

COUNTY OF MONTEREY STANDARD AGREEMENT

This **Agreement** is made by and between the County of Monterey, a political subdivision of the State of California (hereinafter “County”) and:

Gallagher Benefit Services, Inc.

(hereinafter “CONTRACTOR”).

In consideration of the mutual covenants and conditions set forth in this Agreement, the parties agree as follows:

1.0 GENERAL DESCRIPTION:

The County hereby engages CONTRACTOR to perform, and CONTRACTOR hereby agrees to perform, the services described in **Exhibit A** in conformity with the terms of this Agreement. The goods and/or services are generally described as follows:

Provide:

A classification and base compensation study for the Monterey County Water Resources Agency.

2.0 PAYMENT PROVISIONS:

2.01 County shall pay the CONTRACTOR in accordance with the payment provisions set forth in **Exhibit A**, subject to the limitations set forth in this Agreement. The total amount payable by County to CONTRACTOR under this Agreement shall not exceed the sum of: \$ 61,920.

3.0 TERM OF AGREEMENT:

3.01 The term of this Agreement is from **the date it is fully executed** to **June 30, 2027**, unless sooner terminated pursuant to the terms of this Agreement. This Agreement is of no force or effect until signed by both CONTRACTOR and County and with County signing last, and **CONTRACTOR may not commence work before County signs this Agreement.**

3.02 The County reserves the right to cancel this Agreement, or any extension of this Agreement, without cause, with a thirty day (30) written notice, or with cause immediately.

4.0 SCOPE OF SERVICES AND ADDITIONAL PROVISIONS:

The following attached exhibits are incorporated herein by reference and constitute a part of this Agreement:

- Exhibit A: Scope of Services/Payment Provisions**
- Exhibit B: Classification and Compensation Study Proposal**
- Exhibit C: Addendum No. 1**

5.0 PERFORMANCE STANDARDS:

- 5.01 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this Agreement are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this Agreement and are not employees of the County, or immediate family of an employee of the County.
- 5.02 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this Agreement that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
- 5.03 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this Agreement, except as otherwise specified in this Agreement. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this Agreement.

6.0 PAYMENT CONDITIONS:

- 6.01 Prices shall remain firm for the initial term of the Agreement and, thereafter, may be adjusted annually as provided in this paragraph. The County does not guarantee any minimum or maximum amount of dollars to be spent under this Agreement.
- 6.02 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of the Agreement. Rate changes are not binding unless mutually agreed upon in writing by the County and the CONTRACTOR.
- 6.03 Invoice amounts shall be billed directly to the ordering department.
- 6.04 CONTRACTOR shall submit such invoice periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with an itemized basis for the amounts claimed, and such other information pertinent to the invoice. The County shall certify the invoice, either in the requested amount or in such other amount as the County approves in conformity with this Agreement and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.05 CONTRACTOR shall not receive reimbursement for mileage or travel expenses unless set forth in this Agreement.

7.0 TERMINATION:

- 7.01 During the term of this Agreement, the County may terminate the Agreement for any reason by giving written notice of termination to the CONTRACTOR at least thirty (30) days prior to the effective date of termination. Such notice shall set forth the effective date of termination. In the event of such termination, the amount payable under this Agreement shall be reduced in proportion to the services provided prior to the date of termination.

7.02 The County may cancel and terminate this Agreement for good cause effective immediately upon written notice to CONTRACTOR. "Good cause" includes the failure of CONTRACTOR to perform the required services at the time and in the manner provided under this Agreement. If County terminates this Agreement for good cause, the County may be relieved of the payment of any consideration to CONTRACTOR, and the County may proceed with the work in any manner, which County deems proper. The cost to the County shall be deducted from any sum due the CONTRACTOR under this Agreement.

7.03 The County's payments to CONTRACTOR under this Agreement are funded by local, state and federal governments. If funds from local, state and federal sources are not obtained and continued at a level sufficient to allow for the County's purchase of the indicated quantity of services, then the County may give written notice of this fact to CONTRACTOR, and the obligations of the parties under this Agreement shall terminate immediately, or on such date thereafter, as the County may specify in its notice, unless in the meanwhile the parties enter into a written amendment modifying this Agreement.

8.0 INDEMNIFICATION:

CONTRACTOR shall indemnify, defend, and hold harmless the County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the CONTRACTOR's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the County. "CONTRACTOR's performance" includes CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

9.0 INSURANCE REQUIREMENTS:

9.01 **Evidence of Coverage:** Prior to commencement of this Agreement, the Contractor shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition, the Contractor upon request shall provide a certified copy of the policy or policies.

This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. The Contractor shall not receive a "Notice to Proceed" with the work under this Agreement until it has obtained all insurance required and the County has approved such insurance. This approval of insurance shall neither relieve nor decrease the liability of the Contractor.

9.02 **Qualifying Insurers:** All coverages, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current A.M. Best's Rating Guide or a company of equal financial stability that is approved by the County's Purchasing Agent.

9.03 **Insurance Coverage Requirements:** Without limiting CONTRACTOR's duty to

indemnify, CONTRACTOR shall maintain in effect throughout the term of this Agreement a policy or policies of insurance with the following minimum limits of liability:

Commercial General Liability Insurance: including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broad form Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence, and \$2,000,000 in the aggregate.

(Note: any proposed modifications to these general liability insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

~~**Auto Liability Coverage:**~~ must include motor vehicles, including scheduled, non-owned, and hired vehicles, used in providing services under this Agreement, with a combined single limit or Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

(Note: any proposed modifications to these auto insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Workers' Compensation Insurance: if CONTRACTOR employs others in the performance of this Agreement, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.

(Note: any proposed modifications to these Workers' Compensation Insurance requirements shall be attached as an Exhibit hereto, and the section(s) above that are proposed as not applicable shall be lined out in blue ink. All proposed modifications are subject to County approval.)

Professional Liability Insurance: if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, the CONTRACTOR shall, upon the expiration or earlier termination of this Agreement, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this Agreement.

