

Outsourced Service Contract for the City of Racine

Premier Workforce Solutions

October 8, 2007

This Agreement is entered into by and between Premier Workforce Solutions, LLC, a Wisconsin Limited Liability Company (hereinafter "CONTRACTOR") AND THE City of Racine (hereinafter "CITY").

WHEREAS, the CONTRACTOR is in the business of providing professional and technical services on a contract basis for municipal governmental agencies; and

WHEREAS, the CITY is desirous of the advantage of the pricing and the servicing model open to municipalities that are members of the Value Purchasing Group; and

WHEREAS, the specific needs of each organization are set forth in the various Exhibits and Schedules to Exhibits attached hereto; and

WHEREAS, it is in the best interest of both parties to reduce this understanding to writing (hereinafter the "Contract"); and

WHEREAS, this Contract is intended to provide technical resources at all levels and skill sets as described and incorporated in attached Schedules.

NOW THEREFORE, it is agreed by and between the parties as follows:

1. Term. The terms of this Contract shall be from 1/2, 2008 to 12/31/2010.

2. Payment for Services.

A. The CITY will make a payment, in advance of at least one twelfth (1/12) of the total estimated wages defined in Exhibit B into a segregated escrow account in the CITY's name, for the benefit of the CONTRACTOR.

B. Payments by the City are to be made 10 days from date of invoice and payable via ACH debit into the segregated escrow account as defined above.

3. Description of Outsource Professional and Technical Services. (hereinafter "Scope")

CONTRACTOR shall provide project management and implementation services including the scoping, recruitment, hiring, and termination of all necessary professional and technical employees required to maintain defined departments/processes on behalf of the City in order to allow the CITY to maximize efficiencies and minimize the associated effort, associated therewith. Examples of positions (but not limited to) available within this Contract are located in Exhibit C.

4. Project Administration.

CONTRACTOR will provide administration and planning services throughout the execution of the projects listed above in return for a fixed administration fee per

employee per month (see Exhibit D). Specific tasks in this area will include but are not limited to maintaining project status and communication, scheduling the appropriate employee resources, employee supervision and evaluation, verifying that prerequisites are met, identifying project objectives and researching and tracking issues as raised by the CITY in the Scope of services.

In addition to those areas set forth on Exhibit A, CONTRACTOR will make sure that all staff working at CITY or other agencies successfully pass criminal background checks and follow all staffing requirements and confidentiality rules and procedures (including HIPAA compliance) as defined by the CITY, and more fully set forth in Exhibit A and incorporated herein. Each staff person working at the CITY, as part of this Contract, will be expected to sign the CITY confidentiality agreement, computer use agreement and other documents that the CITY would require for staff persons to be placed at the CITY locations.

5. Software Environment to be Supported.

The software environment to be supported shall be as set forth in Exhibit E. The software environment may change and in the event it does change, the parties will enter into an Amendment to Exhibit E, which will set forth the new software environment to be supported. CONTRACTOR reserves the right, as part of this adjustment, to make any necessary adjustments for staffing and/or administration fees as the parties may agree to in the Amendment to the Exhibit

6. Hardware Environment to be Supported.

The hardware environment to be supported shall be as set forth in Exhibit F. The hardware environment may change and in the event it does change the parties will enter into an Amendment to Exhibit F, which will set forth the new hardware environment to be supported. CONTRACTOR reserves the right, as part of this adjustment, to make any necessary adjustments for staffing and/or administration fees as the parties may agree to in the Amendment to the Exhibit

7. Duration of Service.

This contract shall be in effect from 01/03/2008 to 12/31/2010.

This contract is contingent upon the CITY obtaining the necessary funds initially, and annually thereafter. This Contract may not be canceled if the CITY is requiring the same types of services/positions be filled with personnel with the same skill set as those defined and described in Exhibit C of the Contract. This Contract may only be canceled without penalty or obligation of any kind by the CITY if there is a breach of contract under this agreement and the CONTRACTOR defaults in the provision of service as defined in the Exhibits attached hereto.

In addition, the CONTRACTOR will be notified that the Contract is not anticipated to be renewed prior to the start of a request for proposal process designed to solicit and select a new service provider.

