporting period or tail coverage for not less than three (3) years following the termination or expiration of the Contract.

☒ Required and attached // ☐ Waived by Bureau Director or designee // ☐ Reduce by Bureau Director or designee

Continuous Coverage; Notice of Cancellation: The Consultant agrees to maintain continuous, uninterrupted coverage for the duration of the Contract. There shall be no termination, cancellation, material change, potential exhaustion of aggregate limits or non renewal of coverage without thirty (30) days written notice from Consultant to the City. If the insurance is canceled or terminated prior to completion of the Contract, Consultant shall immediately notify the City and provide a new policy with the same terms. Any failure to comply with this clause shall constitute a material breach of Contract and shall be grounds for immediate termination of this Contract.

Additional Insured: The liability insurance coverages, except Professional Liability, Errors and Omissions, or Workers' Compensation, shall be without prejudice to coverage otherwise existing, and shall name the City of Portland and its bureaus/divisions, officers, agents and employees as Additional Insureds, with respect to the Consultant's activities to be performed, or products or services to be provided. Coverage shall be primary and non-contributory with any other insurance and self-insurance. Notwithstanding the naming of additional insureds, the insurance shall protect each additional insured in the same manner as though a separate policy had been issued to each, but nothing herein shall operate to increase the insurer's liability as set forth elsewhere in the policy beyond the amount or amounts for which the insurer would have been liable if only one person or interest had been named as insured.

Certificate(s) of Insurance: Consultant shall provide proof of insurance through acceptable certificate(s) of insurance, including additional insured endorsement form(s) and all other relevant endorsements, to the City prior to the award of the Contract if required by the procurement documents (e.g., request for proposal), or at execution of Contract and prior to any commencement of work or delivery of goods or services under the Contract. The Certificate(s) will specify all of the parties who are endorsed on the policy as Additional Insureds (or Loss Payees). Insurance coverages required under this Contract shall be obtained from insurance companies acceptable to the City of Portland. The Consultant shall pay for all deductibles and premium. The City reserves the right to require, at any time, complete, certified copies of required insurance policies, including endorsements evidencing the coverage the required.

Subconsultant(s): Consultant shall provide evidence that any subconsultant, if any, performing work or providing goods or service under the Contract has the same types and amounts of coverages as required herein or that the subconsultant is included under Consultant's policy.

10. Ownership of Work Product

All work product produced by the Consultant under this contract is the exclusive property of the City. "Work Product" includes, but is not limited to: research, reports, computer programs, manuals, drawings, recordings, photographs, artwork and any data or information in any form. The Consultant and the City intend that such Work Product shall be deemed "work made for hire" of which the City shall be deemed the author. If for any reason a Work Product is deemed not to be a "work made for hire," the Consultant hereby irrevocably assigns and transfers to the City all right, title and interest in such work product, whether arising from copyright, patent, trademark, trade secret, or any other state or federal intellectual property law or doctrines. Consultant shall obtain such interests and execute all documents necessary to fully vest such rights in the City. Consultant waives all rights relating to work product, including any rights arising under 17 USC 106A, or any other rights of authorship, identification or approval, restriction or limitation on use or subsequent modifications. If the Consultant is an architect, the Work Product is the property of the Consultant-Architect, and by execution of this contract, the Consultant-Architect grants the City an exclusive and irrevocable license to use that Work Product.

Notwithstanding the above, all pre-existing trademarks, services marks, patents, copyrights, trade secrets, and other proprietary rights of Consultant are and will remain the exclusive property of Consultant.

11. EEO Certification

In the event Consultant provides in excess of \$2,500.00 for services to the City in any fiscal year, Consultant shall obtain EEO certification from the City.

12. Equal Benefits

Consultant must comply with the City's Equal Benefits program as prescribed by Chapter 3.100 of the Code of the City of Portland. The required documentation must be filed with Procurement Services, City of Portland, prior to contract execution.

13. Successors in Interest

The provisions of this contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and approved assigns.

14. Severability

The parties agree that if any term or provision of this contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular term or provision held to be invalid.