(Note: Professional liability insurance coverage is required if the contractor is providing a professional service regulated by the state. Examples of service providers regulated by the state are insurance agents, professional architects and engineers, doctors, certified public accountants, lawyers, etc. However, other professional Contractors, such as computer or software designers, technology services, and services providers such as claims administrators, should also have professional liability. If in doubt, consult with your risk or contract manager.)

If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

9.04 **Other Requirements:**

All insurance required by this Agreement shall be with a company acceptable to the County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this Agreement, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this Agreement.

Each liability policy shall provide that the County shall be given notice in writing at least thirty days in advance of any endorsed reduction in coverage or limit, cancellation, or intended non-renewal thereof. Each policy shall provide coverage for Contractor and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this Agreement, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

Additional Insured Status:

~~The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the auto liability policy for liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor. Auto liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance.~~

The County of Monterey, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds on the commercial general liability policy with respect to liability arising out of work or operations performed by or on behalf of the CONTRACTOR including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage shall be provided in the form of an endorsement to the CONTRACTOR'S insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used).

Primary Coverage:

For any claims related to this contract, the CONTRACTOR'S insurance coverage shall be primary and non-contributory and at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the County, its officers, officials, employees, agents, or volunteers shall be excess of the CONTRACTOR'S insurance and shall not contribute with it. This requirement shall also apply to any Excess or Umbrella liability policies.

Workers' Compensation Insurance Waiver of Subrogation:

The Workers' Compensation Insurance policy required hereunder shall be endorsed to state that the Workers' Compensation Insurance carrier waives its right of subrogation against County, its officers, officials, employees, agents, or volunteers, which might arise by reason of payment under such policy in connection with performance under this Agreement by CONTRACTOR. Should CONTRACTOR be self-insured for Workers' Compensation Insurance, CONTRACTOR hereby agrees to waive its right of subrogation against County, its officers, officials, employees, agents, or volunteers.

Prior to the execution of this Agreement by the County, CONTRACTOR shall file certificates of insurance and endorsements with the County's contract administrator and County's Contracts/Purchasing Division, showing that the CONTRACTOR has in effect the insurance required by this Agreement. The CONTRACTOR shall file a new or amended certificate of insurance within five (5) calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this Agreement, which shall continue in full force and effect. CONTRACTOR shall always during the term of this Agreement maintain in force the insurance coverage required under this Agreement and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this Agreement, which entitles County, at its sole discretion, to terminate this Agreement immediately.

10.0 RECORDS AND CONFIDENTIALITY:

- 10.01 **Confidentiality:** CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this Agreement, unless County specifically permits CONTRACTOR to disclose such records or information. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this Agreement except for the sole purpose of carrying out CONTRACTOR's obligations under this Agreement.
- 10.02 **County Records:** When this Agreement expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this Agreement.
- 10.03 **Maintenance of Records:** CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this Agreement. CONTRACTOR shall maintain such records for a period of at least three years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the three-year period, then CONTRACTOR shall retain said records until such action is resolved.
- 10.04 **Access to and Audit of Records:** The County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONTRACTOR and its subcontractors related to services provided under this Agreement. Pursuant to Government Code section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the parties to this Agreement may be subject, at the request of the County or as part of any audit of the County, to the examination and audit of the State Auditor pertaining

to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

- 10.05 **Royalties and Inventions:** County shall have a royalty-free, exclusive and irrevocable license to reproduce, publish, and use, and authorize others to do so, all original computer programs, writings, sound recordings, pictorial reproductions, drawings, and other works of similar nature produced in the course of or under this Agreement. CONTRACTOR shall not publish any such material without the prior written approval of County.
- 10.06 **Format of Deliverables:** For this section, “Deliverables” shall mean all electronic documents CONTRACTOR provides to the County under this Agreement. CONTRACTOR shall ensure all Deliverables comply with the requirements of the Web Content Accessibility Guidelines (“WCAG”) 2.1, pursuant to the Americans with Disabilities Act (“ADA”). CONTRACTOR bears the burden to deliver Deliverables, such as Adobe Acrobat Portable Document Format (“PDF”) and Microsoft Office files, complying with WCAG 2.1. CONTRACTOR shall defend and indemnify the County against any breach of this Section. This Section shall survive the termination of this Agreement. Find more on Accessibility at this State website: <https://webstandards.ca.gov/accessibility/>.

11.0 **NON-DISCRIMINATION:**

- 11.01 During the performance of this Agreement, CONTRACTOR, and its subcontractors, shall not unlawfully discriminate against any person because of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sexual orientation, or any other characteristic set forth in California Government code § 12940(a), either in CONTRACTOR’s employment practices or in the furnishing of services to recipients. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment and all persons receiving and requesting services are free of such discrimination. CONTRACTOR and any subcontractor shall, in the performance of this Agreement, fully comply with all federal, state, and local laws and regulations which prohibit discrimination. The provision of services primarily or exclusively to such target population as may be designated in this Agreement shall not be deemed to be prohibited discrimination.

12.0 **COMPLIANCE WITH TERMS OF STATE OR FEDERAL GRANTS:**

If this Agreement has been or will be funded with monies received by the County pursuant to a contract with the state or federal government in which the County is the grantee, CONTRACTOR will comply with all the provisions of said contract, to the extent applicable to CONTRACTOR as a subgrantee under said contract, and said provisions shall be deemed a part of this Agreement, as though fully set forth herein. Upon request, County will deliver a copy of said contract to CONTRACTOR, at no cost to CONTRACTOR.

13.0 **COMPLIANCE WITH APPLICABLE LAWS:**

- 13.01 CONTRACTOR shall keep itself informed of and in compliance with all federal, state, and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT as well as any privacy laws including, if applicable, HIPAA. CONTRACTOR shall procure all permits and licenses,

pay all charges and fees, and give all notices require by law in the performance of the Services.

13.02 CONTRACTOR shall report immediately to County’s Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.

13.03 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations, and guidelines that are in force at the time such documentation is prepared.

