

Meeting Date: 7/28/2015

Report Type: Consent

Report ID: 2015-00609

Title: Supplemental Agreement: Department of Utilities Leadership Program

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager or the City Manager's designee to execute Supplemental Agreement No. 1 to City Agreement 2014-0755 with Leadership Development Network, LLC, to augment the Leadership Program and extend its term through June 30, 2019, for an amount not-to-exceed \$352,440, bringing the agreement's total not-to-exceed amount to \$444,440.

Contact: Bill Busath, Director, (916) 808-1434; Julie Friedman, Program Specialist, (916) 808-7898, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Office of the Director Admin

Dept ID: 14001011

Attachments:

1-Description/Analysis

2-Background

3-Supplemental Agreement

City Attorney Review

Approved as to Form

Joe Robinson

7/20/2015 10:23:27 AM

Approvals/Acknowledgements

Department Director or Designee: Bill Busath - 7/10/2015 10:56:32 AM

Description/Analysis:

Issue: Staff recommends approval of a Supplemental Agreement with Leadership Development Network (LDN) for continuation and augmentation of the Department of Utilities Leadership Program through Fiscal Year (FY) 2019. Staff is recommending extending the contract term and funding for LDN's services through June 30, 2019, at an additional cost of \$352,440, after which time it is anticipated that a new City-wide agreement will be in effect.

Policy Considerations: Leadership development is consistent with the City of Sacramento Department of Utilities' 5-Year Strategic Plan. This action is also consistent with the requirement to have City Council approval for all agreements over \$100,000.

Economic Impacts: None

Committee/Commission Action: Not applicable

Environmental Considerations: No environmental review is necessary because the recommendations in this report involve the administrative activity of contracting for the purchase of consultant services and are not considered to be a project in accordance with Section 15378(b)(2) of the CEQA Guidelines.

Sustainability Considerations: Not applicable

Rationale for Recommendation:

On May 5, 2014 the Department of Utilities (DOU) issued a Request for Qualifications (RFQ) #Q14141651001 for Leadership Program Development and Evaluation, and four firms submitted Statements of Qualifications (SOQs). The DOU Leadership Program Committee selection panel evaluated the SOQs submitted and determined Leadership Development Network (LDN) to be the top-ranked firm to provide these services. The original agreement had a not to exceed amount of \$92,000 for a pilot phase of service that was recently completed and included designing, developing, implementing, and reporting on results of the program with a total of 63 participants completing the program for the first year.

The pilot Leadership Program has been found to be very successful from data analyzed to conclude the effectiveness of the program based on participant reaction, learning and behavior modification. This supplemental agreement will fund the continuation and augmentation of the program through FY 2019.

Financial Considerations: The proposed increase is \$352,440, for a new not-to-exceed total of \$444,440. Sufficient funding is available in the FY2015/16 operating budget (Fund 6005, Water Fund) through June 30, 2016. Funding for the future fiscal years will be subject to the availability of funding for this purpose in the approved budget for each of the applicable fiscal years.

Local Business Enterprise (LBE): Leadership Development Network (LDN) is an LBE.

Background

The City of Sacramento Department of Utilities (DOU) recognizes that training and workforce development are critical to any organization's success and has made this a priority in its Strategic Plan. As part of its effort to achieve the Strategic Plan goals, the Department formed a Leadership Program Committee in 2014 to support the development of current and future leaders in the organization. As a cornerstone to this effort, the Committee developed a Leadership Program and extensively researched the availability of professional service providers to assist in the development of a leadership program that would cultivate a higher level of performance in its current and future leaders, and build the long-term in house capacity for the DOU to innovate and more effectively solve leadership and management challenges. The program design, curriculum, evaluation, and implementation elements were developed with the participation of the DOU Leadership Program Committee.

The Leadership Program pilot phase occurred semi-annually in Fiscal Year (FY) 2015 and consisted of five monthly, one-day sessions with a total of 63 participants. The DOU is proposing to augment the program to add an additional day of training (Session Six) a few months after the Program training to: (1) serve as a “refresher” to remind participants of the Program’s key leadership points and (2) be a training opportunity focused on developing the participants’ management skills and abilities, specifically targeting front-line supervisors. This will further strengthen the DOU’s ability to achieve its strategic planning goals by reinforcing the participants’ application of the program material. The DOU is also proposing to extend the Program term through June 30, 2019.

In 2014, DOU sought a qualified firm to assist in the development of the Leadership Program. DOU issued a Request for Qualifications (RFQ) #Q14141651001 for Leadership Program Development and Evaluation on May 5, 2014, and four firms submitted Statements of Qualifications (SOQs). The DOU Leadership Program Committee selection panel evaluated the SOQs submitted and selected Leadership Development Network (LDN) as the top-ranked firm to provide these services.