15. Waiver

The failure of the City to enforce any provision of this contract shall not constitute a waiver by the City of that or any other provision.

16. Errors

The Consultant shall promptly perform such additional services as may be necessary to correct errors in the services required by this contract without undue delays and without additional cost.

17. Governing Law/Venue

The provisions of this contract shall be interpreted, construed and enforced in accordance with, and governed by, the laws of the State of Oregon without reference to its conflict of laws provisions that might otherwise require the application of the law of any other jurisdiction. Any action or suits involving any question arising under this contract must be brought in the appropriate court in Multnomah County Oregon.

18. Amendments

All changes to this contract, including changes to the scope of work and contract amount, must be made by written amendment and approved by the Chief Procurement Officer to be valid. Any amendment that increases the original contract amount by more than 25% must be approved by the City Council to be valid.

19. Business Tax Registration

The Consultant shall obtain a City of Portland business tax registration number as required by PCC 7.02 prior to beginning work under this Contract.

20. Prohibited Conduct

The Consultant shall not hire any City employee who evaluated the proposals or authorized the award of this Contract for two years after the date the contract was authorized without the express written permission of the City and provided the hiring is permitted by state law.

21. Payment to Vendors and Subconsultants

The Consultant shall timely pay all subconsultants and suppliers providing services or goods for this Contract.

22. Access to Records

The Consultant shall maintain all records relating to this Contract for three (3) years after final payment. The City may examine, audit and copy the Consultant's books, documents, papers, and records relating to this contract at any time during this period upon reasonable notice. Copies of these records shall be made available upon request. Payment for the reasonable cost of requested copies shall be made by the City.

23. Audits

- (a) The City may conduct financial and performance audits of the billings and services specified in this agreement at any time in the course of the agreement and during the three (3) year period established by paragraph 22. Audits will be conducted in accordance with generally accepted auditing standards as promulgated in Government Auditing Standards by the Comptroller General of the United States Government Accountability Office.
- (b) If an audit discloses that payments to the Consultant exceed the amount to which the Consultant was entitled, the Consultant shall repay the amount of the excess to the City.

24. Electronic Signatures

The City and Consultant may conduct this transaction, including any contract amendments, by electronic means, including the use of electronic signatures.

25. Merger Clause

This Contract encompasses the entire agreement of the parties, and supersedes all previous understandings and agreements between the parties, whether verbal or written.

26. Dispute Resolution/Work Regardless of Disputes

The parties shall participate in mediation to resolve disputes before conducting litigation. The mediation shall occur at a reasonable time after the conclusion of the Contract with a mediator jointly selected by the parties. Notwithstanding any dispute under this Contract, the Consultant shall continue to perform its work pending resolution of a dispute, and the City shall make payments as required by the Contract for undisputed portions of the work. In the event of litigation no attorney fees are recoverable. No different dispute resolution paragraph(s) in this contract or any attachment hereto shall supersede or take precedence over this provision.

27. Progress Reports: ☒ Applicable ☐ Not Applicable

If applicable, the Consultant shall provide monthly progress reports to the Project Manager as described in the Statement of the Work and Payment Schedule.

28. Consultant's Personnel: ☒ Applicable ☐ Not Applicable

If applicable, the Consultant shall assign the personnel listed in the Statement of the Work and Payment Schedule for the work required by the Contract and shall not change personnel without the prior written consent of the City, which shall not be unreasonably withheld.

29. Subconsultants

The Consultant shall use the subconsultants identified in its proposals. The Consultant shall not change subconsultant assignments without the prior written consent of the Chief Procurement Officer. The City will enforce all social equity contracting and Minority, Women and Emerging Small Business (M/W/ESB) subcontracting commitments submitted by the Consultant in its proposals. Failure to use the identified M/W/ESB subconsultants without prior written consent is a material breach of contract.

For contracts valued \$50,000 or more, the Consultant shall submit a Monthly Subconsultant Payment and Utilization Report (MUR), made part of this contract by reference, reporting ALL subconsultants employed in the performance of this agreement. An electronic copy of the MUR may be obtained at: <http://www.portlandoregon.gov/bibs/45475>.

