

Honorable Mayor and Members  
of the City Council  
City Hall  
Torrance, California

Members of the Council:

**SUBJECT: Human Resources Department – Authorize Extension of Grace Consulting Services Agreement for a Classification Study**

**Expenditure: Not Applicable**

**RECOMMENDATION**

Recommendation of the Human Resources Director that City Council authorize the extension of the consulting services agreement with Grace Consulting (C2006-206) for a Field Operations classification study through June 30, 2008.

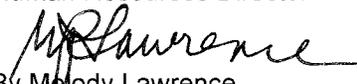
Funding  
Not Applicable.

**BACKGROUND AND ANALYSIS**

On October 26, 2006, the Human Resources Director entered into an Agreement (C2006-206) with Grace Consulting to conduct a classification study for a series of Public Works classes. The term of the agreement was to expire January 12, 2007, for an amount not to exceed \$11,450. The preliminary analyses indicated that there was a need to expand the scope of the study to include additional classes of the City's field operations. The inclusion of these additional classes would provide a comprehensive study to address the needs of cross functions of the Public Works, Transit, and Community Services Department. The agreement was amended for a total amount not to exceed \$27,000 to terminate January 31, 2008. Due to administrative delays in the study, staff recommends that City Council authorize extending the agreement to terminate June 30, 2008.

Respectfully submitted,

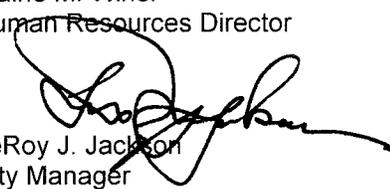
ELAINE M. WINER  
Human Resources Director

  
By Melody Lawrence  
Human Resources Manager

CONCUR:



Elaine M. Winer  
Human Resources Director

  
LeRoy J. Jackson  
City Manager

Attachments: A. Second Amendment to Grace Consulting Services Agreement (C2006-206)  
B. Amendment to Grace Consulting Services Agreement (C2006-206)  
C. Grace Consulting Services Agreement (2006-206)

SECOND AMENDMENT TO AGREEMENT (C2006-206)

This Amendment to Agreement ("Amendment") is made and entered into as of January 31, 2008 ("Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY") and Grace Consulting, a sole proprietorship ("CONSULTANT").

**RECITALS:**

- A. The CITY and CONSULTANT entered into an Agreement as of October 20, 2006, whereby CONSULTANT agreed to conduct a classification study for select Public Works classes.
- B. On September 25, 2007 the parties amended the agreement to increase the compensation and extend the term of the agreement through January 31, 2008.
- C. CITY is satisfied with the work performed by CONSULTANT.
- D. CITY and CONSULTANT wish to extend the term of the Agreement for an additional five months to allow CONSULTANT to conduct a classification study on select additional classes.

**AGREEMENT:**

1. Paragraph 2 entitled "**TERM**" is amended to read in its entirety as follows:

**"2. TERM**

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through June 30, 2008."

2. In all other respects, the Agreement entered into as of October 20, 2006 and the Amendment dated September 25, 2007 between the CITY and CONSULTANT are ratified and reaffirmed and are in full force and effect.

CITY OF TORRANCE,  
a Municipal Corporation

Grace Consulting  
A Sole Proprietorship

\_\_\_\_\_  
Frank Scotto, Mayor

By: \_\_\_\_\_  
Kathleen Grace  
President

**ATTEST:**

\_\_\_\_\_  
Sue Herbers, City Clerk

**APPROVED AS TO FORM:**

JOHN L. FELLOWS III  
City Attorney

By: \_\_\_\_\_

**AMENDMENT TO AGREEMENT (C2006-206)**

This Amendment to Agreement (C2006-206) is made and entered into as of September 25, 2007, by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Grace Consulting, a sole proprietorship ("CONSULTANT").

**RECITALS:**

- A. CITY and CONSULTANT entered into an Agreement as of October 20, 2006, whereby CONSULTANT agreed to conduct a classification study for select Public Works classes.
- B. The Agreement was for an amount not to exceed \$11,450.
- C. Both parties now wish to amend the Agreement to add an additional classification study for field operations classes.
- D. Both parties also desire to increase the Compensation and extend the Term.