Feedback from those participating in the pilot program has been very positive. The expected benefits of continuing to implement this program include developing in staff members an awareness of their own leadership potential; assisting staff in developing essential leadership skills that enable them to act responsibly in all aspects of their work and life; developing staff who possess the leadership abilities to meet present and future challenges; and providing staff with opportunities to learn and practice essential leadership skills within a learning environment.

SUPPLEMENTAL AGREEMENT

Project Title and Job Number: Department of Utilities (DOU) Leadership Program

Date: 06/24/2015

Purchase Order #: 0000026330

Supplemental Agreement No.: 2014-0755-1

The City of Sacramento ("City") and Leadership Development Network (LDN) ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2014-0755, including any and all prior supplemental agreements modifying the agreement (the agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

1. The scope of Services specified in Exhibit A of the Agreement is amended as follows:

Contractor shall perform the additional services described in Attachment 2 to Exhibit A, attached and incorporated herein by this reference. These additional services will extend through June 30, 2019, as indicated on Attachment 2 to Exhibit A. Contractor shall be paid for performance of these additional services in accordance with Attachment 2 to Exhibit B, attached and incorporated herein by this reference.

2. In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is increased by 352,440.00, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	\$92,000.00
Net change by previous supplemental agreements:	0.00
Not-to-exceed amount prior to this supplemental agreement:	92,000.00
Increase by this supplemental agreement:	352,440.00
New not-to exceed amount including all supplemental agreements:	444,440.00

3. Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
4. Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms hereof.
5. Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

Approval Recommended By:

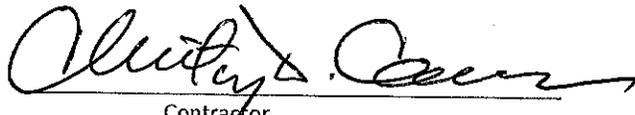
Approved As To Form By:



 Project Manager

 City Attorney

Approved By:



 Contractor

Attested To By:

Approved By:

 City of Sacramento

 City Clerk

ATTACHMENT 2 TO EXHIBIT A
Scope of Services

The specific scope of services to be performed by the CONTRACTOR includes:

TASK 1 – CONTINUATION OF EXISTING LEADERSHIP PROGRAM

Continue implementing the current 5-day Leadership Program.

Continue advising and assisting the CITY in implementing the current Leadership Program's Application and Selection process.

Continue facilitating the current 5-day Leadership Program Curriculum.

Provide all instruction, courseware, and materials, to include: Lesson Plans, Workbooks, Visual Aids, Slides, Videos, Support Materials, Handouts, Reading Books, Personal Assessment Tools, and Certificates of Completion.

Provide facilitation equipment, to include: Laptop Computer, Projector System, and Speaker System.

Note: The CITY will provide classroom/facility, projection screen, and flipchart w/self-adhesive paper.

Continue implementing the current Leadership Program's Evaluation Process.

Implement tools to gather and analyze data to determine the effectiveness of the Leadership Program for the following levels:

Level I – Participant Reaction.

Level II – Participant Learning.

Level III – Participant Behavior.

Submit periodic Evaluation Reports to the CITY:

Level I Participant Reaction Report – within 72 hours after each session.

Level II Participant Learning Report – within 72 hours after each Program.

Level III Participant Behavior Report – within 72 hours after Session Six.

TASK 2 – ADDITIONAL TRAINING MODULE

Design and develop an additional 8-hour day of training to be added to the current five-session Leadership Program.

The additional day of training (Session Six) will have three primary objectives: (1) review of participants' back-at-work implementation; (2) review of material covered, as a refresher; and (3) develop participants' management skills, to include: directing, delegating, time

FY 2018	
PROJECT TASKS	TOTAL PER TASK
Application and Selection	\$500
Facilitate 6-Day Leadership Program Curriculum (Groups A, B, C, and D 2017-2018)	\$77,480
Evaluation Program	\$6,500
FY 2018 Total Cost*	\$84,480
<i>*Cost per participant to attend the 6-Day Leadership Program is approximately \$1,320</i>	

FY 2019	
PROJECT TASKS	TOTAL PER TASK
Application and Selection	\$500
Facilitate 6-Day Leadership Program Curriculum (Groups A, B, C, and D 2018-2019)	\$77,480
Evaluation Program	\$6,500
FY 2019 Total Cost*	\$84,480
<i>*Cost per participant to attend the 6-Day Leadership Program is approximately \$1,320</i>	

Program Curriculum		
Implement the Leadership Program Evaluation Process	Groups A, B, C, and D 2017-2018	Jun 30, 2018

