

June 1, 2016

City of Rialto
150 S. Palm Ave.
Rialto, Ca. 92376



Attention: Cindy Balderas
Human Resource Manager

Dear Cindy,

The Act1 Group of Companies **DBA AppleOne Employment Services**, appreciates the opportunity to lock in our rates with **CITY OF RIALTO**. This letter will serve as written confirmation of rates being offered through our Temporary and Full Time/Direct Hire division. These rates will be available until June 1, 2017.

TALENT ACQUISITION PROGRAM RATES:

DIRECT HIRE: INDUSTRY EXCLUSIVE 5-YEAR GUARANTEE

The Standard Direct Hire Fee is 1% per \$1,000.00 of the Candidate's First Year Annual Salary with a 30% cap.

PREFERRED CLIENT FEE: 20% OF ANNUAL SALARY:

Example: \$ 31,200.00 X 20% = \$6,240.00

ACCOUNTING/FINANCE DIVISION DIRECT HIRE RATES:

25% ANNUAL SALARY INCLUDING FIVE YEAR GUARANTEE

AT-TECH INFORMATION TECHNOLOGY DIVISION DIRECT HIRE RATES:

25% ANNUAL SALARY INCLUDING UP TO 90 DAY REPLACEMENT GUARANTEE

30 Calendar Day – Free Replacement or Full Refund:

Upon termination or resignation of the original candidate within the first 30 calendar days of employment, AppleOne will provide a one-time free replacement for the same position or refund 100% of the Client's paid fee.

31 to 90 Calendar Day – Free Replacement or Prorated Refund:

Upon termination or resignation of the original candidate between 31 and 90 calendar days, AppleOne will provide a one-time free replacement for the same position or prorate the paid fee based on the number of calendar days the candidate was employed (1/90th of the fee per calendar day) and refund the remaining amount.

91 Calendar Days to Five (5) Years- 50% Discount: Upon promotion, termination or resignation of original candidate between 91 calendar days and up to five (5) years, AppleOne will refill the same position at 50% of the original fee (minimum \$2000 refill fee).

Direct Hire Replacement Guarantees will be satisfied when AppleOne presents up to a maximum of five (5) replacement candidates to Client who AppleOne has determined meet the original job specifications of the original position. Once AppleOne has made those five (5) presentations, its obligations under the guarantee are met, whether the company/employer chooses to hire one of the candidates presented or not.

Direct Hire Guarantees are not available in the event of employee termination or resignation due to a relocation of place of employment, a significant change in compensation or other benefits of employment, unlawful conduct of the employer, harassment of the employee, or other conditions or events not in keeping with a professional and reasonable working environment.

TEMPORARY & TEMPORARY TO HIRE:

AppleOne agrees to lock in City of Rialto into the following Bill Rate Ranges:

Position	Bill Rate
Filing/Scanning Clerk	16.98

LIQUIDATION/CONVERSION:

City of Rialto may convert any AppleOne temporary employee to a full-time employee according to the following schedule:

HOURS COMPLETED	LIQUIDATION/CONVERSION FEE
1-240 Hours	20% of Annual Salary
241-480 Hours	15% of Annual Salary
481-719 Hours	10% of Annual Salary
720+ Hours	5% of Annual Salary

Our Bill Rate includes the following: candidate's pay rate plus payroll taxes, W-2 reporting, Ca. Sick Pay, workers compensation and all applicable administrative costs.

The bill rates provided herein were developed based on AppleOne's current account management, recruiting, overhead and general administrative expenses, statutory taxes and other mandatory costs as of the date of this Proposal. The parties agree that, upon AppleOne's written notice to the Client, any statutory or other government-mandated cost or expense that is imposed or increased during the term or performance of services under this Agreement will be passed through to the Client by AppleOne on the Client's invoices, at cost (i.e., without additional markup). These imposed and/or increased costs may include, but are not limited to: Workers' Compensation Insurance, State Unemployment Insurance, as well as mandatory employee health care or sick leave benefits (including costs related to the Affordable Care Act).

AppleOne provides an ACA compliant solution for all eligible employees. As a result of the ACA and other recent labor law legislation, companies across the board will experience an increase in labor costs. Not only has the cost of health insurance increased for the employer, but the cost in ACA administration and reporting has increased as well. Effective January 1, 2015, an hourly surcharge will be applied for all employees on assignment. The hourly surcharge amount is \$.54 and is billed per working hour. This surcharge will be listed separately as an aggregate amount for each invoice each week (or regular invoice cycle).