8. Activity Schedule and Location.

The positions are scheduled to begin on a mutually agreed upon time schedule which shall be in writing and signed by both parties. CONTRACTOR employees will normally work at CITY locations during normal business hours, Monday through Friday, excluding CITY holidays. It is expected that CONTRACTOR will have a technical resource in place for each position at 2000 hours a year, per position unless otherwise advised in writing by the CITY. In the case of CONTRACTOR employee absence due to planned vacation, training or other reasons, CONTRACTOR will make every effort to provide support if requested by the CITY. The individual's internal hourly rate will be charged for that support. All modifications to the Contract for this section shall be in writing. The after hours support position will work Thursday, Friday, Saturday, Sunday and Monday evenings from the approximate time of 4:30 p.m. to 1:30 a.m. of the following day. The CITY will be charged rates reflecting costs listed in Exhibit 1B of Schedule 1 for any work performed above and beyond the employee's predetermined scheduled workweek. For work required to be done outside normal business hours, CONTRACTOR employee's schedules may be mutually modified to accommodate the CITY's need(s). An employee's workweek starts on Sunday and is finished on Saturday. CONTRACTOR understands the necessity of providing coverage during the election periods and agrees to supply any additional services requested by the City Clerk for the same.

9. Special Projects.

If any special projects, outside the scope of this Contract should be contracted for by the CITY with the CONTRACTOR during the Contract period, there shall be an additional charge and there shall be a contract administration fee which will include additional administration services not currently included in the engagement. This will be accomplished by an Amendment to the Contract, agreed upon by both parties in writing.

10. Client Responsibilities.

Customer will provide the following at no cost to CONTRACTOR:

- Assignment of an account manager to coordinate all City personnel and resources as well as address any issues/problems.
- Availability of key City staff members to support the engagement as described above and as otherwise deemed necessary.
- Availability of information concerning systems, applications and network structures that accurately reflect the status or conditions currently in effect and/or any future requirements. Access to the City's help desk software will be needed for each CONTRACTOR staff member.

- Availability of sufficient system authority to accomplish the tasks that they are assigned and if needed, availability of and access to all work required computer systems. This access can include both a user account and tech account each with the authority required to do their tasks required under this Contract.
- Purchase of any additional hardware or software required for on site CONTRACTOR staff that is agreed to by the City.
- Availability of any office services relevant to the delivery of the services covered by this agreement (e.g. telephone, office supplies, desk, desk chair, copying capabilities, etc.).
- Reimbursement during the immediately following pay period for any overtime or City required travel and entertainment expenses incurred by the CONTRACTOR or its staff.
- No entertainment expenses will be incurred by CONTRACTOR without the prior approval of the City Administrator.

11. Fee Schedule.

Exhibit D is the schedule provided for reference of positions projected at the time of the Contract but is not considered to be inclusive of all skills required during the life of the Contract. Other skill sets can be added to this Contract by any agency participating, upon agreeing to specific skills required and costs associated therewith. Any changes to the Fee Schedule shall be in writing and signed by both parties.

CONTRACTOR will provide contracted services in exchange for the fixed monthly administration fee. In addition, the CITY will bear the direct costs of the employees placed on site, including all paid wages, applicable employer taxes, approved expenses and benefits.

12. Termination of Agreement.

This Contract may only be terminated during the term of the contract upon a breach which is not cured, pursuant to the section regarding mediation/arbitration or as a result of the lack of funding as set forth in Section 7, above.

13. Mediation/Arbitration.

Upon written notice given by a party to the other party (“Dispute Notice”), any of the following shall be resolved by mediation and binding arbitration under the rules and auspices of the American Arbitration Association pursuant to this Section:

- i. Any dispute or disagreement between the parties as to the validity, construction, application or effect of any provisions of this Contract, or any rights and obligations created under this Contract;

- ii. Any other dispute or disagreement between the parties, that any party deems important and material to the party; or
- iii. Any indemnity claim under this Contract.