14.0 INDEPENDENT CONTRACTOR:

In the performance of work, duties, and obligations under this Agreement, CONTRACTOR is always acting and performing as an independent contractor and not as an employee of the County. No offer or obligation of permanent employment with the County or County department or agency is intended in any manner, and CONTRACTOR shall not become entitled by virtue of this Agreement to receive from County any form of employee benefits including but not limited to sick leave, vacation, retirement benefits, workers’ compensation coverage, insurance or disability benefits. CONTRACTOR shall be solely liable for and obligated to pay directly all applicable taxes, including federal and state income taxes and social security, arising out of CONTRACTOR’s performance of this Agreement. In connection therewith, CONTRACTOR shall defend, indemnify, and hold County harmless from any and all liability which County may incur because of CONTRACTOR’s failure to pay such taxes.

15.0 NOTICES:

Notices required under this Agreement shall be delivered personally or by first-class, postage pre-paid mail to the County and CONTRACTOR’S contract administrators at the addresses listed below:

FOR COUNTY
Andreas Pyper
Name
Director of Human Resources
Title
168 W. Alisal St. 3rd Floor, Salinas, CA 93901
Address
(831) 755-5043
Phone

FOR CONTRACTOR
Georg S. Krammer
Name
Managing Director
Title
2121 N. California Blvd. Ste 350, Walnut Creek, CA 94596
Address
(510) 658-5633
Phone

16.0 MISCELLANEOUS PROVISIONS.

16.01 **Conflict of Interest:** CONTRACTOR represents that it presently has no interest and agrees not to acquire any interest during the term of this Agreement, which would directly, or indirectly conflict in any manner or to any degree with the full and complete performance

of the services required to be rendered under this Agreement.

- 16.02 **Amendment:** This Agreement may be amended or modified only by an instrument in writing signed by the County and the CONTRACTOR.
- 16.03 **Waiver:** Any waiver of any terms and conditions of this Agreement must be in writing and signed by the County and the CONTRACTOR. A waiver of any of the terms and conditions of this Agreement shall not be construed as a waiver of any other terms or conditions in this Agreement.
- 16.04 **Contractor:** The term “CONTRACTOR” as used in this Agreement includes CONTRACTOR’s officers, agents, and employees acting on CONTRACTOR’s behalf in the performance of this Agreement.
- 16.05 **Disputes:** CONTRACTOR shall continue to perform under this Agreement during any dispute.
- 16.06 **Assignment and Subcontracting:** The CONTRACTOR shall not assign, sell, or otherwise transfer its interest or obligations in this Agreement without the prior written consent of the County. None of the services covered by this Agreement shall be subcontracted without the prior written approval of the County. Notwithstanding any such subcontract, CONTRACTOR shall continue to be liable for the performance of all requirements of this Agreement.
- 16.07 **Successors and Assigns:** This Agreement and the rights, privileges, duties, and obligations of the County and CONTRACTOR under this Agreement, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successors, permitted assigns, and heirs.
- 16.08 **Headings:** The headings are for convenience only and shall not be used to interpret the terms of this Agreement.
- 16.09 **Time is of the Essence:** Time is of the essence in each and all of the provisions of this Agreement.
- 16.10 **Governing Law:** This Agreement shall be governed by and interpreted under the laws of the State of California; venue shall be Monterey County.
- 16.11 **Non-exclusive Agreement:** This Agreement is non-exclusive and both County and CONTRACTOR expressly reserve the right to contract with other entities for the same or similar services.
- 16.12 **Construction of Agreement:** The County and CONTRACTOR agree that each party has fully participated in the review and revision of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendment to this Agreement.
- 16.13 **Counterparts:** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

16.14 **Authority:** Any individual executing this Agreement on behalf of the County or the CONTRACTOR represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

16.15 **Integration:** This Agreement, including the exhibits, represent the entire Agreement between the County and the CONTRACTOR with respect to the subject matter of this Agreement and shall supersede all prior negotiations, representations, or agreements, either written or oral, between the County and the CONTRACTOR as of the effective date of this Agreement, which is the date that the County signs the Agreement.

16.16 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Agreement and the Provisions of any exhibit or other attachment to this Agreement, the provisions of this Agreement shall prevail and control.

17.0 CONSENT TO USE OF ELECTRONIC SIGNATURES.

17.01 The parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C. Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 *et. seq.* Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF).

17.02 **Counterparts.**

The parties to this Agreement understand and agree that this Agreement can be executed in two (2) or more counterparts and transmitted electronically via facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) via email transmittal.

17.03 **Form: Delivery by E-Mail or Facsimile.**

Executed counterparts of this Agreement may be delivered by facsimile transmission or by delivery of a scanned counterpart in portable document format (PDF) by e-mail transmittal, in either case with delivery confirmed. On such confirmed delivery, the signatures in the facsimile or PDF data file shall be deemed to have the same force and effect as if the manually signed counterpart or counterparts had been delivered to the other party in person.

***** THIS SECTION INTENTIONALLY LEFT BLANK *****

18.0 SIGNATURE PAGE

IN WITNESS WHEREOF, County and CONTRACTOR have executed this Agreement as of the day and year written below.

COUNTY OF MONTEREY	
By:	Chief Contracts & Procurement Officer
Date:	
By:	Department Head (if applicable)
Date:	
Approved as to Form Office of the County Counsel, ¹ Susan K. Blich, County Counsel	
By:	County Counsel
Date:	
Approved as to Fiscal Provisions ²	
By:	Auditor/Controller
Date:	
Reviewed as to Liability Provisions ³ Office of the County Counsel-Risk Management	
By:	David Bolton, Risk Manager
Date:	

CONTRACTOR	
Gallagher Benefit Services, Inc.	
Contractor/Business Name*	
Signed by:	
By:	<i>Georg S. Krammer</i> (Signature of Chair, President, or Vice-President)
Georg S. Krammer Managing Director Name and Title	
Date: 5/7/2026 11:09 AM PDT	
Signed by:	
By:	<i>Erik Henry Smetana</i> (Signature of Secretary, Assist. Secretary, CFO, Treasurer or Assist. Treasurer)
Erik Henry Smetana Managing Director Name and Title	
Date: 5/7/2026 2:14 PM PDT	

County Board of Supervisors' Agreement No. _____ approved on _____

*INSTRUCTIONS: If CONTRACTOR is a corporation, including non-profit corporations, the full legal name of the corporation shall be set forth above together with the signatures of two (2) specified officers (California Corporations Code §, 313). If CONTRACTOR is a Limited Liability Corporation (LLC), the full legal name of the LLC shall be set forth above together with the signatures of either 1) any member or 2) two (2) managers (Corporations Code § 17703.01, subds. (a) and (d)). If CONTRACTOR is a partnership, the full legal name of the partnership shall be set forth above together with the signature of a partner who has authority to execute on behalf of the partnership. If CONTRACTOR is contracting in an individual capacity, the individual shall set forth the name of the business, if any, and shall personally sign.