**AGREEMENT:**

- 1. Paragraph 1, entitled "**SERVICES TO BE PERFORMED BY CONSULTANT**," is amended to read in its entirety as follows:

"CONSULTANT will provide the services listed in the Proposal attached as Exhibit A and those additional services set forth in the Proposal attached to this Amendment as Exhibit B. CONSULTANT warrants that all work and services set forth in the Proposal will be performed in a competent, professional and satisfactory manner."

- 2. Paragraph 2, entitled "**TERM**," is amended to read in its entirety as follows:

"2. **TERM**  
Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through January 31, 2008."

- 3. Paragraph 3.A. entitled, "CONSULTANT's Fee," is amended to read in its entirety as follows:

"A. CONSULTANT's Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Proposal attached as Exhibit A to the original Agreement

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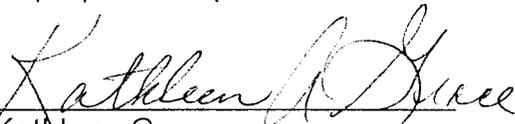
and the Proposal attached as Exhibit B to this Amendment; provided, however, that in no event will the total amount of money paid the CONSULTANT, for services contemplated by this Agreement, exceed the sum of \$27,000 ("Agreement Sum"), unless otherwise first approved in writing by CITY."

- 4. In all other respects, the Agreement entered into as of October 20, 2006, between CITY and CONSULTANT is ratified and reaffirmed and is in full force and effect.
- 5. The person(s) executing this Amendment on behalf of the CONSULTANT warrant that (i) the CONSULTANT is duly organized and existing; (ii) they are duly authorized to execute this Amendment on behalf of the CONSULTANT; (iii) by so executing this Amendment, the CONSULTANT is formally bound to the provisions of this Amendment; and (iv) the entering into this Amendment does not violate any provision of any other agreement to which the CONSULTANT is bound

CITY OF TORRANCE,  
a municipal corporation

Grace Consulting,  
a sole proprietorship

By:   
Frank Scotto,  
Mayor

By:   
Kathleen Grace  
President

ATTEST:

By:   
Sue Herbers,  
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By:   
Heather K. Whitham  
Deputy City Attorney

Attachment:            Exhibit B- Supplemental Proposal

EXHIBIT B



*Grace Consulting*  
*Human Resources, Organizational Development*  
*and Change Management Consulting Services*

**A. INTRODUCTION:**

In response to a request from Kelli Lee, Senior Human Resources Analyst for the City of Torrance, Grace Consulting is pleased to submit this time and cost estimate to analyze and recommend changes in classification specifications and to recommend the most appropriate job classification for work performed by incumbent's in the City's Semi-skilled Laborer, Groundskeeper, Senior Groundskeeper and Street Maintenance Leader classifications in addition to the current study of work performed by incumbents in the classifications of Refuse Truck Operator, Light Equipment Operator, Heavy Equipment Operator, Construction Equipment Operator and the Sewer Maintenance Worker.

**ESTIMATED TIMELINES:**

It is expected to take a total of seventeen (17) weeks of active and elapsed time to perform project tasks as outlined below. The study should be completed by September 10, 2007 assuming a start date of May 13, 2007. The study will be completed in three phases, (1) data gathering; (2) compilation and analysis of data collected; and (3) development and presentation of recommendations and project report. The activities and estimated time for completion of each phase are listed in the table below

<b>PHASE I – DATA GATHERING</b>	
<b>Project Activity</b>	<b>Hours</b>
<p><u>(The proposed time and activities in this phase of the project applies to the new classifications to be studied. These activities have been completed in the study currently in progress).</u></p> <p>Gather internal/external data on job duties, minimum qualifications and license requirements for the work performed by incumbents in the classifications to be studied.</p> <ol style="list-style-type: none"> <li>1. Interview designated managers to discuss the specific job duties and responsibilities of each classification, the description of equipment and vehicles operated by each classification, certification and license requirements, and relative issues and concerns</li> <li>2. Review current internal documentation pertinent to the classifications being studied: (class descriptions, MOU, organization charts, personnel policies and procedures, etc).</li> <li>3. Meet with employees in groups to orient them to the process and to distribute position description questionnaires for completion</li> </ol>	<p>36 hours (Active Time)</p> <p>Elapsed time: 5 weeks</p>

City of Torrance  
Expanded Classification Study

<b>PHASE I – DATA GATHERING</b>	
<b>Project Activity</b>	<b>Hours</b>
4. Review completed questionnaires and develop employee interview questions.  5. Interview incumbents performing the work under study to identify the nature and scope of their duties and responsibilities, the type of equipment operated, minimum qualifications and license requirements  6. Meet with supervisors and managers of the classifications being studied to discuss specific issues raised in employee interviews	

