

MEMORANDUM

March 17, 2025

TO: STEVE COLANGELO, INTERIM CITY MANAGER

FROM: ROSEMARY RIVAS, DIRECTOR OF HUMAN RESOURCES

SUBJECT: REQUEST APPROVAL TO ENTER INTO A CONTRACT WITH REGIONAL GOVERNMENT SERVICES FOR PAYROLL SUPPORT SERVICES

Human Resources requests approval to enter into an agreement with Regional Government Services (RGS) to provide Payroll support to address payroll errors, system set up, and timekeeping services.

**Purpose:** Due to the urgent need to address payroll errors, the Payroll division is transitioning from ASD to the Human Resources Department. RGS will provide expert oversight in payroll processing, and training.

**Background:** In January 2023, the City transitioned from HTE to the Tyler MUNIS ERP HRIS system. The implementation was unsuccessful due to the number of payroll errors that were occurring and the negative impacts on employees, departments, accounting and budget. Immediately following this implementation, the City then moved from semi-monthly to bi-weekly payroll because the implementation team failed to implement bi-weekly payroll when transitioning to a new system as agreed upon within the MOUs. When the city went live in January 2023 and again in October 2024, the payroll team and ASD leadership never processed a clean payroll. Since January 2023, payroll issues have not been addressed.

To address the issues, Human Resources has transitioned Payroll into our department and will be bringing in two vendors to provide support to assist with the following:

- Conduct an audit on the Tyler MUNIS portals
- Address Tyler MUNIS system issues
- Identify payroll errors and address accordingly
- Payroll reporting and compliance
- Provide training & develop standard operating procedures (SOPs)
- Transition from ExecuTime to ESS Time Reporting
- Run a clean and successful payroll

Human Resources met with Tri Group, RGS, and Ralph Hall to discuss services provided and selected RGS to provide payroll support and Ralph Hall to provide support with Tyler MUNIS and Executime/ESS Time and attendance to address payroll issues errors.

Payroll Transition Support  
March 17, 2025  
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**Project Cost:**

The time to complete this project will be approximately six to nine months with an estimated cost to remain under \$100k, per vendor. We will enter into one-year contracts in case additional support is needed, in particular Accounting & Budget as payroll errors may impact those portals/divisions. HR will work with the Budget department to identify funding available to cover these costs.

If you have any questions, please contact Rosemary Rivas at (209) 937-8478.

*Rosemary Rivas*  
Rosemary Rivas

DIRECTOR OF HUMAN RESOURCES

CONCUR:

*Steve Colangelo*  
\_\_\_\_\_  
STEVE COLANGELO (or Designee)

*3.18.2025*  
\_\_\_\_\_  
DATE



### **RGS Is Committed to Reducing Paper Waste by Use of Electronic Processes**

RGS requests your assistance with meeting these waste reduction goals by joining us in the use of digital signature and electronic payment methods during our collaboration to reduce mailing and paper expenses.

**Preamble:** The agreement for services described below is also an agreement to engage in a relationship between organizations – Agency partners. In order to establish a mutually respectful relationship as well as a productive one, RGS has adopted the following values and business methods.

#### **Our Values**

- **Expert Services:** RGS serves exclusively public sector agencies with its team of public-sector experts.
- **Innovation:** RGS encourages and develops innovative and sustainable services to help each Agency meet its challenges through new modes of service provision.
- **Customer Driven:** RGS customizes solutions to achieve the right level and right kind of service at the right time for each Agency's unique organizational needs.
- **Perseverance:** Sometimes the best solutions are not immediately apparent. RGS listens, works with you, and sticks with it until a good fit with your needs is found.
- **Open Source Sharing:** RGS tracks emerging best practices and shares them, learning openly from each other's hard-won experience.
- **Commitment:** Government agencies are the public's only choice for many services. Public trust is earned and must be used wisely. And RGS will do its part. Each Agency should and will know how RGS sets its rates. RGS' pledge to you is that we will act with honesty, openness, and full transparency.