1Approval by the office of the County Counsel is required.

2Approval by Auditor/Controller is required.

3Review by Risk Manager is required only if changes are made in the indemnification or Insurance paragraphs.

EXHIBIT A

To Agreement by and between
the COUNTY OF MONTEREY, hereinafter referred to as “COUNTY”
and
Gallagher Benefit Services, Inc., hereinafter referred to as “CONTRACTOR”

SCOPE OF SERVICES/PAYMENT PROVISIONS

A. SCOPE OF SERVICES

A.1 CONTRACTOR shall provide services and staff, and otherwise do all things necessary for incidental to the performance of work, as set forth in Exhibit B.

B. PAYMENT PROVISIONS

B.1 COMPENSATION/PAYMENTS

COUNTY shall pay an amount not to exceed \$61,920 for the performance of all things necessary for or incidental to the performance of work as set forth in the Scope of Services. CONTRACTOR’s compensation for services rendered shall be based on the rates stated in Exhibit B.

There shall be no travel reimbursement allowed during this Agreement.

CONTRACTOR warrants that the cost charged for services under the terms of this contract are not in excess of those charged to any other client for the same services performed by the same individuals.

B.2 CONTRACTOR BILLING PROCEDURES

CONTRACTOR will invoice the COUNTY monthly or at the completion of services. The invoicing process set forth in Paragraph 6.04 of this Agreement shall govern.

COUNTY may, in its sole discretion, terminate the contract or withhold payments claimed by CONTRACTOR for services rendered if CONTRACTOR fails to satisfactorily comply with any term or condition of this Agreement.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by County.

COUNTY shall not pay any claims for payment for services submitted more than twelve (12) months after the calendar month in which the services were completed.

DISALLOWED COSTS: CONTRACTOR is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

EXHIBIT B

**CLASSIFICATION AND COMPENSATION
STUDY PROPOSAL**

Monterey County Water Resources Agency

January 5, 2026

Gallagher Benefit Services, Inc.

GEORG S. KRAMMER

Managing Director, Compensation and Rewards Consulting

2121 N. California Boulevard, Suite 350
Walnut Creek, CA 94596

georg_krammer@ajg.com
Tel: 510.658.5633
Fax: 510.652.5633



Gallagher

Insurance | Risk Management | Consulting

Gallagher Benefit Services

Exhibit B

1 of 17



Insurance | Risk Management | Consulting

January 5, 2026

Ms. Kimberley Moore
Assistant Director of Human Resources
168 West Alisal St., 3rd Floor
Salinas, CA 93901

Dear Ms. Moore:

Thank you for the opportunity to respond to your Request for Proposals for establishment of Comparable Agencies, Classification and Base Compensation Study for the Monterey County Water Resources Agency ("MCWRA"). We are most interested in assisting the County and MCWRA with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with other cities, counties, special districts, joint-powers associations, and other public agencies.

Gallagher Benefit Services, Inc. ("Gallagher") is an experienced Human Resources and Recruitment Services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for over 40 years. Our team has achieved a reputation for working successfully with management, employees, employee representation, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. Our team's extra effort has resulted in close to *100% acceptance* of all our classification and compensation studies.

Gallagher ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As a Managing Director of Gallagher, I would assume the role of Project Director and be responsible for the successful completion of project. I can be reached at our Berkeley address and the phone number listed on the cover page. My email is georg_krammer@ajg.com.

This proposal will remain valid for at least 90 days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the Monterey County Water Resources Agency.

Sincerely,

Georg S. Krammer
Managing Director, Compensation and Rewards Consulting



Insurance | Risk Management | Consulting

Executive Summary, Approach, Methodology

The County of Monterey (“County”) and Monterey County Water Resources Agency (“MCWRA”) are seeking the services of a professional consulting firm to conduct studies which include the establishment of comparable agencies specific to the MCWRA; a classification study to determine if the designated positions are appropriately classified; and a base salary compensation study for classifications that are identified as MCWRA specific utilizing the aforementioned comparable agencies. The study should be conducted in three phases:

- Phase I: Determination of Comparator Agencies and Benchmarks
- Phase II: Classification Study
- Phase III: Base Compensation Study

The MCWRA currently employs approximately 53 authorized positions, allocated to 25 classifications/series. In addition, there are 11 classifications/series that are only utilized at the MCWRA which have historically been difficult to fill due to insufficient matches within the County of Monterey comparable agencies to establish base wage salary ranges that are competitive within the labor market.

The classification study will evaluate a total of 32 employees allocated to 10 classifications within 11 classifications that are specific to the MCWRA and 5 broad County classifications that are allocated to MCWRA, as well as the County departments of Public Works, Facilities and Parks and Housing and Community Development to determine if they are appropriately classified. In addition, if newly recommended classifications are created that are specific to the MCWRA, the consultant will conduct a market-based salary analysis with the approved comparator agencies in Phase I of the study.

MCWRA Specific Classifications

Class Title	# of Allocations	# of Incumbents
General Manager-Water Resources Agency	1	1
Deputy General Manager-Water Resources Agency	2	1
Senior Water Resources Engineer	3	3
Associate Water Resources Engineer	6	2
Water Resources Engineer	5	2
Water Maintenance Superintendent	2	2
Assistant Water Maintenance Superintendent	2	0
Hydroelectric Technician	1	1
Senior Water Maintenance Worker	3	2
Water Maintenance Worker II	4	3
Water Maintenance Worker I	1	1
Totals	30	18



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Countywide Classifications

Class Title	# of Allocations	# of Incumbents
Maintenance Manager	3	3
Senior Water Resources Hydrologist	2	2
Associate Water Resources Hydrologist	6	5
Water Resources Hydrologist	9	7
Water Resources Technician	8	5
Totals	28	22

The study includes a significant number of meetings with the Study Project Team and other stakeholders such as employee labor representatives and the governing board, as directed by the Study Team. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach resulting in greater buy-in for study recommendations.