<b>PHASE II – COMPILATION and ANALYSIS</b>	
<b>Project Activity</b>	<b>Hours</b>
1. Compile and analyze all internal & external data collected  2. Draft job descriptions and position allocations recommendations  3. Present initial findings, recommendations and job descriptions for review and comment by City HR and designated managers  <u>(The following activities apply to all classifications currently under study and to the additional classifications proposed for study)</u>  4. Meet with or confer by phone with the City's HR Manager and other designated managers to discuss issues, findings and initial recommendations  5. Edit job descriptions based on HR and management input  6. Distribute draft job descriptions to affected employees for review and comment  7. Respond to employees who provide comment and edit job descriptions based on feedback to complete final draft	44 hours (Active Time)  Elapsed Time: 8 weeks

City of Torrance  
Expanded Classification Study

<b>PHASE III – DEVELOPMENT OF FINAL DELIVERABLES</b>	
<b>Project Activity</b>	<b>Hours</b>
1. Develop draft project report that includes all findings and recommendations and final version of new/revised job descriptions	16 hours (Active Time)
2. Submit draft report to City HR for review, comment and input to final report.	Elapsed Time: 4 weeks
3. Finalize and present project report to the HR Manager for the City of Torrance	
<b>TOTAL ESTIMATED TIME</b>	<b>80 hours (Active Time)</b>  <b>Elapsed Time: 17 weeks</b>

## **B CITY RESPONSIBILITIES:**

Successful completion of this project within the time specified depends largely upon the cooperation between the City and Grace Consulting staff. For this reason, we request that a project representative coordinate communication, meetings, and review of outcomes and deliverables with the consultant.

The City's project coordinator will be responsible for the following activities:

1. Coordination of all meeting schedules and facilities
2. Coordination of individual and group interview schedules and facilities
3. Identification and provision of pertinent documentation
4. Coordination of the deliverable review process

## **C. TOTAL COST ESTIMATES:**

### **a. Introduction**

The cost structure of this project is made up of two major components:

- 1) Estimated hours of consultant involvement – this includes direct project time for each Grace Consulting team member or support person involved in the project.
- 2) Estimated expenses
  - **Travel Expenses:** air travel, rental car, hotel and meal accommodations
  - **Project Expenses:** telephone, copying costs, and report material costs, etc.

City of Torrance  
Expanded Classification Study

**b. Estimated Total Project Costs**

Estimated total cost for this project should not exceed **\$12,781.50** (this amount is in addition to the amount that has already been billed for activities performed for the study currently in progress). This amount includes:

- Principal Consultant for a total 96 hours @ \$100.00 per hour
- Travel costs (detailed estimates below)
- Project expenses (copying, project-related phone calls, report materials, etc.)

**SUMMARY COST ESTIMATE**

<b>Cost Item</b>	<b>Total Hrs</b>	<b>Rates</b>	<b>Estimated Maximum Cost</b>
Principal Consultant ◇ Kathleen Grace	96	\$100.00/hour	\$9,600.00
Miscellaneous Expenses (copies, phone & report materials.)		Estimated	\$200.00
Estimated Travel Expenses:		Estimated	
- 4 air travel trips			\$880.00
- rental car (9 days)			\$630.00
- hotel accommodations (9 nights)			\$945.00
- hotel room tax			\$ 94.50
- meals (9 full days)			\$432.00
<b>Total Costs</b>			<b>\$12,781.50</b>

**D. ALTERNATIVES/ADDITIONS TO TOTAL COST ESTIMATE:**

The total cost estimate has been prepared as accurately as possible given the information provided to Grace Consulting. If changes or additional service is required, Grace Consulting agrees to discuss revisions to the project activities and to the cost estimate.

For any additional work requested by the City of Torrance that is not covered by the scope of this project, we will charge an additional hourly rate that is based upon the level of staff required. Additional expenses incurred that are not covered by the scope of this proposal will also be charged. No additional work will be undertaken without the written approval of the appropriate City management.