30. Third Party Beneficiaries

There are no third party beneficiaries to this contract. Enforcement of this contract is reserved to the parties.

31. Conflict of Interest

Contractor hereby certifies that, if applicable, its contract proposal is made in good faith without fraud, collusion or connection of any kind with any other proposer of the same request for proposals or other City procurement solicitation(s), that the Contractor as a proposer has competed solely on its own behalf without connection or obligation to, any undisclosed person or firm. Contractor certifies that it is not a City official/employee or a business with which a City official/employee is associated, and that to the best of its knowledge, Contractor, its employee(s), its officer(s) or its director(s) is not a City official/employee or a relative of any City official/employee who: i) has responsibility in making decisions or ability to influence decision-making on the contract or project to which this contract pertains; ii) has or will participate in evaluation or management of the contract; or iii) has or will have financial benefits in the contract. Contractor understands that should it elect to employ any former City official/employee during the term of the contract then that the former City official/Contractor employee must comply with applicable government ethics and conflicts of interest provisions in ORS Chapter 244, including but not limited to ORS 244.040(5) and ORS 244.047, and the City's Charter, Codes and administrative rules, including lobbying prohibitions under Portland City Code Section 2.12.080.

STATEMENT OF THE WORK AND PAYMENT SCHEDULE

SCOPE OF WORK**PHASE ONE – PROJECT INITIATION**

Step One: Prepare for Project Initiation. Consultant shall review background information to develop a broad understanding of the City's employment environment, to include: (a) the City's mission and vision statements, goals and objectives, and strategic plans; (b) current job and class descriptions, organization charts and compensation schedules; (d) relevant statutes, rules, Personnel Policies, operational/procedure manuals, plan documents, and employee communication materials; and (e) other background information. This Step will be performed by Ms. Evashenk, Mr. Skiles and Ms. Bock.

Strategic Planning ("Kick-Off") Meeting. Consultant will meet with the City Project Team to discuss the City's compensation philosophy, terminology and methods of current compensation procedures and policies. Consultant will clearly define the Study work plan and schedule; attain a complete understanding of the objectives and deliverables; determine deadline dates; discuss logistics, including the responsible person for coordinating/scheduling and communications; and determine communication and reporting protocols.

Project Planning. Based on this information, and preliminary interviews, Consultant will finalize the project work plan.

Phase One Deliverable: At the conclusion of Phase Two, the City shall receive the Project Work Plan.

PHASE TWO – POSITION DESCRIPTIONS DEVELOPMENT

Consultant shall develop Position Descriptions for all non-represented positions.

Step One: Develop Materials to Create the Position Descriptions. Consultant shall develop an effective Position Description format. The format will include, at a minimum, the essential job functions, minimum qualifications, license and regulatory requirements, working conditions, etc. Consultant shall prepare a cover memo that will provide the reasons for the study and the instructions on how to complete the Position Description. Consultant will develop other guidance, such as samples, explanatory guidance, potential phrases, etc., as necessary. The materials will be prepared electronically, and delivered electronically, and in hard copy, when requested by the City. Consultant shall work with the City to develop training materials to be used in group meetings with bureau or office heads and employees.

Consultant shall review and discuss the Position Description format, the cover memo and the training materials with the City Project Team and make changes as appropriate, before final approval from the Project Manager. This Step will be performed by Mr. Skiles and Ms. Bock, with some assistance from Ms. Dyer.

Step One Deliverables: Approved Position Description format, Instructional Memo and training materials.

Step Two: Coordinate and Distribute the Materials for Completion of Position Descriptions. Consultant shall work with the City Project Team to determine the best method to distribute the approved Position Description materials to the City's non-represented employees:

- **Management.** Consultant shall meet with appropriate management personnel to explain the Study, its processes, their involvement in the Study, the Position Description format, and the expected outcomes. Consultant shall work with management to arrange times to meet with employees involved in the study.
Non-represented Management will be asked to complete the Position Descriptions within a designated time frame. The completed Descriptions shall be provided to their direct manager or director for review and comment. The completed and reviewed Descriptions will be returned to BHR to perform the primary initial review.
- **Employees.** Consultant shall meet with groups of non-represented employees to explain the Study, its processes, the Position description format, their involvement and the expected outcomes. The employees will be asked to complete the Position Descriptions within a designated time frame. The completed Descriptions shall be provided to their direct supervisor, manager or director for review and comment. The completed and reviewed Descriptions will be returned to BHR to perform the primary initial review.