The majority of our clients are unionized and our larger city, county, and special district clients typically have multiple unions. Due to the multitude of stakeholder groups who are affected by any classification and compensation study Gallagher conducts, our team understands the importance of accurate and validated data that withstands any scrutiny, effective and ongoing communication throughout each effort, and collaboration with the various stakeholder groups to ensure organizational buy-in to our findings and recommendations. We have developed a unique methodology of stakeholder “touchpoints” and collaboration that has made us highly successful and effective and has earned our team respect, agreement, and understanding from all stakeholders. In addition, we adjust and customize our methodology based on each individual client’s unique needs and circumstances.

We also recognize that both the County, MCWRA and labor representatives have obligations to employees and members to ensure that any study is conducted in a fair and equitable manner. Our project work plans are designed for transparency and we strongly encourage dialog with all stakeholders on study deliverables so they in turn can express their concerns; we all have a shared goal of ensuring the process followed is fair and equitable.

This intense and comprehensive stakeholder engagement and our transparent study processes are also a mechanism of quality control. The fact that our information, data, and recommendations have to be able to withstand utmost scrutiny by diverse stakeholders requires an in-depth multi-step quality control process for deliverables. This involves Gallagher team member validation of classification analyses and compensation data, Gallagher Project Manager review of all classification and compensation analyses, recommendations and deliverables, and finally Gallagher Principal (Project Director) review of deliverables before submittal to the client.

Our approach to the three phases is as follows:



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PHASE I: Determination of Comparator Agencies and Benchmarks

Task A. Project Kickoff Meetings, Initial Documentation Review, and Determination of Comparator Agencies

This phase includes identifying the MCWRA's Study Project Team (County of Monterey Human Resources Director or designee, MCWRA General Manager or designee and others as directed) and project reporting relationships. Our Project Manager will conduct a briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, management, and the Board; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, memoranda of understanding ("MOU"), personnel policies, previous classification and compensation studies, and any other relevant documentation to gain a general understanding of the MCWRA's operations.

During the initial meeting with the Study Project Team, we will begin the review of the comparator agencies and benchmarks. Our recommendations on this project component is that the County of Monterey Human Resources Director or designee, MCWRA General Manager or designee, governing board, and any employee representation as directed, be included in the decision-making process of selecting comparator agencies prior to beginning the study. Our experience has shown that this is the most successful approach.

We understand the MCRWA has the following potential list of comparable water agencies:

- Alameda County Flood Control & Water Conservation District Zone 7
- Ventura County Flood Control District
- San Luis Obispo Flood Control & Water Conservation District
- City of West Sacramento Reclamation District 900
- United Water Conservation District, Fillmore, CA
- Pajaro Valley Water Management Agency, Watsonville, CA
- Monterey One Water, Monterey, CA <https://montereyonewater.org>
- Marina Coast Water District, Marina, CA www.mcwd.org
- San Benito County Water District, Hollister, CA www.sbcwd.com
- Sonoma Water, Santa Rosa, CA www.sonomawater.org
- Valley Water, San Jose, CA www.valleywater.org
- Contra Costa County Flood Control and Water Conservation District
- Santa Cruz County Zone 7
- Monterey Peninsula Water Management District



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We would be happy to review the list and give feedback on any additions or changes we would recommend. The selection of comparator agencies is a critical step in the study process. We typically use the following factors to identify appropriate comparators and will receive approval before proceeding with the compensation study.

The factors that we typically review in the comparator agency selection process are:

1. **Organizational type and structure:** Gallagher generally recommends that agencies of a similar size and structure providing similar services to those of the MCWRA be used as comparators. Note: Because technical job classifications perform similar work across agencies, organizational size is not critical. The difference in size of an organization becomes more important when comparing management classes. Factors such as management of a large staff, consequence of error, the political nature of the job and its visibility all increase with organizational size. When it is difficult to find agencies that are similar in size, a good balance of smaller and larger agencies is used instead.
2. **Staff, operational budgets, and scope of services and population:** Staff and operational budget size determine the amount of resources available for the agencies to provide services, and population size identifies constituents served. Organizations providing the same services are ideal for comparison; therefore, most comparator agencies should provide similar services to the MCWRA.
3. **Geographic location and labor market:** Today's labor market reality is that many agencies are in competition for the same pool of qualified employees because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area where the MCWRA may be recruiting from, or losing employees to, is taken into consideration when selecting comparator organizations. This analysis takes into consideration differences in the cost of living for each agency; a cost of labor analysis has also been included to evaluate whether or not salaries need to be adjusted based on differences in the cost of labor for each geographic location.

We typically recommend using 10-12 comparator agencies for all survey benchmarks in order to achieve statistical significance but are flexible and can easily use a different approach based on the MCWRA's preferences. Once we conduct the analysis, we will provide our recommendations to the Study Team for their feedback prior to beginning the study. The budget prepared for this study presumes that 16 benchmarks will be surveyed in 12 agencies for base salary purposes.

Task B. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the MCWRA's stakeholders to select those classifications that will be surveyed. Benchmark classes are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid data sample for analysis. Internal relationships will be determined



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between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

PHASE II –CLASSIFICATION STUDY:

This study phase comprises conducting a classification study which is limited to the positions identified in the County's Request for Proposal (32 incumbered positions assigned to 10 job classifications). The classification analysis process includes orientation and briefing sessions with employees, management, Human Resources, and other stakeholders, as appropriate; the completion of a Position Description Questionnaire by employees; and interviews with supervisors and management to address any classification issues. All participating employees will be allocated to an appropriate classification; draft classification descriptions will be developed, and sent back to County Human Resources, and MCWRA management for additional feedback and concurrence.