FY 2019		
TASK	Class Session	Due Date
Advise and assist in implementing the Application and Selection Process	Groups A and B 2018-2019	Aug 31, 2018
Advise and assist in implementing the Application and Selection Process	Groups C and D 2018-2019	Dec 31, 2018
Facilitate the 6-Day Leadership Program Curriculum	Groups A, B, C, and D 2018-2019	Jun 30, 2019
Implement the Leadership Program Evaluation Process	Groups A, B, C, and D 2018-2019	Jun 30, 2019

ATTACHMENT 2 TO EXHIBIT B

FEE SCHEDULE/MANNER OF PAYMENT

CONTRACTOR's Compensation. The total of all fees paid to the CONTRACTOR for the performance of all services set forth in Exhibit A, including normal revisions (hereafter the "Services"), and for all authorized Reimbursable Expenses, shall not exceed the total sum of \$ 389,000.00 .

FY 2016					
Cost – Task 1 Continuation					
PROJECT TASKS					TOTAL PER TASK
Application and Selection					\$500
Facilitate 5-Day Leadership Program Curriculum (Groups A, B, C, and D 2015-2016)					\$63,400
Evaluation Program					\$6,500
Task 1 Total Cost*					\$70,400
<i>*Cost per participant to attend the current 5-Day Leadership Program is approximately \$1,100</i>					
Cost – Task 2 New					
PROJECT TASKS	LABOR HOURS	LABOR COST (\$)	OTHER COST (\$)	TOTAL PER TASK	
Session Six Design	1	\$40	\$0	\$40	
Session Six Curriculum Development	10	\$400	\$0	\$400	
Facilitate Session Six Curriculum (Groups A, B, C, and D 2014-2015)				\$14,080	
Facilitate Session Six Curriculum (Groups A, B, C, and D 2015-2016)				\$14,080	
Task 2 Total Cost*	11	\$440	\$0	\$28,600	
<i>*Cost per participant to attend the new Session Six is \$220.</i>					
FY 2016 Total Cost					\$99,000

FY 2017	
PROJECT TASKS	TOTAL PER TASK
Application and Selection	\$500
Facilitate 6-Day Leadership Program Curriculum (Groups A, B, C, and D 2016-2017)	\$77,480
Evaluation Program	\$6,500
FY 2017 Total Cost*	\$84,480
<i>*Cost per participant to attend the 6-Day Leadership Program is approximately \$1,320</i>	

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**BUSINESSOWNERS POLICY-ELITE ENHANCEMENT**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**

It is understood and agreed that the following extensions only apply in the event that no other specific coverage for the indicated loss exposures are provided under this policy. If such specific coverage applies, the terms, conditions and limits of that coverage are the sole and exclusive coverage applicable under this policy.

Throughout this endorsement the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Part 1: Property Coverage Enhancements:

The following amendments are a part of the BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM:

1. Increased Glass Limits

Section A. Coverage, Item 4.b. is replaced by:

- b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of an outdoor sign, we will not pay more than \$3,000 for the total of all loss or damage in any one occurrence.
This Limitation does not apply to loss or damage by the "specified causes of loss", except vandalism.

2. Increased Fire Department Service Charge

Section A. Coverage, item 5.c. is replaced by:

- c. **Fire Department Service Charge**
When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$3,000 for your liability for fire department service charges:
(1) Assumed by contract or agreement prior to loss; or
(2) Required by local ordinance.

3. Reduced Waiting Period and Longer Duration for Civil Authority Coverage

Section A. Coverage, Item 6.i. is replaced by:

- i. **Civil Authority**
We will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.
The coverage for Business Income will begin 48 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

The coverage for necessary Extra Expense will begin immediately after the time of that action and ends:

- (1) 5 consecutive weeks after the time of that action; or
- (2) When your Business Income coverage ends; whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance.

4. Broadened Personal Property Coverage

Section A. Coverage, item 1.b., the first paragraph is replaced by:

- b. Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 1,250 feet of the described premises, including:

5. Increased limits for Personal Property Off Premises

Section A. Coverage, item 8.b. is replaced by:

- b. **Personal Property Off Premises**
You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

6. Increased limits for Outdoor Property

Section A. Coverage, item 6.c. is replaced by:

- c. **Outdoor Property**
You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:
 - (1) Fire;
 - (2) Lightning;
 - (3) Explosion;
 - (4) Riot or Civil Commotion; or
 - (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$5,000, but not more than \$1,000 for any one tree, shrub or plant.

7. Fire Extinguisher Recharge

Section A. Coverage, item 6. Coverage Extensions will also include:

You may extend the insurance provided by this coverage form to cover expenses you incur to recharge portable fire extinguishers, dry chemical, carbon dioxide, or liquid automatic fire extinguishing systems and the cost of resetting automatic fuel shut-off connections, if any of the above are discharged to fight a fire or are discharged due to a mechanical malfunction.