**CONSULTANT RESUME**

Kathleen Grace has over 17 years experience in the areas of organizational assessment/development, workload and staffing analysis, classification and compensation, reward and recognition programs, and training and development. She has provided organizational change, human resources and management consulting services to a wide range of public-sector organizations, public utilities, water and special districts and to large Fortune 500 organizations. Ms. Grace has extensive experience in the development and management of complex multi-disciplinary project teams.

### **Relevant Experience**

- *President, Grace Consulting*
- Adjunct Faculty – CSU, Sacramento, Organizational Behavior Department, College of Business
- Principal Consultant/Project Manager, CPS Human Resources Services
- Principal Consultant - Price Waterhouse LLP
- Senior Human Resources Specialist, Lawrence Livermore National Laboratory
- Senior Consultant - Applied Research Consultants, Inc.
- Training Program Specialist – CA Department of Education
- Training Officer – Yolo County Social Services Department
- Employee Representative – SEIU/Butte County Employees Association

### **Experience Highlights**

- As president of Grace Consulting, a woman-owned sole proprietorship, Ms. Grace has developed a network of independent consulting professionals with a breadth and depth of skills that has enabled the company to offer top quality services at an affordable price. She is currently conducting a market study for an Executive position for a public water district in the bay area and recently completed an organizational assessment, classification and total compensation study for the Lake Hemet Municipal Water District. Other recent studies include serving as project evaluator for a grant-funded project for the Sacramento City Unified School District, and a statewide total compensation and staffing study for the City of Long Beach as subcontractor to CPS Human Resources Services.
- At CSU, Sacramento, Ms. Grace develops and delivers curriculum on a variety of subjects for the Department of Organizational Behavior in the College of Business, including undergraduate and graduate courses on organizational behavior and development, leadership, strategic compensation, and human resources concepts, theories and applications utilizing a variety of teaching methodologies to enable learning and retention processes.
- While working for CPS Human Resources Services and Applied Research Consultants, Inc., Ms. Grace conducted and/or managed a large number of workload and staffing studies, organizational assessments, process re-engineering, job re-design, and change integration projects for state and local government organizations within California, including the California Contractors License Board, the Sacramento Environmental Management Department, the City of Roseville Environmental Utility Department, the City and County of San Francisco and Lawrence Livermore National Laboratory

City of Torrance  
Expanded Classification Study

- While working for Price Waterhouse LLP, Ms. Grace led and participated in a several complex change initiatives projects relative to the integration of enterprise-wide automated systems (SAP and custom-designed) for Fortune 500 and large public-sector organizations. Project activities included: business process re-engineering, change readiness assessments, job redesign, staffing capability assessments, development of performance measurement systems, training and documentation design, development, and presentation and organizational assessments for issue identification and resolution.
- As training program specialist at the CA Department of Education and Training Specialist for Yolo County, Ms. Grace developed and conducted a variety of supervisory and employee training programs. Topics included: Effective Employee Selection Techniques, Conflict Resolution, Change Management, Stress Management Dealing with Difficult People, and appropriate application of a wide variety of regulatory programs.

### **Education**

- MBA (with honors), Business Administration, California State University Sacramento, 1996 with course work in Organizational Behavior and Personnel Management
- BS (with honors), Business Administration, HR Concentration, CSU Sacramento, 1989 with coursework in organizational behavior, human resources management, systems analysis, and production and operations

### **Publications**

- Masters Project: Compliance Guide on the Americans with Disabilities Act
- Compliance Guide for the Fair Labor Standards Act

### **Licenses and Certifications**

- Certified Compensation Professional – World at Work
- Top Security Clearance (1992) Department of Defense

### **Affiliations:**

- Member – World at Work (American Compensation Association)
- Member Bay Area Compensation Association
- Member - Sacramento Area Human Resources Association
- Member – Society of Human Resources Management

CONSULTING SERVICES AGREEMENT

This CONSULTING SERVICES AGREEMENT ("Agreement") is made and entered into as of October 20, 2006 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation ("CITY"), and Grace Consulting, sole proprietorship ("CONSULTANT").

RECITALS:

- A. CITY wishes to retain the services of an experienced and qualified CONSULTANT to conduct a classification study for select Public Works classes.
B. CONSULTANT represents that it is qualified to perform those services.

AGREEMENT:

1. SERVICES TO BE PERFORMED BY CONSULTANT

CONSULTANT will provide the services listed in the Proposal attached as Exhibit A. CONSULTANT warrants that all work and services set forth in the Proposal will be performed in a competent, professional and satisfactory manner.

2. TERM

Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through January 12, 2007.