#### **How RGS Does Business**

When you work with RGS you can expect:

- RGS will strive to be explicit up front and put our understandings in writing. Before making assumptions, we hope to talk directly to prevent any misunderstandings.
- Ongoing interaction throughout our relationship to ensure that your needs are being met, and that projects progress appropriately and agreed-upon timelines are met.
- RGS is committed to honest interaction.
- When RGS employees are on your site, we expect them to treat people respectfully and be treated respectfully. If problems arise, we want to communicate early, accurately, and thoroughly to ensure that we find mutually acceptable solutions.
- As a public Agency, partnering is valued. We look out for each Agency's interests consistent with maintaining the public trust.
- To keep expectations realistic, it is important to understand that RGS is a governmental, joint powers authority evolving to meet changing local government needs. RGS has carefully constructed policies and procedures to allow maximum flexibility to meet your needs.



## **AGREEMENT FOR PROFESSIONAL SERVICES**

**This Agreement** for Professional Services (“Agreement”) is made and entered into as of the 12<sup>th</sup> day of March 2025, by and between the **CITY OF STOCKTON**, a municipal agency (“Agency”), and **Regional Government Services Authority (RGS)**, a joint powers authority, (each individually a “Party” and, collectively, the “Parties”).

### **RECITALS**

**THIS AGREEMENT** is entered into with reference to the following facts and circumstances:

- A. That Agency desires to engage RGS to render certain services to it;
- B. That RGS is a consulting and administrative services provider and is qualified to provide such services to the Agency; and
- C. That Agency has elected to engage the services of RGS upon the terms and conditions as hereinafter set forth.

### **TERMS AND CONDITIONS**

**Section 1. Services.** The services to be performed by RGS under this Agreement shall include those services set forth in the attached **Exhibits**, which are incorporated by this reference herein and made a part hereof as though it were fully set forth herein.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in the **Exhibits**.

- 1.1 Standard of Performance.** RGS shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the types of services that RGS agrees to provide in the geographical area in which RGS operates.
- 1.2 Service Advisor.** To ensure quality and consistency for the services provided, RGS also assigns a service advisor to Agency. The service advisor is available to assigned RGS staff and to Agency management and will check in regularly with both to address program/project directives. Typically service advisor time is not billed to Agency, with some exceptions where significant programmatic direction is provided.
- 1.3 Reassignment of Personnel.** Assignment of personnel to provide the services described in the **Exhibits** is at the sole discretion of RGS. In the event that Agency or RGS, at any time during the term of this Agreement, desires the reassignment of personnel, Agency and RGS shall meet and discuss in good faith to address the issue of concern, including but not limited to reassigning such person or persons. For the avoidance of doubt, however, RGS retains sole control as to assignment of its personnel.
- 1.4 Time.** RGS shall devote such time to the performance of services pursuant to this Agreement as may be reasonably necessary to meet the standard of performance described above and to provide the services described in the **Exhibits**.

**Section 2. Term of Agreement and Termination.**

- 2.1** Services shall commence on or about the Effective Date, and this Agreement is anticipated to remain in force to December 31, 2025, at which time services may continue on a month-to-month basis until one party terminates the Agreement or if Section 3 contains a "not to exceed" amount, until RGS charges for services reach the not-to-exceed amount at which point the Agreement will automatically terminate unless amended. Services provided under the month-to-month provision are subject to current RGS staff rates in effect at the time of service. Once this Agreement has converted to a month-to-month basis, RGS shall have the option, at its sole discretion, to terminate this Agreement on the ninety-first (91st) continuous day with no billable service hours. Should RGS elect to exercise this termination option, RGS shall provide Agency with written notice of the termination of the Agreement.
- 2.2** This Agreement may be terminated by either Party, with or without cause, upon 30 days' written notice. Agency has the sole discretion to determine if the services performed by RGS are satisfactory to the Agency which determination shall be made in good faith. If Agency determines that the services performed by RGS are not satisfactory and/or RGS has not resolved the performance issues to the satisfaction of the Agency, Agency may terminate this Agreement by giving written notice to RGS. Upon receipt of notice of termination by either Party, RGS shall cease performing duties on behalf of the Agency on the termination date specified and the compensation payable to RGS shall include only the period for which services have been performed by RGS.