A Dispute Notice must describe all of the issues that the party wants resolved under this paragraph ("Issues") and shall be delivered in accordance with the notice provisions of this Contract. When the Dispute Notice has been given, each party shall have 15 days to select an arbitrator and notify the other party of such selection. When the arbitrators have been selected, they shall have 15 days to appoint one additional arbitrator. When the additional arbitrator has been appointed, the arbitrators shall appoint a mediator, by majority vote if a consensus cannot be achieved. If any party fails to select an arbitrator on a timely basis, that party shall forfeit the right to select an arbitrator under this paragraph. No party may have a prior or current business or professional relationship with any of the arbitrators or the mediator. After the mediator has been appointed, he or she shall attempt to resolve the Issues. If the mediator does not resolve the Issues within 30 days of his or her appointment, the arbitrators shall arbitrate the Issues. All decisions of the arbitrators shall be by majority vote. The arbitrators shall have complete and unlimited power to set the rules and format for the arbitration proceedings and to resolve the Issues as they deem appropriate. All decisions of the arbitrators shall be final and binding upon the parties, non-appealable and shall be enforceable in a court of competent jurisdiction. Responsibility for all charges, costs and expenses of the mediator, the arbitrators and any appointees of the arbitrators shall be divided equally among the parties to the dispute; provided, however, each party shall bear the expense of its own legal counsel, experts, witnesses and preparation and presentation of proofs.

Any notice or demand or other communication required or permitted to be given under this Contract or applicable law (except notice of malfunctioning Equipment) shall be effective only if it is written and signed by the applicable party, properly addressed, and either delivered in person or by a recognized courier service, or deposited with the United States Postal Service as certified mail or return receipt requested to the parties at the address provided in this section

To Premier Workforce Solutions, LLC at:
Attn: Bill Clark
15300 W. Capitol Dr
Brookfield, WI. 53005

To City Of Racine at:
Attn: Ben Hughes
City Administrator
703 Washington St.
Racine, WI. 53403

262-790-0800
262-781-4186
bclark@velocitypartnersinc.com

262-636-9212
262-636-9570
Benjamin.huges@cityofracine.org

Services contract for CITY of Racine prepared October 8, 2007.

PREMIER WORKFORCE SOLUTIONS:

Name: _____ Date _____

Signature: _____

CITY OF RACINE:

By: _____ Date: _____
Gary Becker, Mayor

ATTEST:

By: _____ Date: _____
Janice Johnson-Martin City Clerk

APPROVED AS TO FORM:

_____ Date: _____
Robert K. Weber, City Attorney

Provisions have been made to pay the liability that will accrue hereunder.

_____ Date: _____
David Brown, Finance Director

VALUE PURCHASING CONTRACT

1. This Exhibit "A" is incorporated into the contract between Premier Workforce Solutions, and CITY OF RACINE dated January 1, 2007. If there are any inconsistencies between this Exhibit and the written contract, the terms and conditions of this Exhibit "A" take precedence over any other terms and conditions.
2. CONTRACTOR shall adopt and enforce policies for its employees at CITY which are consistent with or more stringent than CITY's policies, as found in the most current CITY Human Resources Policy Manual in the areas of: 1) Safety and Health; 2) Harassment Free Work Place; 3) Rules of Conduct; 4) Information technology Use; 5) HIPAA Compliance/Protection of Health Information.
3. It is the intention of the parties that all personnel provided to CITY by CONTRACTOR shall not be considered employees of the CITY. To that end, CONTRACTOR shall assure the following is provided for:
 - a) Wages for all time paid to include hourly rate of pay for all hours worked, vacation pay and for CITY holidays.
 - b) Paid time off will be managed by CONTRACTOR, based on CONTRACTOR's holiday/vacation schedule. See Exhibit B
 - c) All mandatory taxes, insurance premiums other employment related costs associated with preparation and delivery of payroll.
 - d) Payroll preparation and proper deductions.
4. Use and Disclosure of PHI. CITY may provide CONTRACTOR, its agents and employees Protected Health Information (PHI), as such term is defined in the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereon (the "HIPAA Privacy Rule"), to the extent necessary for CONTRACTOR to perform the services hereunder. CITY authorizes CONTRACTOR and its agents and employees to use and disclose PHI received from, or created or received by CONTRACTOR on behalf of CITY as follows: (i) as necessary for CONTRACTOR to provide the services; (ii) as otherwise permitted or required of CONTRACTOR, (iii) as required or permitted by law; (iv) for the proper management and administration of the business of CONTRACTOR; and (v) for CONTRACTOR to carry out its legal responsibilities.