3. COMPENSATION

- A. CONSULTANT's Fee.

For services rendered pursuant to this Agreement, CONSULTANT will be paid in accordance with the Proposal, provided, however, that in no event will the total amount of money paid the CONSULTANT, for services initially contemplated by this Agreement, exceed the sum of \$11,450.00 ("Agreement Sum"), unless otherwise first approved in writing by CITY.

- B. Schedule of Payment.

Provided that the CONSULTANT is not in default under the terms of this Agreement, upon presentation of an invoice, CONSULTANT will be paid monthly the fees described in Paragraph 3.A. above, according to the Proposal. Payment will be due within 30 days after the date of the monthly invoice.

4. TERMINATION OF AGREEMENT

- A. Termination by CITY for Convenience.

- 1. CITY may, at any time, terminate the Agreement for CITY's convenience and without cause.

C 2006-206

2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONSULTANT will:
  - a. cease operations as directed by CITY in the notice;
  - b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
  - c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.
  
3. In case of such termination for CITY's convenience, CONSULTANT will be entitled to receive payment for work executed; and costs incurred by reason of such termination, along with reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.
  
2. In the event this Agreement is terminated for cause by the default of the CONSULTANT, the CITY may, at the expense of the CONSULTANT and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONSULTANT under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONSULTANT and its surety from liability for the default. Under these circumstances, however, the CONSULTANT and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the Agreement Sum and any amount authorized for extra services.
  
3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONSULTANT or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONSULTANT or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONSULTANT's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then the CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. The CITY will not take action until CONSULTANT has been given notice and an opportunity to present evidence in mitigation.

5. **FORCE MAJEURE**

If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. **RETENTION OF FUNDS**

CONSULTANT authorizes CITY to deduct from any amount payable to CONSULTANT (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONSULTANT's negligent acts or omissions or willful misconduct in performing or failing to perform CONSULTANT's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONSULTANT, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONSULTANT to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. **CITY REPRESENTATIVE**

Melody Lawrence is designated as the “City Representative,” authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONSULTANT.

8. **CONSULTANT REPRESENTATIVE(S)**

The following principal(s) of CONSULTANT are designated as being the principal(s) and representative(s) of CONSULTANT authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

Kathleen Grace

9. **INDEPENDENT CONTRACTOR**

The CONSULTANT is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONSULTANT or any of the CONSULTANT’s employees, except as otherwise set forth in this Agreement. The CONSULTANT may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **BUSINESS LICENSE**

The CONSULTANT must obtain a City business license prior to the start of work under this Agreement, unless CONSULTANT is qualified for an exemption.

11. **OTHER LICENSES AND PERMITS**

CONSULTANT warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**

By executing this Agreement, CONSULTANT warrants that CONSULTANT (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONSULTANT warrants that CONSULTANT has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONSULTANT discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONSULTANT must immediately inform CITY of that fact and may not proceed except at CONSULTANT’s risk until written instructions are received from CITY.

13. **CARE OF WORK**

CONSULTANT must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages as may be caused by CITY's own negligence.

14. **CONSULTANT'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**

Records of the CONSULTANT's time pertaining to the project, and records of accounts between CITY and the CONSULTANT, will be kept on a generally recognized accounting basis. CONSULTANT will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONSULTANT will maintain these records for three years after final payment.

15. **INDEMNIFICATION**

CONSULTANT will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss however the same may be caused and regardless of the responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONSULTANT, its officers, employees, agents, subcontractors or vendors. It is further agreed, CONSULTANT's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of CITY, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of CITY, its officers, employees or agents. Payment by CITY is not a condition precedent to enforcement of this indemnity. In the event of any dispute between CONSULTANT and CITY, as to whether liability arises from the sole negligence of the CITY or its officers, employees, agents, subcontractors or vendors, CONSULTANT will be obligated to pay for CITY's defense until such time as a final judgment has been entered adjudicating the CITY as solely negligent. CONSULTANT will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

16. **NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**

No officer or employee of CITY will be personally liable to CONSULTANT, in the event of any default or breach by the CITY or for any amount that may become due to CONSULTANT.