This Step will be performed by Mr. Skiles and Ms. Bock.

Step Three: Conduct Thorough Review of the Position Descriptions. Consultant shall thoroughly review each completed Position Description, analyzing for missing, contradictory or inaccurate information. Consultant shall determine which positions require further investigation. If needed, and as approved by the Project Manager, Consultant shall conduct further investigation on those Position Descriptions by conducting in-person or phone interviews and/or onsite job audits. This Step will be performed by Ms. Bock, Ms. Dyer and Ms. Lawson. Additional SEC consultants and associates may be brought on as needed, with the City's prior consent and without any impact to the proposed budget, to ensure meeting all key milestones. Mr. Skiles will perform project management and oversight duties.

The revised Position Descriptions shall be presented to appropriate management for review and approval. After approval by management, Position Descriptions shall be presented to employees for review. Consultant shall provide assistance in the processing of employees' appeals of the Positions Descriptions.

Step Three Deliverables: Position Description for each unique non-represented position in the City.

Phase two Deliverables. At the conclusion of Phase Two, the City shall receive the following:

- Approved Position Description format, Instructional Memo and training materials.
- Position Description for each unique non-represented position in the City.

PHASE THREE – CLASSIFICATION STRUCTURE DEVELOPMENT

Step One: Position Description Review and Sort. Consultant shall review, analyze and sort all position descriptions into potential job families and classes. Consultant shall work with the City Project Team to ensure consistency in classification, and obtain approval from the Project Manager of the overall classification structure. This step will be performed primarily by Ms. Bock, Ms. Dyer, and Ms. Lawson.

Step One Deliverable: Initial sorting of positions into common classes and job families

Step Two: Develop summaries of Classification Concepts and Key Elements. Consultant shall develop classification concepts and key elements for sorting the position descriptions into classifications. Consultant shall discuss these classification concepts and elements with the Project Team. Based on our discussions, Consultant shall revise the concepts and elements as needed to obtain approval from the Project Manager. This step will be performed primarily by Ms. Bock.

Step Two Deliverables: Classification concepts and key elements for sorting individual positions into its appropriate classification.

Step Three: Develop a Classification Format. Consultant shall discuss the classification concept with the Project Team. Based on these discussions, Consultant shall revise the classification format as needed to obtain approval from the City. This step will be performed primarily by Ms. Bock and Ms. Dyer.

Step Three Deliverable: Classification Format

Step Four: Develop, Write and Edit, Current and Future Classifications. Consultant shall prepare all classifications in writing. Consultant may use and/or revise current classifications and create new classifications. All new and revised classifications will be discussed with the City Project Team and edited as needed. Consultant shall work with the City Project Team to obtain approval of all classifications. This step will be performed primarily by Ms. Bock, Ms. Dyer, Ms. Lawson and SEC staff consultants. Mr. Skiles will perform project management and oversight duties.

Step Four Deliverables: New and revised classifications

Step Five: Develop and Allocate Individual Positions to Classification. Consultant shall allocate all non-represented positions into the classifications. Consultant shall obtain approval of the allocation of positions into classifications from the City

Project Team. This step will be performed primarily by Ms. Bock, Ms. Dyer, and Ms. Lawson. Mr. Skiles will perform project management and oversight duties.

Step Five Deliverables: Allocation of all positions into their appropriate classifications.

Step Six: Assist in the Justification and Communication of Allocations. Consultant shall prepare written justifications for the allocation of positions into classifications, and shall obtain the City Project Team's approval of the justification. Consultant shall work with the Project Team to communicate the new classification structure and the allocation of each position into its classification. Consultant shall prepare presentation materials to be used in these meetings, and obtain the Project Team's approval of these materials. As desired by the City, Consultant shall meet with groups of employees, discussing the work that has been done in this step and the results of the classification structure analyses and development, and shall answer employees' questions. This step will be performed primarily by Mr. Skiles, Ms. Bock, and Ms. Dyer.