**Section 3. Compensation.** Payment for services under this Agreement shall not exceed \$100,000 and shall be as provided in the **Exhibits**.

**Section 4. Effective Date.** This Agreement shall become effective on the date first herein above written.

**Section 5. Relationship of Parties.**

- 5.1** It is understood that the relationship of RGS to the Agency is that of an independent contractor and all persons working for or under the direction of RGS are its agents or employees and not agents or employees of Agency. The Agency and RGS shall, at all times, treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of the Agency. Agency shall have the right to control RGS employees only insofar as the results of RGS' services rendered pursuant to this Agreement. In furtherance of this Section 5.1, the Parties agree as follows:
- 5.1.1** Agency shall not request from RGS or from an RGS employee providing services pursuant to this Agreement an RGS employee's Social Security Number or other similar personally identifying information.
- 5.1.2** Agency shall not report an RGS employee to a third party as an employee of Agency. For the purposes of this Section 5.1, "third party" means another government agency, private company, or individual.

- 5.1.3** In the event that a third-party requests information about an RGS employee—including but not limited to personally identifying information, hours or locations worked, tasks performed, or compensation—Agency shall inform RGS of the request prior to responding. If Agency possesses such information about an RGS employee, the Parties shall confer in good faith about an appropriate and legally compliant response to the request.
- 5.2** RGS shall provide services under this Agreement through one or more employees of RGS qualified to perform services contracted for by Agency. The positions of RGS staff that will coordinate services to the Agency are indicated in the **Exhibits**. The RGS Executive Director or assigned supervising RGS staff will consult with Agency on an as-needed basis to assure that the services to be performed are meeting Agency's objectives. At any time the RGS employee may be providing services to one or more RGS clients concurrent with the services being provided under this Agreement.
- 5.3** Agency shall not have the ability to direct how services are to be performed, specify the location where services are to be performed, or establish set hours or days for performance of services, except as set forth in the **Exhibits**. Agency confirms that RGS employees are not assuming and are not expected to assume any Agency staff position(s).
- 5.4** RGS employees may require access to Agency's computer systems and networks to complete the assigned services. RGS requires its employees to agree to appropriate system usage policies, which include a pledge not to use partner agency electronic equipment for anything other than partner agency work. (These policies can be provided to Agency upon request.)
- 5.5** Agency shall not have any right to discharge any employee of RGS from RGS employment.
- 5.6** The provisions of this Agreement are not intended to create, nor shall they in way be interpreted or construed to create a joint venture, partnership, or any other similar relationship between the parties.
- 5.7** RGS shall, at its sole expense, supply for its employees providing services to Agency pursuant to this Agreement any and all benefits, such as worker's compensation, disability insurance, vacation pay, sick pay, or retirement benefits; obtain and maintain all licenses and permits usual or necessary for performing the services; pay any and all taxes incurred as a result of the employee(s) compensation, including employment or other taxes; and provide Agency with proof of payment of taxes on demand.

**Section 6. General Liability Coverage.** RGS, pursuant to California Government Code Section 990, may satisfy its contractual liabilities with self-insurance and/or participate in a pooled risk purchasing program. RGS has and will continue to maintain a program of liability coverage against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the work hereunder by RGS and its agents, representatives, employees, and subcontractors.

**6.1 Workers' Compensation Coverage.**

**6.1.1 General requirements.** RGS shall, at its sole cost and expense, maintain Workers' Compensation coverage and Employer's Liability coverage with limits of not less than \$1,000,000.00 per occurrence.

**6.1.2 Waiver of subrogation.** The Workers' Compensation coverage shall be endorsed with or include a waiver of subrogation in favor of Agency for all work performed by RGS, its employees, agents, and subcontractors.