17. **INSURANCE**

- A. CONSULTANT must maintain at its sole expense the following insurance, which will be full coverage not subject to self insurance provisions:
1. INTENTIONALLY DELETED BY RISK MANAGER
  2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, personal injury and contractual obligations with combined single limits of coverage of at least \$1,000,000 per occurrence.
  3. Professional liability insurance with limits of at least \$1,000,000 per occurrence.
  4. INTENTIONALLY DELETED BY RISK MANAGER
- B. The insurance provided by CONSULTANT will be primary and non-contributory.
- C. CITY, the City Council and each member thereof, members of boards and commissions, every officer, agent, official, employee and volunteer must be named as additional insured under the automobile and general liability policies.
- D. CONSULTANT must provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work.
- E. Each insurance policy required by this Paragraph must contain a provision that no termination, cancellation or change of coverage can be made without thirty days notice to CITY.

18. **SUFFICIENCY OF INSURERS AND SURETIES**

Insurance or bonds required by this Agreement will be satisfactory only if issued by companies admitted to do business in California, rated "B+" or better in the most recent edition of Best's Key Rating Guide, and only if they are of a financial category Class VII or better, unless these requirements are waived by the Risk Manager of CITY ("Risk Manager") due to unique circumstances. In the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to CITY, the CONSULTANT agrees that the minimum limits of any insurance policies or performance bonds required by this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager; provided that CONSULTANT will have the right to appeal a determination of increased coverage by the Risk Manager to the City Council of CITY within 10 days of receipt of notice from the Risk Manager.

19. **CONFLICT OF INTEREST**

- A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any

decision relating to the Agreement that effects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.

- B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

**20. NOTICE**

A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.
2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in an United States Postal Service office or mailbox.
3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

6. Addresses for purpose of giving notice are as follows:

CONSULTANT: Grace Consulting  
1712 Tea Place  
Davis, CA 95616  
  
Fax: (530) 756-4786

CITY: City Clerk  
City of Torrance  
3031 Torrance Boulevard  
Torrance, CA 90509-2970  
Fax: (310) 618-2931

- B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.
- C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

21. **PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**

This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONSULTANT without the prior written consent of the other.

22. **INTEGRATION; AMENDMENT**

This Agreement represents the entire understanding of CITY and CONSULTANT as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. **INTERPRETATION**

The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

24. **SEVERABILITY**

If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. **TIME OF ESSENCE**

Time is of the essence in the performance of this Agreement.

**26. GOVERNING LAW; JURISDICTION**

This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

**27. COMPLIANCE WITH STATUTES AND REGULATIONS**

CONSULTANT will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

**28. WAIVER OF BREACH**

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and will not be a waiver of any other default concerning the same or any other provision of this Agreement.

**29. ATTORNEY'S FEES**

Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

**30. EXHIBITS**

All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

**31. CONSULTANT'S AUTHORITY TO EXECUTE**

The person(s) executing this Agreement on behalf of the CONSULTANT warrant that (i) the CONSULTANT is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONSULTANT; (iii) by so executing this Agreement, the CONSULTANT is formally bound to the provisions of this Agreement;

and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which the CONSULTANT is bound.

CITY OF TORRANCE,  
a Municipal Corporation

Grace Consulting  
Sole Proprietorship

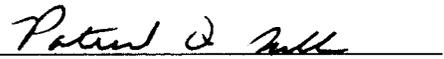
  
Elaine Winer, Human Resources Director  
Human Resources

By:   
Kathleen Grace  
President

  
LeRoy J. Jackson, City Manager

APPROVED AS TO FORM:

JOHN L. FELLOWS III  
City Attorney

By: 

Attachments:      Exhibit A      Proposal

Revised:      1/30/01

**EXHIBIT A**  
**PROPOSAL**



**Grace Consulting**  
*Human Resources, Organizational Development  
 and Change Management Consulting Services*

**A. INTRODUCTION:**

In response to a request from Melody Lawrence, Human Resources Manager for the City of Torrance, Grace Consulting is pleased to submit this time and cost estimate to analyze and recommend changes in classification specifications and to recommend the most appropriate job classification for work performed by incumbent's in the City's Refuse Truck Operator, Light Equipment Operator, Heavy Equipment Operator, Construction Equipment Operator and the Sewer Maintenance Worker classifications.