Step Six Deliverables:

- Written justifications for the allocation of all positions into their classifications.
- Presentation materials for meeting with employees to communicate the allocation of positions into classifications.

Step Seven: Assist in the Processing of Allocation Appeals. Consultant shall assist the City in the processing of employees' appeals on the classification allocation. Consultant shall provide written explanations to answer employees' appeals and verify that the allocation was appropriate. This step will be performed primarily by Mr. Skiles and Ms. Bock.

Step Seven Deliverables: Written explanations and verifications of position allocation appeals.

Phase Three Deliverables. At the conclusion of Phase Three, the City will receive the following:

- Initial sorting of positions into common classes and job families
- Classification concepts and key elements for sorting individual positions into its appropriate classification
- Classification Format
- New and revised classifications
- Allocation of all positions into their appropriate classifications
- Written justifications for the allocation of all positions into their classifications
- Presentation materials for meeting with employees to communicate the allocation of positions into classifications
- As needed, written explanations for use in employees' appeals of their positions' allocation into a classification

PHASE FOUR: COMPENSATION STRUCTURE DEVELOPMENT

Step One: Conduct Compensation Surveys. Consultant shall conduct an external market total compensation survey for up to 100 benchmark classifications from the non-represented group. This step will be performed primarily by Ms. Bock, Ms. Dyer, and Ms. Lawson. Additional SEC consultants and associates may be brought on as needed, with the City's prior consent and without any impact to the proposed budget, to ensure meeting all key milestones. Mr. Skiles will perform analyses and project management and oversight duties. The steps include but may not be limited to:

1. **Develop Compensation Survey Questionnaire.** Consultant shall develop a compensation survey questionnaire to collect detailed salary data from the selected Survey Participants, and deliver it to the Project Team for approval.
Deliverable: Final compensation survey questionnaire.
2. **Determine Survey Participants.** Consultant shall develop a list of potential survey participants.
3. **Interview Management.** Consultant shall, as needed, interview management to ensure that no significant changes have occurred in the positions, and if so, ensure understanding of the revised positions, in order to confirm that appropriate job matches are made by the Survey Participants.
4. **Contact Potential Survey Participants.** Consultant shall identify the appropriate contact person(s) for each Survey Participant and contact them regarding participation in the survey.
5. **Conduct Survey.** Consultant shall distribute the survey questionnaire to each participating bureau. Consultant shall follow up with participants that have not responded by the established due date, to obtain a maximum response rate. Survey responses will be returned directly to Sjoberg Evashenk Consulting, Inc. Consultant shall review, audit, and

validate the questionnaire data to ensure its accuracy and reliability. Consultant shall, as necessary, follow up with participants to clarify responses.

6. **Utilizing Published Compensation Surveys.** Consultant shall work with the Project Team to determine whether any published compensation surveys will be used. If used, Consultant shall match the benchmark positions to those found in the surveys based on the position and classification descriptions.
7. **Data Analyses.** Consultant shall prepare an analysis of the compensation data collected from the Survey Participants and the published surveys. Consultant shall analyze and determine the minimum, median and maximum salary of the Survey Participants' salary ranges for each position included in the study and similar data from the published surveys. Consultant shall prepare a table comparing the City's current base salary for each position with the results of the compensation survey. This information shall be included in the final report to the City.

Deliverable: Draft report of survey data findings.

Step Two: Develop and Recommend a Modified Compensation Structure. Based on the new and revised classifications and the results of the compensation survey discussed in Step One above, Consultant will develop a new or revised compensation structure for the City's non-represented positions. This new structure will include recommendations for:

- Revised grades within the overall structure,
- Allocation of classifications/positions into the structure,
- Grade width (the difference between the minimum and the maximum of the grade), and
- Grade spread (the difference/distance between the grades).

This step will be performed primarily by Mr. Skiles and Ms. Bock.

Step Two Deliverable: Modified Compensation Structure including recommended grade width and spread, and positions/classifications allocated to each grade.