**6.2 Commercial General, Automobile, and Professional Liability Coverages.**

**6.2.1 General requirements.** RGS, at its own cost and expense, shall maintain commercial general and automobile liability coverage for the term of this Agreement in an amount not less than \$2,000,000 per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. RGS shall additionally maintain commercial general liability coverage in an amount not less than \$2,000,000 aggregated for bodily injury, personal injury, and property damage.

**6.2.2 Minimum scope of coverage.** RGS coverage may not be written on ISO forms but will always provide coverage at least as broad as the latest version of the following: (A) *General Liability*: Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001); and (B) *Automobile Liability*: Insurance Services Office Business Auto Coverage form number CA 001, code 1 (any auto).

**6.3 Professional Liability Insurance.** RGS, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability coverage for licensed professionals performing work pursuant to this Agreement in an amount not less than \$2,000,000 covering the licensed professionals' errors and omissions.

**6.4 All Policies Requirements.**

**6.4.1 Coverage requirements.** Each of the following shall be included in the coverage or added as an endorsement:

- a. Agency and its officers, employees, and agents, shall be covered as additional covered parties with respect to RGS' general commercial, and automobile coverage for claims, demands, and causes of action arising out of or relating to RGS' performance of this Agreement and to the extent caused by RGS' negligent act, error, or omission.

- b. An endorsement to RGS' general commercial and automobile coverages must state that coverage is primary with respect to Agency and its officers, officials, employees and agents.
- c. All coverages shall be on an occurrence or an accident basis, and not on a claims-made basis.

**6.4.2 Acceptability of coverage providers.** All coverages required by this section shall be acquired through providers with a Bests' rating of no less than A: VII or through sources that provide an equivalent level of reliability.

**6.4.3 Verification of coverage.** Prior to beginning any work under this Agreement, RGS shall furnish Agency with notifications of coverage and with original endorsements effecting coverage required herein. The notifications and endorsements are to be signed by a person authorized to bind coverage on its behalf. Agency reserves the right to require complete, certified copies coverage at any time.

**6.4.4 Subcontractors.** RGS shall include all subcontractors as insureds under its coverage or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

**6.4.5 Variation.** During the term of this Agreement, RGS may change the insurance program in which it participates. RGS will provide reasonable notice of any such change to Agency and replacement copies of Certificates of Coverage and endorsements.

**6.4.6 Deductibles and Self-Insured Retentions.** RGS shall disclose any self-insured retention if Agency so requests prior to performing services under this Agreement or within a reasonable period of time of a request by Agency during the term of this Agreement.

**6.4.7 Maintenance of Coverages.** The coverages stated herein shall be maintained throughout the term of this Agreement and proof of coverage shall be available for inspection by Agency upon request.

**6.4.8 Notice of Cancellation or Reduction in Coverage.** In the event that any coverage required by this section is reduced, limited, or materially affected in any other manner, RGS shall provide written notice to Agency at RGS earliest possible opportunity and in no case later than five business days after RGS is notified of the change in coverage.

## **Section 7. Legal Requirements.**

**7.1 Governing Law.** The laws of the State of California shall govern this Agreement.

- 7.2 **Compliance with Applicable Laws.** RGS and any subcontractors shall comply with all laws applicable to the performance of the work hereunder.
- 7.3 **Reporting Requirements.** If there is a statutory or other legal requirement for RGS to report information to another government entity, RGS shall be responsible for complying with such requirements.
- 7.4 **Other Governmental Regulations.** To the extent that this Agreement may be funded by fiscal assistance from another governmental entity, RGS and any subcontractors shall comply with all applicable rules and regulations to which Agency is bound by the terms of such fiscal assistance program.
- 7.5 **Licenses and Permits.** RGS represents and warrants to Agency that RGS and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to provide the services contemplated by this Agreement. RGS represents and warrants to Agency that RGS and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions.
- 7.6 **Nondiscrimination and Equal Opportunity.** RGS shall not discriminate on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. RGS shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