**ESTIMATED TIMELINES:**

It is expected to take a total of eight (8) weeks of active and elapsed time to perform project tasks as outlined below. The study should be completed by December 15, 2006 assuming a start date of October 20, 2006. The study will be completed in three phases, (1) data gathering; (2) compilation and analysis of data collected; and (3) development and presentation of recommendations and project report. The activities and estimated time for completion of each phase are listed in the table below

<b>PHASE I – DATA GATHERING</b>	
<b>Project Activity</b>	<b>Hours</b>
Gather internal/external data on job duties, minimum qualifications and license requirements for the work performed by incumbents in the classifications to be studied.	44 hours (Active Time)
1. Interview designated managers to discuss the specific job duties performed by each classification, the description of equipment and vehicles operated by each classification, license requirements according to DMV regulations and City policy, and relative issues and concerns	Elapsed time: 4 weeks
2. Review current internal documentation pertinent to the classifications being studied: (class descriptions, MOU, organization charts, personnel policies and procedures, etc).	
3. Review DMV license requirements for each type of vehicle and equipment operated	
4. Interview union representatives to discuss their position on the classification issues	
5. Develop questionnaire for completion by employees in classifications to be analyzed.	
6. Meet with employees in group to orient them to the process and to distribute the questionnaire for completion	

City of Torrance  
 Equipment & Vehicle Operator Study

<b>PHASE I – DATA GATHERING</b>	
<b>Project Activity</b>	<b>Hours</b>
7. Review completed questionnaires and develop employee interview questions.	
8. Interview incumbents performing the work under study to identify the duties they perform, the type of equipment operated, the minimum qualifications and license requirement	
6. Meet with supervisors and managers of the classifications being studied to discuss specific issues raised in employee interviews	

<b>PHASE II – COMPILATION and ANALYSIS</b>	
<b>Project Activity</b>	<b>Hours</b>
1. Compile and analyze all internal & external data collected	24 hours (Active Time)
2. Develop findings and initial recommendations	Elapsed Time: 2 weeks
3. Meet with or confer by phone with the City's HR Manager and other designated managers to discuss issues, findings and initial recommendations	

<b>PHASE III – DEVELOPMENT OF FINAL DELIVERABLES</b>	
<b>Project Activity</b>	<b>Hours</b>
1. Develop draft report of findings and recommendations for potential changes to the classification specifications and appropriate classification allocations based on analysis of work performed, equipment operated, DMV and DOT regulations and City policy	24 hours (Active Time)
2. Submit draft report to City HR for review, comment and input to final report.	Elapsed Time:
3. Finalize and present project report to the HR Manager for the City of Torrance	
<b>TOTAL ESTIMATED TIME</b>	<b>92 hours (Active Time)</b>  <b>Elapsed Time: 8 weeks</b>

**B CITY RESPONSIBILITIES:**

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Successful completion of this project within the time specified depends largely upon the cooperation between the City and Grace Consulting staff. For this reason, we request that a project representative coordinate communication, meetings, and review of outcomes and deliverables with the consultant.

The City's project coordinator will be responsible for the following activities:

1. Coordination of all meeting schedules and facilities
2. Coordination of individual and group interview schedules and facilities
3. Identification and provision of pertinent documentation
4. Coordination of the deliverable review process

### C. TOTAL COST ESTIMATES:

#### a. Introduction

The cost structure of this project is made up of two major components:

- 1) Estimated hours of consultant involvement – this includes direct project time for each Grace Consulting team member or support person involved in the project.
- 2) Estimated expenses
  - **Travel Expenses:** air travel, rental car, hotel and meal accommodations
  - **Project Expenses:** telephone, copying costs, and report material costs, etc.

#### b. Estimated Total Project Costs

Estimated total cost for this project should not exceed **\$11,450.00**. This amount includes:

- Principal Consultant for a total 92 hours @ \$100.00 per hour
- Travel costs (detailed estimates below)
- Project expenses (copying, project-related phone calls, report materials, etc.)

City of Torrance  
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**SUMMARY COST ESTIMATE**

<b>Cost Item</b>	<b>Total Hrs</b>	<b>Rates</b>	<b>Estimated Maximum Cost</b>
Principal Consultant ◇ Kathleen Grace	92	\$100.00/hour	\$9,200.00
Miscellaneous Expenses (copies, phone, survey & report materials.)		Estimated	\$100.00
Estimated Travel Expenses: - 5 air travel trips - rental car (6 days) - hotel accommodations (5 nights) - meals (6 full days)		Estimated	\$1,100.00 \$360.00 \$450.00 \$240.00
<b>Total Costs</b>			<b>\$11,450.00</b>

**D. ALTERNATIVES/ADDITIONS TO TOTAL COST ESTIMATE:**

The total cost estimate has been prepared as accurately as possible given the information provided to Grace Consulting. If changes or additional service is required, Grace Consulting agrees to discuss revisions to the project activities and to the cost estimate.