The most we will pay for loss or damage under this extension is \$3,000.

No deductible shall apply to this coverage.

8. Business Income Enhancement

Section A. Coverage, Item 5. Additional Coverages, section f. Business Income is amended as follows:

The reference to "60 days" as the limitation on payroll expenses is replaced by "365 days."

9. Lock Replacement

Section A. Coverage, Item 6. Coverage Extensions will also include:

You may extend the insurance provided by this coverage form to cover necessary expense to repair to replace exterior or interior door locks of a covered building:

- a) If your door keys are stolen in a covered theft loss; or
- b) When your property is damaged and your door keys are stolen by the burglars.

The most we will pay under this extension of \$250 for any one occurrence.

10. Removal of Sewer Backup Exclusion

Section B. Exclusions, Item g(3) is amended to include:

Backups of sewers will not be excluded, but the most we will pay for such losses is \$500 in the policy period.

Part 2: Liability Coverage Enhancements:

The following amendments are a part of the BUSINESSOWNERS LIABILITY COVERAGE FORM:

1. Medical Payments

If Medical Payments Coverage (Coverage A.2.) is not otherwise excluded from this Coverage Part: The Medical Expense Limit is changed subject to all the terms of Limits Of Insurance (Section D) to the greater of:

- a. \$10,000; or
- b. The Medical Expense Limit shown in the Declarations of this Coverage Part.

2. Supplementary Payments

In the Supplementary Payments – (Coverage A.1.d.):

- 1. The limit for the cost of bail bonds (Item (2)) is changed from \$250 to \$500; and
- 2. The limit for loss of earnings (Item (4)) is changed from \$250 a day to \$500 a day.

Blanket Additional Insureds

Who Is An Insured (Section C) is amended to include the following, but only for liability arising out of the negligence of the Named Insured:

Each of the following is also an Insured:

- a. any Contractor, including contracting governmental entities, who hires you as their subcontractor;
- b. any person or organization who has an ownership interest in you;
- c. any lessor of leased equipment, who rents equipment to you, but only with respect to liability arising out of the maintenance, operation, or use by you, provided however that this

- item c. will not apply to (1) any occurrence which takes place after the equipment lease expires; or (2) "Bodily Injury" or "Property Damage" arising out of the negligence of the lessor or contractor engaged to operate the leased equipment; and
- d. any owner, mortgagor, lessor, landlord, condominium association or manager of a premises leased by you, but only for "occurrences" that take place while you occupy the premises, provided however that this item d. will not apply to structural alterations, new construction, or demolition operations; and

With regard to parties applicable under items a. through d. above, the Insurer and the Named Insured agree to waive rights of recovery, as provided within the policy.

Nothing contained in this section C. shall serve to nullify matters excluded under section B. of the policy.

4. Bodily Injury - Mental Anguish

The definition of "bodily injury" is changed to read:

"Bodily Injury":

- a. Means bodily injury, sickness or disease sustained by a person, and includes mental anguish resulting from any of these; and
- b. Except for mental anguish, includes death resulting from the foregoing (item a. above) at any time.

5. Liberalization

If we revise this endorsement to provide more coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.

6. Employee Indemnification Defense Coverage

Under **SUPPLEMENTARY PAYMENTS – COVERAGES A.1.d.**, the following is added:

- (8) We will pay on your behalf defense costs incurred by an "employee" in a criminal proceeding, provided, however that you must have a prior written agreement with such "employee" whereby you agree to indemnify the "employee" for such defense costs, and the agreement includes a provision for repayment of defense costs in the event of an adverse judgment. The most we will pay for any "employee" who is alleged to be directly involved in a criminal proceeding is \$2,500 regardless of the number of employees, claims or "suits" brought or persons or organizations making claims or bringing "suits."

7. Amendment of Aggregate Limit

SECTION D.4. – Aggregate Limits, item B is replaced by:

- b. All other injury or damage, including medical expenses, arising from all "occurrences" during the policy period is three times the Liability and Medical Expenses limit. This limitation does not apply to "property damage" to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of fire or explosion.

8. Amendment to Watercraft Exclusion

Part B- Exclusions, item g.(2)(a) is amended by the following:

The phrase "less than 26 feet" is replaced by "less than 51 feet."

Part 3: Amendment of Conditions:

1. Other provisions of the policy notwithstanding, this policy will be primary for all losses covered herein, and the existence of other insurance will not serve to reduce our obligation.
2. You will have the right to waive our rights of recovery prior to a loss with respect to any party. This must be done in writing to affect our rights.