Task A. Employee Orientations

We will facilitate two orientation meetings with employees and distribute our Position Description Questionnaire ("PDQ"). While these meetings are not mandatory, they form the beginning of the educational process that continues throughout the study. We will discuss the importance of the employees' involvement in the study and their participation in PDQ completion and job analysis interviews. Project processes will be explained, expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and a detailed explanation and examples for completing the PDQ will be given.

In recent years, we have found that it can be a much more efficient and cost effective for our clients to conduct employee orientations virtually because this approach avoids multiple employees having to travel to a central location and potentially losing hours of productivity versus simply clicking on a video link. We can provide the MCWRA with the technological options to ensure a smooth process if needed. Our clients have received these operational changes very positively and our client-centric approach and methodology does not change with the venue.

Task B. Collection and Review of PDQs and Employee/Supervisor/Manager Interviews

We provide an electronic version of our questionnaire so that employees can more easily complete it, or a manual form if needed. Employees complete the questionnaire and then send it to their supervisor for review, comment, and signature. We typically require a second level of review by the next level of management in the reporting structure. This ensures that all staff have an opportunity to provide information as to what the nature of the job is for each job classification.

Upon receipt of the PDQs in our office, Gallagher staff will review and analyze the PDQs in detail along with other documentation to obtain an understanding of the duties and responsibilities assigned to each position.

Interviews will be scheduled with study employees. Because this is a critical step in the information, and given the limited nature of the study we typically recommend scheduling interviews with all employees in each classification. Interviews will then be held with supervisory and management staff (division managers, department heads, etc.), to confirm the information



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we have received in the PDQ and interview process. The purpose of the interviews is to clarify and supplement the questionnaire data and to respond to potential perception differences regarding roles, tasks, scope, and supervisory responsibilities.

Task C. Classification Concept, Preliminary Allocation, and Draft Class Description Development

Since this is a limited classification study, the County's classification concepts will be used when evaluating the study classifications for titling and concepts purposes. Prior to developing and/or revising class descriptions, our job evaluation will result in an employee allocation document that will be submitted to the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee for review and approval.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position job analysis methodology include:

1. Decision making/judgment
2. Difficulty and complexity of work
3. Supervisory responsibilities
4. Non-supervisory responsibilities
5. Minimum qualifications
6. Working conditions/risk factors
7. Contacts

An incumbent-specific allocation list for each position included in the study will be prepared, specifying current and proposed classification title and the impact of our recommendations (reclassification, title change, or no change).

After we have completed this process, a meeting will be arranged to review any recommended changes to the classification plan with the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee.

After preliminary approval of the allocation list, new and/or updated class descriptions will be developed for study classifications, following the format approved by the County and MCWRA. From the review of the PDQs and employee interviews, we will update duties, responsibilities, and minimum qualifications of each class specification.

Where needed, we will develop new class specifications if duties, responsibilities, and minimum qualifications have changed significantly, and/or if we recommend new classifications/class levels. Each classification specification will contain the following sections:

- Class Title
- Class Definition
- Distinguishing Characteristics
- Duty Statements
- Qualifications (Knowledge/Skills/Ability)
- Required Conditions of Employment (including licenses, certifications, driving requirements)



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- Experience/Education/Training
- Fair Labor Standards Act (FLSA) Exemption Status

Task D. Facilitation of Draft Class Description Review, Finalization of Classification Plan, and Draft of Interim Report and Final Report

A draft copy of the revised/new class description will be submitted to the Study Project Team and subsequently to each manager for review to provide comments and concerns regarding any modifications to the classification structure and specifications. Our experience has been that this is one of the most critical phases of the project (as well as one of the most time-consuming). Our proactive and effective communication process at this juncture has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of our studies.

We will work with the study's stakeholder groups to determine the best approach to reviewing the draft classification specifications, and how to provide feedback to us. We will partner with County Human Resources to coordinate the review process.

A Draft Interim Report of the Classification Study will be completed and submitted to the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee for review and comment. The report will contain documentation regarding the classification methodology and process as well as all findings, analysis, and resulting recommendations for each studied position.

After receiving comments from County Human Resources and MCWRA on the Draft Interim Report and making any needed revisions, we will prepare the Final Classification Report.

PHASE III – BASE COMPENSATION STUDY:

Task A. Delivery of Market Survey

Gallagher does not collect market compensation data by merely sending out a written questionnaire. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. We collect classification descriptions, organization charts, salary schedules, personnel policies, budgets, MOUs, and other information via website, by telephone, or email directly from each comparator agency. We then compare job description to job description and not just job titles, therefore ensuring true “matches” of at least 70%, which is the threshold we use to determine whether to include a comparator classification or not. As mentioned above in the classification methodology above, our job analysis method is the whole position analysis approach, which we apply here as well.

As needed, we also schedule appointments with knowledgeable individuals at each comparator to answer specific questions. We find that information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.



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Data will be entered into spreadsheet format designed for ease of interpretation and use. Information will be calculated based upon a market position of mean (average) consistent with the County's established compensation philosophy, thus allowing the County and MCWRA to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the MCWRA's salary range above/below the market mean. A copy of our data sheet format is presented in the Appendix for reference purposes; these can be modified based on client requirements.

The budget for this study phase presumes that 16 benchmarks will be surveyed in a comparator market of 12 agencies for base salary purposes.

Task B. Draft Compensation Findings/Stakeholder Review and Feedback

As part of our transparent approach and communication strategy to ensure organizational buy-in to the study, we first distribute our draft findings to the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee. After their preliminary review, we will meet with the Study Project Team to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for our team to engage with study stakeholders in a collaborative manner. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections, as appropriate.

Task C. Development of Recommendations, Final Reports, and Presentations

Benchmarking and Internal Equity

To determine external competitiveness and internal equity for all study positions, considerable attention is given to this phase of the project. This process begins with the placement of all benchmarks into the County's compensation plan based on the market mean for each benchmark. For non-benchmark classifications and/or benchmark which yielded insufficient data, whole job analysis principles of internal alignment will be utilized

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications.

Compensation Structure Development

We will work with Monterey County Human Resources and MCWRA to determine the salary structure within which the study results are to be integrated. It is our understanding that the County's current compensation structure will be utilized, but we are certainly able to provide other recommendations as needed.