Step Three: Discuss Modified Compensation Structure with Project Team. Consultant shall meet with and discuss the modified compensation structure with the Project Team. Based on these discussions, Consultant shall revise the structure and recommendations, as appropriate, and obtain the Project Team's approval. Consultant shall finalize the findings and recommendations in writing. This step will be performed primarily by Mr. Skiles and Ms. Bock.

Step Four: Develop Communication Plan for Employees (Optional). If directed by the Project Team, Consultant shall develop a communication plan and presentation materials summarizing the compensation study process and results. The presentation shall be communicated to all non-represented employees. This step will be performed primarily by Mr. Skiles and Ms. Bock.

Step Four Deliverables: If directed, Communication plan and presentation materials for presenting the results of the compensation study to employees.

Phase Four Deliverables. At the conclusion of Phase Four, the City will receive the following:

- Final compensation survey questionnaire
- Written report of survey data findings
- Modified Compensation Structure including recommended grade width and spread, and positions/classifications allocated to each grade
- If directed, Communication plan and presentation materials for presenting the results of the compensation study to employees

PHASE FIVE: FINAL REPORT

Step One: Draft Summary Report. Consultant shall prepare a draft summary report of all phases of this project, including findings from each phase. Consultant shall prepare this report in electronic format, and deliver it in a format of the City's choosing (e.g. hard copy, electronic, etc.). Consultant shall meet with the Project Team to discuss the Summary Report and obtain feedback. Based on these discussions, Consultant shall revise the report as needed and submit the revised report to obtain the Project Team's approval. This step will be performed primarily by Mr. Skiles and Ms. Bock.

Step Two: Prepare Report of Recommended Changes to Classification and Compensation Structures. Consultant shall prepare a summary of recommendations to the changes in the Classification and Compensation Structures. Consultant shall prepare this report in electronic format, and deliver it in a format of the City's choosing (e.g. hard copy, electronic, etc.). Consultant shall meet with the Project Team to discuss the Summary Report and obtain feedback. Based on these discussions, Consultant shall revise the report as needed and submit the revised report to obtain the Project Team's approval. This step will be performed primarily by Mr. Skiles and Ms. Bock.

Phase Four Deliverables. At the conclusion of Phase Four, the City will receive the following:

- Draft and approved Final overall Summary Report

Draft and approved Final Summary Report of our recommended changes to classification and compensation structures as a result of this study

Ongoing Reporting Requirements. Consultant shall develop a timeline, including specific milestones, for communicating the on-going progress of the study. Consultant shall prepare monthly status reports for the Project Manager, describing progress, work performed and potential obstacles faced during the reporting period, budget-to-actual financial information, as well as preliminary observations or conclusions. Throughout the project, Ms. Evashenk shall maintain general oversight, and perform independent review and quality control of all deliverables.

CONSULTANT PERSONNEL

The Consultant shall assign the following personnel to do the work in the capacities designated:

NAME	ROLE ON PROJECT
Marianne P. Evashenk	Partner
George Skiles	Project Manager
Susan Bock	HR Specialist
Nicole Dyer	Senior Consultant
Mashariki Lawson	Senior Consultant

SUBCONSULTANTS

The Consultant shall assign the following subconsultants to perform work in the capacities designated:

NAME	ROLE ON PROJECT	SUBCONTRACT AMOUNT
None		\$
		\$
		\$

The City will enforce all social equity contracting and Minority, Women and Emerging Small Business (M/W/ESB) subcontracting commitments submitted by the Consultant in its Proposal. For contracts valued \$50,000 or more, the Consultant shall submit a Monthly Subconsultant Payment and Utilization Report (MUR), made part of this contract by reference, reporting ALL subconsultants employed in the performance of this agreement. An electronic copy of the MUR may be obtained at: <http://www.portlandoregon.gov/bibs/45475>.

COMPENSATION

The maximum that the Consultant can be paid on this contract is \$363,875.00 (hereafter the "not to exceed" amount.). The "not to exceed" amount includes all payments to be made pursuant to this contract, including reimbursable expenses, if any. Nothing in this contract requires the City to pay for work that does not meet the Standard of Care or other requirements of the Contract. The actual amount to be paid Consultant may be less than that amount.