For any additional work requested by the City of Torrance that is not covered by the scope of this project, we will charge an additional hourly rate that is based upon the level of staff required. Additional expenses incurred that are not covered by the scope of this proposal will also be charged. No additional work will be undertaken without the written approval of the appropriate City management.

**CONSULTANT RESUME**

## Kathleen Grace, MBA, CCP

Kathleen Grace has over 17 years experience in the areas of organizational assessment/development, workload and staffing analysis, classification and compensation, reward and recognition programs, and training and development. She has provided organizational change, human resources and management consulting services to a wide range of public-sector organizations, public utilities, water and special districts and to large Fortune 500 organizations. Ms. Grace has extensive experience in the development and management of complex multi-disciplinary project teams.

### **Relevant Experience**

- *President, Grace Consulting*
- Adjunct Faculty – CSU, Sacramento, Organizational Behavior Department, College of Business
- Principal Consultant/Project Manager, CPS Human Resources Services
- Principal Consultant - Price Waterhouse LLP
- Senior Human Resources Specialist, Lawrence Livermore National Laboratory
- Senior Consultant - Applied Research Consultants, Inc.
- Training Program Specialist – CA Department of Education
- Training Officer – Yolo County Social Services Department
- Employee Representative – SEIU/Butte County Employees Association

### **Experience Highlights**

- As president of Grace Consulting, a woman-owned sole proprietorship, Ms. Grace has developed a network of independent consulting professionals with a breadth and depth of skills that has enabled the company to offer top quality services at an affordable price. She is currently conducting a market study for an Executive position for a public water district in the bay area and recently completed an organizational assessment, classification and total compensation study for the Lake Hemet Municipal Water District. Other recent studies include serving as project evaluator for a grant-funded project for the Sacramento City Unified School District, and a statewide total compensation and staffing study for the City of Long Beach as subcontractor to CPS Human Resources Services.
- At CSU, Sacramento, Ms. Grace develops and delivers curriculum on a variety of subjects for the Department of Organizational Behavior in the College of Business, including undergraduate and graduate courses on organizational behavior and development, leadership, strategic compensation, and human resources concepts, theories and applications utilizing a variety of teaching methodologies to enable learning and retention processes.
- While working for CPS Human Resources Services and Applied Research Consultants, Inc., Ms. Grace conducted and/or managed a large number of workload and staffing studies, organizational assessments, process re-engineering, job re-design, and change integration projects for state and local government organizations within California, including the California Contractors License Board, the Sacramento Environmental Management Department, the City of Roseville Environmental Utility Department, the City and County of San Francisco and Lawrence Livermore National Laboratory

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- While working for Price Waterhouse LLP, Ms. Grace led and participated in a several complex change initiatives projects relative to the integration of enterprise-wide automated systems (SAP and custom-designed) for Fortune 500 and large public-sector organizations. Project activities included: business process re-engineering, change readiness assessments, job redesign, staffing capability assessments, development of performance measurement systems, training and documentation design, development, and presentation and organizational assessments for issue identification and resolution.
- As training program specialist at the CA Department of Education and Training Specialist for Yolo County, Ms. Grace developed and conducted a variety of supervisory and employee training programs. Topics included: Effective Employee Selection Techniques, Conflict Resolution, Change Management, Stress Management Dealing with Difficult People, and appropriate application of a wide variety of regulatory programs.

### **Education**

- MBA (with honors), Business Administration, California State University Sacramento, 1996 with course work in Organizational Behavior and Personnel Management
- BS (with honors), Business Administration, HR Concentration, CSU Sacramento, 1989 with coursework in organizational behavior, human resources management, systems analysis, and production and operations

### **Publications**

- Masters Project: Compliance Guide on the Americans with Disabilities Act
- Compliance Guide for the Fair Labor Standards Act

### **Licenses and Certifications**

- Certified Compensation Professional – World at Work
- Top Security Clearance (1992) Department of Defense

### **Affiliations:**

- Member – World at Work (American Compensation Association)
- Member Bay Area Compensation Association
- Member - Sacramento Area Human Resources Association
- Member – Society of Human Resources Management