## **Section 8. Keeping and Status of Records.**

- 8.1 **Records Created as Part of RGS' Performance.** All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that RGS prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of Agency. RGS hereby agrees to deliver those documents to Agency upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for Agency and are not necessarily suitable for any future or other use.
- 8.2 **Confidential Information.** RGS shall hold any confidential information received from Agency in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, RGS shall return materials which contain any confidential information to Agency. For purposes of

this paragraph, confidential information is defined as all information disclosed to RGS which relates to Agency past, present, and future activities, as well as activities under this Agreement, which information is not otherwise of public record under California law. Agency shall notify RGS what information and documents are confidential and thus subject to this section 8.2.

**8.3 RGS Books and Records.** RGS shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services or expenditures and disbursements charged to Agency under this Agreement for a minimum of 3 years, or for any longer period required by law, from the date of final payment under this Agreement.

**8.4 Inspection and Audit of Records.** Any records or documents that Section 8.3 of this Agreement requires RGS to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of Agency. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds \$10,000.00, the Agreement shall be subject to the examination and audit of the State Auditor, at the request of Agency or as part of any audit of Agency, for a period of three years after final payment under the Agreement.

**Section 9. Non-assignment.** This Agreement is not assignable either in whole or in part without the written consent of the other party.

**Section 10. Amendments.** This Agreement may only be amended or modified by written Amendment signed by both Parties.

**Section 11. Validity.** The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

**Section 12. Disputes.** Should any dispute arise out of this Agreement, Agency agrees that it shall only file a legal action against RGS, and shall not file any legal action against any of the public entities that are members of RGS.

**Section 13. Venue/Attorneys' Fees.** Any suit or action initiated by either party shall be brought in Alameda County, California. In the event of litigation between the Parties hereto to enforce any provision of the Agreement, the prevailing Party shall be entitled to reasonable attorney's fees and costs of litigation.

**Section 14. Mediation.** Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement and each Party shall bear its own legal costs.

**Section 15. Employment Offers to RGS Staff.** Should Agency desire to offer permanent or temporary employment to an RGS employee who is either currently providing RGS services to Agency or has provided RGS services to Agency within the previous six months, said Agency will be charged a fee equal to the full-time cost of the RGS employee for one month, using the most recent RGS bill rate for the RGS employee's services to Agency. This fee is to recover RGS' expenses in recruiting the former and replacement RGS staff.

**Section 16. Entire Agreement.** This Agreement, including the **Exhibits**, comprises the entire Agreement.

**Section 17. Indemnification.**

**17.1 RGS' indemnity obligations.**

RGS shall indemnify, defend, and hold harmless Agency and its legislative body, boards and commissions, officers, and employees ("Indemnitees") from and against all claims, demands, and causes of action by third parties, including but not limited to reasonable attorneys' fees, arising out of RGS' performance of this Agreement, to the extent caused by RGS' negligent act, error, or omission. Nothing herein shall be interpreted as obligating RGS to indemnify Agency against its own negligence or willful misconduct.

**Training disclaimer**

Agency understands and acknowledges that RGS advisors may, as part of the scope of services under this Agreement, provide training on various matters including human resources, accounting, or management practices. The advice and guidance included in such training does not, and is not intended to, constitute legal advice; instead, all information, content, and materials provided are based on industry best practices, but may not be applicable in all situations. Agency staff should not act or refrain from acting on the basis of the information provided as part of a training without first seeking legal advice from counsel in its relevant jurisdiction and/or appropriate Agency approval. RGS' obligation to indemnify, defend, and hold harmless indemnities pursuant to this section 17.1 for professional errors and omissions shall not exceed \$500,000.

**17.2 Agency's indemnity obligations.** Agency shall indemnify, defend and hold harmless RGS and its officers, directors, employees and agents from any and all claims and lawsuits where such persons are named in the lawsuit solely because of a duty any of them performs in accordance with the services outlined in Exhibit B.