The Consultant is entitled to receive progress payments for its work pursuant to the Contract as provided in more detail below. The City will pay Consultant based on these invoices for acceptable work performed and approved until the "not to exceed" amount is reached. Thereafter, Consultant must complete work based on the Contract without additional compensation unless there is a change to the scope of work.

Any estimate of the hours necessary to perform the work is not binding on the City. The Consultant remains responsible if the estimate proves to be incorrect. Exceeding the number of estimated hours of work does not impose any liability on the City for additional payment.

If work is completed before the "not to exceed" amount is reached, the Consultant's compensation will be based on the Consultant's bills previously submitted for acceptable work performed and approved.

PAYMENT TERMS: Net 30 Days

Hourly Rates

The billing rates shall not exceed those set forth below:

Role on Project	Rate
Partner	\$225.00
Project Manager	\$185.00
HR Specialist	\$185.00

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Senior Consultant \$130.00
Staff Consultant \$100.00

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Subconsultant Costs

Compensation for subconsultants shall be limited to the same restrictions imposed on the Consultant. The maximum markup on subconsultant services shall not exceed 5%.

Adjustment of Labor Rates Due to Inflation

Annual adjustment of hourly rates will be considered upon written request from the Consultant. Approval of a request for rate increases is solely within the City's discretion and under no circumstances is the City obligated to approve such a request.

Rate increases are subject to the following limitations:

- No increases will be granted before the one-year anniversary of the contract;
- No more than one increase shall be granted per contract year;
- Rate increases may not exceed the then-current average inflation rate for the Portland Metropolitan Area (as determined from the US Department of Labor statistics);
- Rate increases shall not be retroactive.

Other than the impact of inflation as described above, hourly rates may not be increased.

Progress Payments

On or before the 15th of each month, the Consultant shall submit to the Project Manager an invoice for work performed by the Consultant during the preceding month. The invoice shall contain the City's Contract Number and set out all items for payment including, but not limited to: the name of the individual, labor category, direct labor rate, hours worked during the period, and tasks performed. The Consultant shall also attach photocopies of claimed reimbursable expenses, if applicable. The Consultant shall stamp and approve all subconsultant invoices and note on the subconsultant invoice what they are approving as "billable" under the contract. The billing from the prime should clearly roll up labor and reimbursable costs for the prime and subconsultants – matching the subconsultant invoices. Prior to initial billing, the Consultant shall develop a billing format for approval by the City.

The City shall pay all amounts to which no dispute exists within 30 days of receipt of the invoice. Payment of any bill, however, does not preclude the City from later determining that an error in payment was made and from withholding the disputed sum from the next progress payment until the dispute is resolved.

The Consultant shall make full payment to its subconsultants within 10 business days following receipt of any payment made by the City to Consultant.

ACH Payments

It is the City's policy to pay its Consultant invoices via electronic funds transfers through the automated clearing house (ACH) network. To initiate payment of invoices, Consultants shall execute the City's standard ACH Vendor Payment Authorization Agreement which is available on the City's website at: <http://www.portlandoregon.gov/bfs/article/409834>.

Upon verification of the data provided, the Payment Authorization Agreement will authorize the City to deposit payment for services rendered directly into Consultant accounts with financial institutions. All payments shall be in United States currency.

WORKERS' COMPENSATION INSURANCE STATEMENT

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IF YOUR FIRM HAS CURRENT WORKERS' COMPENSATION INSURANCE, CONTRACTOR MUST SIGN HERE:

I, undersigned, am authorized to act on behalf of entity designated below, and I hereby certify that this entity has current Workers' Compensation Insurance.