CONTRACTOR agrees not to use or disclose Protected Health information except as expressly permitted or required by this Agreement. To the extent that CONTRACTOR discloses PHI to another person in connection with its services or as necessary to carry out its legal responsibilities, CONTRACTOR agrees to

obtain (1) reasonable assurances from such other person that the PHI will be held confidential as provided pursuant to this Agreement and used or further disclosed only as required by law or for the purpose for which it was disclosed to such person; and (ii) an agreement from such other person immediately to notify CONTRACTOR of any breach of the confidentiality of PHI, to the extent of such person has knowledge of such breach. CONTRACTOR further agrees:

- a. Safeguards against misuse of PHI. CONTRACTOR agrees to implement appropriate safeguards to prevent the use or disclosure of PHI other than as provided herein. CONTRACTOR agrees to train persons assigned to this contract in regard to the safeguards set forth in this contract.
 - b. Reporting disclosures of PHI. CONTRACTOR shall report to CITY any use or disclosure of PHI not provided for herein of which it becomes aware.
 - c. Access to, amendment of, and accounting of PHI. To the extent required by the HIPAA Privacy Rule and pursuant to a written request and instruction from the CITY, CONTRACTOR will make PHI available to individuals, make PHI available for amendment and incorporate any amendments to such information, and make available information required to provide an accounting of disclosures.
 - d. Agreements with agents or subcontractors. CONTRACTOR shall require its agents, including subcontractors, to whom CONTRACTOR provides PHI pursuant to this agreement to agree to the restrictions and condition of this agreement concerning PHI.
 - e. Termination. Upon termination of this agreement, for any reason, all PHI maintained by CONTRACTOR shall be returned to CITY or destroyed by CONTRACTOR if feasible. If the return or destruction of PHI is not feasible, the protection of this Agreement shall extend to PHI retained by CONTRACTOR. If returned or destruction of PHI is not feasible, CONTRACTOR agrees to limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible.
 - f. Amendment. The parties agree to take such action as it is necessary to amend this agreement from time to time as required for CITY to comply with the requirements of the Privacy Regulations and the Health Insurance Portability and Accountability Act, Public Law 104-191.
 - g. CITY and CONTRACTOR agree that Paragraph 4 and its subsections are intended to satisfy the Business Associate Contract, as such term is defined in the HIPAA Privacy Rule and to the extent applicable to CONTRACTOR. Further, CITY and CONTRACTOR agree that the obligations under this Paragraph 4 and its subsections are effective as of the date pursuant to which CITY and CONTRACTOR are required by law to enter into a Business Associate Contract.
5. CITY to pay for actual hours worked by CONTRACTOR employees and earned vacation, sick and Holiday time. In case of CONTRACTOR employee absence, due to vacation, illness, training or other reasons, CONTRACTOR will provide a

qualified back-up employee for the time that the normally assigned employee is absent at no additional administrative cost, the CITY will only be responsible for the back-up employees costs to the CONTRACTOR. All CONTRACTOR employee work time above and beyond the predetermined work week, must be pre-authorized by CITY.

6. CONTRACTOR personnel shall present a weekly time sheet to CITY for verification prior to CITY authorizing payment to CONTRACTOR staff.
7. CONTRACTOR and CITY shall meet at least monthly to discuss the work provided under this contract. CITY shall have the sole right to:
 - a. Increase or decrease the number of CONTRACTOR employees assigned to this contract.
 - b. Reject CONTRACTOR employees assigned to this contract and if CITY rejects, CONTRACTOR shall find a suitable employee for the position.
 - c. Designate the job description and necessary credentials for the employee that will deliver the services under this contract.

Exhibit B (in two parts)
Holidays

Upon hire, CONTRACTOR'S are eligible for holiday pay. The following are recognized holidays:

New Year's Day	January 1
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25

All CONTRACTOR employees are eligible for holiday pay provided they are in pay status for the workday preceding and the work day following the holiday. A holiday, which falls on a Saturday or Sunday, is observed using the same guidelines as the CONTRACTOR client company where the employee is assigned.

Vacation

Vacation days are granted to the employee on January 1st and July 1st based upon the number of hours they worked in the previous six month period. They must be taken prior to the employee's next hours worked requirement and do not carry forward. Vacation must be pre-approved at least one week in advance to provide an opportunity for CONTRACTOR to find other resources for the client, if needed. Vacation will not be paid out upon termination of employment. Vacation leave is granted as follows:

Hours Worked	Vacation Earned
Per 200 hours worked	8 hours

Illness/Emergency

CONTRACTOR strives to provide a balance between work and personal time and we understand that illness/emergencies can prevent you from your project at the client's site. Therefore, after an initial three (3) month period, we provide 2 illness/emergency days (8 hours each) every six (6) months, to be used at your discretion for this occasions. Please contact the CONTRACTOR office in the event of illness/emergency.