It is the intent of the parties here to define indemnity obligations that are related to or arise out of Agency's actions as a governmental entity. Thus, Agency shall be required to indemnify and defend only under circumstances where a cause of action is stated against RGS, its employees or agents:

- a. which is unrelated to the skill they have used in the performance of the duties delegated to them under this Agreement;
- b. when the allegations in such cause of action do not suggest the active fraud or other misconduct of RGS, its employees, or agents; or

- c. where an Agency employee, if he had been acting in a like capacity, otherwise would be acting within the scope of that employment.

Whenever Agency owes a duty hereunder to indemnify RGS, its employees or agents, Agency further agrees to pay RGS a reasonable fee for all time spent by any RGS employee, or spent by any person who has performed work pursuant to this Agreement, for the purpose of preparing for or testifying in any suit, action, or legal proceeding in connection with the services the assigned employee has provided under this Agreement.

**17.3 Obligations and indemnity related to defined benefit retirement plan participation.**

- a. RGS and Agency acknowledge and agree that, if Agency participates in a defined benefit plan (such as CalPERS, a pension plan, or Social Security) ("Retirement Program"), it is possible that the Retirement Program may find that RGS employees providing services pursuant to this Agreement are employees of Agency and should be registered with the Retirement Program as employees of Agency, which possibility is the same as if Agency were contracting with a private consulting firm. Pursuant to Section 5.1 of this Agreement, Agency has an obligation to treat all persons working for or under the direction of RGS as agents and employees of RGS, and not as agents or employees of Agency. Agency agrees not to ask RGS employees for personally identifying information.
- b. In the event that the Agency's Retirement Program initiates an inquiry that includes examination of whether individuals providing services under this Agreement to Agency are Agency's employees, Agency shall inform RGS within five business days and share all communications and documents from the Retirement Program that it may legally share. In the event that either RGS or Agency files an appeal or court challenge, RGS and Agency each agree to cooperate with each other in responding to the inquiry and any subsequent administrative appeal or court challenge of an adverse determination. Notwithstanding Section 17.1 of this Agreement, RGS and Agency shall each bear their own costs in responding to an inquiry by a Retirement Program, including but not limited to costs of an administrative appeal or court challenge.
- c. In the event that any RGS employee or subconsultant providing services under this Agreement is determined by a court of competent jurisdiction or the Agency's Retirement Program to be eligible for enrollment in the Retirement Program as an employee of the Agency, to the fullest extent of the law, Agency shall indemnify, defend, and hold harmless RGS for any Retirement Program contribution payment that Agency is required as a result to make to the Retirement Program as well as for the payment of any penalties and interest on such payments, if any.

**Section 18. Notices.** All notices required by this Agreement shall be given to Agency and RGS in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

**Agency:** City of Stockton  
425 N. El Dorado St.  
Stockton, CA 95202

**RGS:** Regional Government Services Authority  
P. O. Box 1350  
Carmel Valley, CA 93924  
Email: contracts@rgs.ca.gov

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00p.m. on a regular business day or else on the next business day.

This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which taken together shall constitute one and the same instrument. In accordance with California Government Code Section 16.5 and California Civil Code Section 1633.7, the Parties agree that this Agreement may be transmitted and signed by electronic or digital means by either or both Parties and that such signatures shall have the same force and effect as original signatures.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

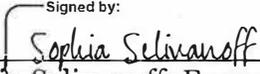
DATED: 3-18-2025

**Agency**

By:   
\_\_\_\_\_  
Steve Colangelo, Interim City Manager  
E: city.manger@stocktonca.gov

DATED: 3/14/2025

**Regional Government Services Authority**

By:   
\_\_\_\_\_  
Sophia Selivanoff, Executive Director

## **Exhibit A**

### **Compensation.**

1. **Fees.** Agency agrees to pay to RGS the hourly rates set forth in the tables below for each RGS employee providing services to Agency, which are based in part on RGS' full cost of compensation and support for the RGS employee(s) providing the services herein described.