Contractor Signature: _____ Date: _____ Entity: _____

IF YOUR FIRM DOES NOT HAVE CURRENT WORKERS' COMPENSATION INSURANCE, CONTRACTOR MUST COMPLETE THE FOLLOWING INDEPENDENT CONTRACTOR CERTIFICATION STATEMENT:

As an independent contractor, I certify that I meet the following standards:

1. The individual or business entity providing labor or services is registered under ORS Chapter 701, if the individual or business entity provides labor or services for which such registration is required;
2. Federal and state income tax returns in the name of the business or a business Schedule C or form Schedule F as part of the personal income tax return were filed for the previous year if the individual or business entity performed labor or services as an independent contractor in the previous year; and
3. The individual or business entity represents to the public that the labor or services are to be provided by an independently established business. Except when an individual or business entity files a Schedule F as part of the personal income tax returns and the individual or business entity performs farm labor or services that are reportable on Schedule C, an individual or business entity is considered to be engaged in an independently established business when four or more of the following circumstances exist. Contractor: check four or more of the following:
 - _____ A. The labor or services are primarily carried out at a location that is separate from the residence of an individual who performs the labor or services, or are primarily carried out in a specific portion of the residence, which portion is set aside as the location of the business;
 - _____ B. Commercial advertising or business cards as is customary in operating similar businesses are purchased for the business, or the individual or business entity has a trade association membership;
 - _____ C. Telephone listing and service are used for the business that is separate from the personal residence listing and service used by an individual who performs the labor or services;
 - _____ D. Labor or services are performed only pursuant to written contracts;
 - _____ E. Labor or services are performed for two or more different persons within a period of one year; or
 - _____ F. The individual or business entity assumes financial responsibility for defective workmanship or for service not provided as evidenced by the ownership of performance bonds, warranties, errors and omission insurance or liability insurance relating to the labor or services to be provided.

Contractor Signature

Date

FOR CITY USE ONLY

PROJECT MANAGER-COMplete ONLY IF CONTRACTOR DOES NOT HAVE WORKER'S COMPENSATION INSURANCE
ORS 670.600 Independent contractor standards. As used in various provisions of ORS Chapters 316, 656, 657, and 701, an individual or business entity that performs labor or services for remuneration shall be considered to perform the labor or services as an "independent contractor" if the standards of this section are met. The contracted work meets the following standards:

1. The individual or business entity providing the labor or services is free from direction and control over the means and manner of providing the labor or services, subject only to the right of the person for whom the labor or services are provided to specify the desired results;
2. The individual or business entity providing labor or services is responsible for obtaining all assumed business registrations or professional occupation licenses required by state law or local government ordinances for the individual or business entity to conduct the business;
3. The individual or business entity providing labor or services furnishes the tools or equipment necessary for performance of the contracted labor or services;
4. The individual or business entity providing labor or services has the authority to hire and fire employees to perform the labor or services;
5. Payment for the labor or services is made upon completion of the performance of specific portions of the project or is made on the basis of an annual or periodic retainer.

City Project Manager Signature

Date

CONSULTANT SIGNATURE:

This contract may be signed in two (2) or more counterparts, each of which shall be deemed an original, and which, when taken together, shall constitute one and the same Agreement.

The parties agree the City and Consultant may conduct this transaction, including any contract amendments, by electronic means, including the use of electronic signatures.

I, the undersigned, agree to perform work outlined in this contract in accordance to the STANDARD CONTRACT PROVISIONS, the terms and conditions, made part of this contract by reference, and the STATEMENT OF THE WORK made part of this contract by reference; hereby certify under penalty of perjury that I/my business am not/is not in violation of any Oregon tax laws; hereby certify that my business is certified as an Equal Employment Opportunity Affirmative Action Employer and is in compliance with the Equal Benefits Program as prescribed by Chapter 3.100 of Code of the City of Portland; and hereby certify I am an independent contractor as defined in ORS 670.600.

Sjoberg Evashenk Consulting, Inc.

BY: _____ Date: _____

Name: _____

Title: _____

30004008

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CONTRACT NUMBER: 30004008

CONTRACT TITLE: NON REPRESENTED CLASSIFICATION AND COMPENSATION STUDY

CITY OF PORTLAND SIGNATURES:

By: _____
Chief Procurement Officer

Date: _____

Approved:

By: _____
Office of City Auditor

Date: _____

Approved as to Form:

By: _____
Office of City Attorney

Date: _____