Draft recommendations will be discussed with the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.



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Final Report

A Draft Interim Report of the Compensation Study will be completed and submitted to the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee for review and comment. The report will include:

- An executive summary of the compensation study results;
- A set of all market data spreadsheets;
- A proposed salary range placement document;
- A procedure to address employees whose current base pay either falls below the minimum of or exceeds the maximum of their newly assigned pay range;
- Implementation options surrounding our recommendations; and
- A guide for implementing, managing and maintaining the compensation system.

Once all of County Human Resources' and MCWRA's questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted. The Final Report will incorporate any appropriate revisions identified and submitted during the review process.

Final Presentation

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the governing board, we recommend at least one initial meeting to identify the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the governing board, based on the County's and MCWRA's preferences.

EXPECTATIONS OF THE COUNTY OF MONTEREY HUMAN RESOURCES AND MCWRA SUPPORT:

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, salary schedules, past studies, etc.;
- Assistance in the notification and scheduling of initial kickoff and other meetings and the provision of adequate interview tools and resources;
- Assistance in the compilation of current descriptions with the PDQ; collecting and forwarding questionnaires; and in ensuring that materials are completed and returned in a timely manner; and
- Meeting agreed-upon timelines.

In terms of time commitment for County and MCWRA staff, we understand that agencies hire an outside consultant to conduct and coordinate the entire effort. Therefore, it is our goal to reduce the time commitment of County and MCWRA staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling meetings,



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disseminating information, and in general, being a channel of communication between our firm and employees.

COMMUNICATION WITH THE COUNTY AND MCWRA:

Our typical communication model includes at least weekly or biweekly written status updates, or virtual meetings, to keep the County of Monterey Human Resources Director or designee, and the MCWRA General Manager or designee informed on where we are during each phase of the project.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, and the Board, as desired. The meetings and “stakeholder touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations.

POST-STUDY CONSULTATION AND SUPPORT:

We are committed to providing with the highest-quality product and service, and ongoing consultation and support after study completion is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

We often find that clients will call or email with follow-up questions and to discuss certain aspects of the study, ask why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the County and/or MCWRA request any additional meetings and/or training after completion of the study and/or other specific, identifiable work efforts, such as single-position compensation reviews or conducting annual surveys, we would honor our composite hourly rate for actual hours worked. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our project fee for this project.

STAKEHOLDER ENGAGEMENT:

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in to the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, and other stakeholders, as appropriate:

- Initial study kick-off meetings with stakeholders;
- Stakeholder input regarding a list of appropriate comparator agencies, benchmark classifications;
- PDQ completion and review;
- Employee and management interviews;
- Human Resources, management, and other stakeholder review of draft class descriptions;
- Contact with management and employees to address final classification issues.



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- MCWRA stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.



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Time Requirements

Our professional experience is that compensation studies of this scope and for this size organization take approximately six to seven months to complete, allowing for adequate PDQ completion, employee and supervisor interviews, classification concept and allocation development, class description development, compensation data collection and analysis, review steps by the MCWRA, the development of final reports, any appeals, and presentations.

We propose commencing the project in January, 2026 , and anticipate completion by July, 2026.

The following is a suggested timeline (which can be modified based on the MCWRA’s needs); this chart presumes that all phases of the project will run concurrently; note that the timelines in Phase III are dependent on task completion in Phase I.

TASKS	PHASE I: DETERMINATION OF COMPARABLE AGENCIES/ ORGANIZATIONS	COMPLETION BY
A.	Project Kickoff Meetings and Initial Documentation Review	Week 1
B.	Determination of Comparator Agencies and Benchmarks	3 weeks after Phase I, Task A
TASKS	PHASE II: CLASSIFICATION STUDY - 32 EMPLOYEES ALLOCATED TO 10 CLASSES	COMPLETION BY
A.	Employee Orientations	Week 1
B.	Collection and Review of PDQs and Employee/Supervisor/Manager Interviews	7 weeks after completion Phase II, Task A
C.	Classification Concept, Preliminary Allocation, and Draft Class Description Development	4 weeks after completion of Phase II, Task B
D.	Facilitation of Draft Class Description Review, Finalization of Classification Plan, and Draft of Interim Report and Final Report	4 weeks after County approval of Phase II, Task C deliverables
TASKS	PHASE III: BASE COMPENSATION STUDY - 16 BENCHMARKS; 12 AGENCIES	COMPLETION BY
A.	Market Survey Delivery	8 weeks after completion of Phase II, Task C.
B.	Draft Compensation Findings/Stakeholder Review and Feedback	2 weeks after completion of Phase III, Task A.
C.	Development of Recommendations, Final Reports, and Presentations	2 weeks after completion of Phase III, Task B.



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Cost Proposal

Due to a shift in our industry to conducting studies virtually and our own efforts to be as green a business as possible (which our public agency clients always appreciate), our cost proposal assumes that all meetings and presentations will be conducted virtually/remotely and no onsite travel to MCWRA offices will occur. Should the MCWRA desire onsite meetings, we will be happy to provide our per diem cost for onsite meetings based on travel time and market rate travel cost.

MILESTONES	PHASE I: DETERMINATION OF COMPARABLE AGENCIES	AMOUNT	BILLING STRUCTURE
Ongoing Project Status Meetings throughout the Study (Phases I and III)		\$6,000	Invoice #1: 10% of Total Project Fee All Phases upon Contract Execution - \$6,192
A.	Project Kickoff Meetings, Orientations, and Initial Documentation Review	\$2,400	Invoice # 2 - \$14,040
B.	Determination of Survey Elements	\$7,200	
Total Fee for Phase I – Determination of Agencies		\$15,600	

MILESTONES	PHASE II: CLASSIFICATION STUDY – 32 EMPLOYEES ALLOCATED TO 10 CLASSES	AMOUNT	BILLING STRUCTURE
A.	Employee Orientations	\$2,400	N/A
B.	Collection and Review of PDQs and Employee/Supervisor/Manager Interviews	\$9,600	N/A
C.	Classification Concept, Preliminary Allocation, and Draft Class Description Development	\$9,600	N/A
D.	Facilitation of Draft Class Description Review, Finalization of Classification Plan, and Draft of Interim Report and Final Report	\$7,440	Invoice # 3 - \$26,136
Total Fee for Phase II - Classification Study		\$29,040	