RGS and Agency acknowledge and agree that compensation paid by Agency to RGS under this Agreement is based upon RGS' costs of providing the services required hereunder. The Parties further agree that adjustments to the hourly bill rate shown below for "RGS Staff" will be adjusted annually, effective July 1st. The adjustment will be based on the percentage change in the Consumer Price Index CPI (Bureau of Labor Statistics, CPI for urban wage earners and clerical workers in the San Francisco-Oakland-San Jose area) ("CPI"), for the twelve months ending in December of the prior year. Irrespective of the movement of the CPI, RGS will not decrease its hourly rates. and any increase will be capped at 5%. However, if no rate increase had applied in the previous year, this cap will not apply, and RGS will adjust rates by the full percentage change in the CPI for the prior twelve months.

2. **Reimbursement of RGS' Direct Costs.** Agency shall reimburse RGS for direct external costs. Direct external costs, including such expenses as travel or other costs incurred for the exclusive benefit of the Agency are not included in the hourly bill rate and, will be invoiced to Agency when received and without mark-up. These external costs will be due upon receipt.
3. **Terms of Payment.** RGS shall submit invoices monthly for the prior month's services. Invoices shall be sent approximately 10 days after the end of the month for which services were performed and are due and shall be delinquent if not paid within 30 days of receipt. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of one-half of one percent per month, which is an annual percentage rate of six percent, which will be applied to any unpaid balance owed commencing 7 days after the payment due date. Additionally, in the event the Agency fails to pay any undisputed amounts due to RGS within 15 days after payment due date, then Agency agrees that RGS shall have the right to consider said default a total breach of this Agreement and the duties of RGS under this Agreement may be terminated by RGS upon 5 working days' advance written notice.

**Payment Process/Address.** RGS prefers invoices be paid electronically.

RGS will reach out to your invoicing contact to establish and provide electronic payment instructions.

However, should you have questions or need other payment options, please contact:

Lindsay Rice, RGSA Accounting Manager  
(650) 587-7300X12 | [lrice@rgs.ca.gov](mailto:lrice@rgs.ca.gov)

***[EXHIBIT A CONTINUES ON FOLLOWING PAGE]***

**AGENCY CONTACTS**

**Agency Billing Contact.** Invoices are sent electronically only. Please provide the contact person to whom invoices should be sent:

NAME	EMAIL
Rosemary Rivas, Director of HR	rosemary.rivas@stocktonca.gov

**Agency Insurance Contact.** Please provide the contact person to whom the certificate of coverage should be sent:

NAME	EMAIL
Rosemary Rivas, Director of HR	rosemary.rivas@stocktonca.gov

**RGS STAFF RATES**

TITLE	HOURLY RATE*
Strategic Services Consultant	\$186
Senior Advisor	\$157
Advisor	\$135
Technical Specialist	\$119
Administrative Specialist	\$106

*\*The Hourly Rate does not include direct external costs which will be invoiced to Agency with no markup and will fall outside of the not-to-exceed (if established) for services provided.*

**NOTE:** Advisor travel for worksite services —

*The Agency will only be invoiced for the actual hours worked, which shall include RGS staff travel time to and from the service delivery location, billed at the indicated hourly rate.*

## Exhibit B

**Scope of Services.** Subject to the terms and conditions of this Agreement, Regional Government Services Authority (RGS) shall assign RGS employee(s) to serve as Advisors to The City of Stockton hereafter "Agency," which may require performing any or all of the functions described below:

1. Provide immediate ongoing payroll consulting services to the Agency. Consulting services include implementation of work on identified priority projects, and also include the following activities as needed:
  - 1.1 Provide review and guidance for payroll best practices.
  - 1.2 Facilitate the review of current payroll reports, identify possible problem areas, and provide resolutions.
  - 1.3 Provide guidance on the integration and training of the HR department on payroll and timekeeping.
  - 1.4 Facilitate CalPERS reporting and provide guidance for staff training regarding CalPERS calculations.
  - 1.5 Facilitate the review of MOU documents to ensure proper compensation and time tracking.
  - 1.6 Provide guidance with compliance, requirements, and overview of payroll laws.
  - 1.7 Facilitate post payroll reconciliation and provide guidance for staff training on best practices for reconciliation.
  - 1.8 Provide guidance on tax preparation and year end processes.
2. Be reasonably available to perform the services during the normal work week. Meet as often as necessary for the purpose of consulting about the scope of work performed with the appropriate Agency project manager and with the RGS Lead Advisor or Advisors.
3. RGS will maintain open communication lines with Agency staff through written documentation, video conference calls, phone, and e-mail.
4. The work will be done remotely or onsite. RGS Advisors may only work onsite with the authority of the RGS Human Resources Services Director.
5. Projects and activities may be modified on request of the Agency. Agency will only be invoiced for the actual hours worked.
6. The RGS team assigned will be led by a Lead Advisor, who will both perform work and direct projects to other RGS staff as needed. RGS staff, with equal or lower bill rates, will be assigned to projects or tasks at Lead Advisor's discretion.

**MEMORANDUM**

January 7, 2026

TO: JOHNNY FORD, CITY MANAGER

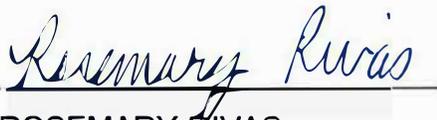
FROM: ROSEMARY RIVAS, DIRECTOR OF HUMAN RESOURCES

SUBJECT: **REGIONAL GOVERNMENT SERVICES CONTRACT (425000532)  
CHANGE ORDER 2026**

The Human Resources Department is submitting a change order to contract 425000532 with Regional Government Services (RGS) to extend the agreement to December 31, 2026. The original agreement dated March 18, 2025 was entered into to address payroll errors when the Payroll division transition from Administrative Services Department (ASD) to Human Resources Department (HR). The original agreement has the option to extend the term for one year in case additional support is needed.

RGS has provided expert oversight in payroll processes and training. RGS Consulting continues to provide Payroll team with training, auditing, desk procedures, CalPERS system reporting requirements, payroll mandatory reporting, payroll laws, reconciliation and creation of Standard Operating Procedures (SOPs) for Payroll division.

We are requesting to extend the current contract for one additional year, with the new termination date of December 31, 2026. There is sufficient funding in the ERP Fund, Project String: IS21002-PRFSVC-PTSAL; Account Number: 3030-031-630001-510-511-00-30-000-000. The estimated cost to complete the remaining payroll tasks continue to remain under \$100,000.



ROSEMARY RIVAS  
DIRECTOR OF HUMAN RESOURCES

RR:os

REVIEWED:

  
JESSICA PALOMARES  
DEPARTMENT FISCAL

Johnny Ford, City Manager

Date

Page 2

REVIEWED:

Marcina Moreno DATE: 1/12/2026

INFORMATION TECHNOLOGY  
DEPARTMENT BUDGET

APPROVED:

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JOHNNY FORD  
CITY MANAGER

DATE:

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AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT

This first amendment to the Professional Services Agreement between the CITY OF STOCKTON ("Agency") and Regional Government Services Authority, hereinafter called "RGS" is made and entered into this 31st day of December 2025.

RECITALS

The Agency and RGS entered into an Agreement for services dated March 12, 2025. This Amendment is entered into with reference to the following facts and circumstances:

- A. Section 2, Term of Agreement and Termination, in subsection 2.1, is amended to extend the anticipated completion of service to December 31, 2026.
B. All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed on the date first above written by their respective officers duly authorized in that behalf.

Dated: \_\_\_\_\_

Dated: 1/2/2026 \_\_\_\_\_

Agency

RGS

Johnny Ford, City Manager
E: city.manager@stocktonca.gov

Signed by: Sophia Selivanoff
Sophia Selivanoff, Executive Director