MILESTONES	PHASE III: BASE COMPENSATION STUDY – 16 BENCHMARKS; 12 AGENCIES	AMOUNT	BILLING STRUCTURE
A.	Market Survey Delivery	\$10,800	N/A
B.	Draft Compensation Findings/Stakeholder Review and Feedback	\$2,880	N/A
C.	Development of Recommendations, Final Reports, and Presentations	\$3,600	Invoice #4 - \$15,552
Total Fee for Phase II: Base Compensation Study		\$17,280	
Expenses are included in the project fee		N/A	N/A
<i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage</i>			
TOTAL PROJECT COST		\$61,920	\$61,920

Our cost proposal does not include time to support the MCRWA during any labor negotiations that may follow this study. If we are needed for this work, our composite hourly rate will apply and we will charge on a time-and-materials basis.



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Contractual Considerations

We will be pleased to sign the MCWRA's professional services agreement for a Compensation Study. We respectfully request that the MCWRA will allow for a period of negotiation of certain terms in the professional services contract related to liability, indemnity, insurance, and other terms. We have found that we have always come to an agreement with all our clients in the past and appreciate the MCWRA's flexibility in reviewing certain terms in a collaborative fashion between our legal counsels.

It is our practice to provide the coverage below in lieu of the MCWRA contract insurance language. We therefore propose to replace the insurance language in the RFP's sample agreement with coverage language provided by Gallagher as follows:

Gallagher shall at all times during the term of this Agreement and for a period of two (2) years thereafter, obtain and maintain in force the following minimum insurance coverages and limits at its own expense:

- Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence;
- Workers Compensation insurance with statutory limits, as required by the state in which the work takes place, and Employer's Liability insurance with limits no less than \$1,000,000 per accident for bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;
- Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;
- Umbrella Liability insurance providing excess coverage over all limits and coverages with a limits no less than \$10,000,000 per occurrence or in the aggregate;
- Errors & Omissions Liability insurance, including extended reporting conditions of two (2) years with limits of no less than \$5,000,000 per claim, or \$10,000,000 in the aggregate;
- Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost; and
- Crime insurance covering third-party crime and employee dishonesty with limits of no less than \$1,000,000 per claim and in the aggregate.
- All commercial insurance policies shall be written with insurers that have a minimum AM Best rating of no less than A-VI, and licensed to do business in the state of operation. Any cancelled or non-renewed policy will be replaced with no coverage gap, and a Certificate of Insurance evidencing the coverages set forth in this section shall be provided to Client upon request.



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Signature Page

Gallagher Benefit Services, Inc. intends to adhere to all of the provisions described above.

This proposal is valid for 90 days.

Respectfully submitted,

By: **GALLAGHER BENEFIT SERVICES, INC.**
State of California

Georg S. Krammer

January 5, 2026

Managing Director, Compensation and Rewards Consulting

EXHIBIT C

ADDENDUM NO. 1

TO AGREEMENT BY AND BETWEEN COUNTY OF MONTEREY AND GALLAGHER BENEFIT SERVICES, INC.

This Addendum No. 1 amends, modifies, and supplements the County of Monterey Agreement by and between the COUNTY OF MONTEREY, a political subdivision of the State of California (hereinafter “County”) and GALLAGHER BENEFIT SERVICES, INC. (hereinafter “CONTRACTOR”). This Addendum No. 1 has the full force and effect as if set forth within the Agreement and is incorporated by reference and made a part of the Agreement. Notwithstanding the provision of Section 16.16 of the Agreement, to the extent that any of the terms or conditions contained in this Addendum No. 1 may contradict or conflict with any of the terms and conditions of the Agreement, it is expressly understood and agreed that the terms and conditions of this Addendum No. 1 shall take precedence and supersede the Agreement.

NOW, THEREFORE, COUNTY and CONTRACTOR agree that the Agreement terms and conditions shall be amended, modified, and supplemented as follows:

1. **Section 8.0 INDEMNIFICATION**. Section 8.0 of the Agreement is hereby amended and restated to read in its entirety as follows:

Each party agrees to defend, indemnify and hold the other party and its affiliates and their respective directors, officers, employees and agents harmless from any and all losses, liabilities, exposures, damages and all related costs and expenses, including reasonable legal fees, to the extent arising from or relating to any third party claims, demands, suits, allegations, or causes or threats of action based on the indemnifying party’s: (i) breach of any representation, warranty or covenant made by such party hereunder, or (ii) grossly negligent acts or omissions or intentional misconduct; provided, however, that the indemnifying party’s indemnification obligations hereunder shall be reduced to the extent that such losses and damages arise from the acts or omissions of the other party or its employees or agents.

CONTRACTOR’s liability to the County and any other party for any losses, injury or damages to persons or properties or work performed arising out of in connection with this Agreement and for any other claim, whether the claim arises in contract, tort, statute or otherwise, shall be limited to the amount of the total fees due to CONTRACTOR from County for the particular Services giving rise to the claim. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, CONTRACTOR SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, LOST PROFITS, OR PUNITIVE DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

2. **Section 10.0 RECORDS AND CONFIDENTIALITY:** Paragraph 10.05 of the Agreement is hereby amended and restated to read in its entirety as follows:

Royalties and Inventions: County shall own all final deliverables provided by CONTRACTOR as part of the services provided under this Agreement, provided however, CONTRACTOR shall retain sole and exclusive ownership of all right, title, and interest in, and to, its intellectual property and derivatives thereof which no data or Confidential Information of the County was used to create and which was developed entirely using CONTRACTOR's own resources, including any and all pre-existing or independently developed know-how, methods, processes and other materials prepared by CONTRACTOR. To the extent CONTRACTOR's intellectual property is necessary for the County to use the deliverables provided under this Agreement, CONTRACTOR grants to County a non-exclusive, royalty-free license to CONTRACTOR's intellectual property solely for County's use of such deliverables.

***** *End of Exhibit C* *****