AppleOne Temporary Associates are not permitted to handle cash, securities or other sensitive documents (with the exception of placements made by our Accounting Division whereas a Fiduciary Background Check will be required for placed candidates). We also do not permit our associates to operate motorized vehicles, including client-owned vehicles, for company purposes. Additionally, our temporary associates must work at the job site of the original assignment. Any changes must be approved by an authorized AppleOne representative.

The current average rate of unemployment has dropped to 5%. Based on this market, many of our clients have committed to paying Temporary Associates up to six of the major Holidays per year to stay competitive when **attracting** and **retaining** Top Talent. By initially approving that all Holidays are paid, based on the average length of a temporary assignment, our clients are likely to only pay for one to two Holidays per year. The Annual Holidays are outlined as follows:

New Year's Day
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day

Following is a quote from one of our Associates who expressed their gratitude for receiving Holiday Pay:

"I think that this generosity encourages us to continue to go above and beyond in assisting with the company's success in any way we can." – B. Walling, Administrative Assistant

DEDICATED HIRING ADVISOR

Shannon Lunn, an experienced staffing professional from our **AppleOne** office has been selected to manage the partnership with **CITY OF RIALTO** and will be responsible for establishing consistent guidelines, maintaining effective communication, and providing comprehensive usage reporting capabilities.

Shannon will be available 24 hours a day, seven days a week by calling either the branch during our normal business hours of 7:30 AM to 5:30 PM Monday through Friday or by cell. By signing below, you are authorizing agreement to our Direct Hire, Temporary, Temp to Hire Conversion Schedule, as well as our Holiday Pay terms.



Our commitment to find, understand and fulfill the needs of another has allowed AppleOne to effectively place temporary associates for over fifty years, creating a successful partnership between both our client companies and our temporary associates. We look forward to continuing to develop our partnership with you and **CITY OF RIALTO**. If you have any questions or if I can be of immediate assistance please do not hesitate to call.

Sincerely,

Shannon Lunn

Shannon Lunn
Sr. Account Manager

Carla Dean

Carla Dean
Branch Manager

Cindy Calderas
Cindy Calderas
City of Rialto

6/6/16
Date



CONDITIONS OF SERVICE

CND

CITY OF RIALTO

"Client") agrees to the following Conditions of Service ("Agreement"):

TEMPORARY AND TEMPORARY-TO-HIRE SERVICES

1. Howroyd-Wright Employment Agency, Inc. dba AppleOne Employment Services ("AppleOne") employees are subject at all times to Client's direct and indirect supervision while on assignment with Client; AppleOne does not supervise such employees on their assignments. Client further agrees that while AppleOne employees are on assignment with Client, they shall not be permitted, without express advance written approval by an officer of AppleOne, to i) engage in travel or otherwise operate a motor vehicle or any non-office machinery or equipment on behalf of Client, ii) handle cash or valuables or negotiable instruments (Client shall also not pay employees directly or advance any funds to them.), iii) be permitted unsupervised or uncontrolled access to confidential or proprietary information, including confidential access codes, iv) be permitted unsupervised access to or control of Client's business premises, v) remove any property of Client from Client's business premises, vi) purchase, consume or distribute any alcohol, or vii) consume drugs, unless advance written authorization is provided by a physician. Should any AppleOne employee be permitted to engage in any of the activities described in i)-vii) above, Client agrees to indemnify, defend and hold harmless AppleOne from claims arising therefrom and AppleOne shall have no liability or responsibility for losses resulting from the employee's conduct.
2. Background check services are available for an additional fee and must be agreed to in writing by AppleOne and Client. AppleOne shall have no liability in connection with the acts or omissions of third-party vendor(s) who perform any background check services.
3. Client agrees to comply with all applicable state and federal laws, including, but not limited to, civil rights and employment-related laws. Client agrees to indemnify, defend and hold harmless AppleOne and its subsidiaries and related entities, and all of their respective officers, directors, shareholders, employees, agents, and representatives (collectively, "AppleOne Parties") for claims, damages or penalties arising out of any violation of laws by Client. In addition, Client agrees to comply with all laws, regulations and ordinances relating to work site health and safety, and agrees to provide AppleOne employees a safe and healthful workplace. Client agrees to indemnify, defend and hold harmless AppleOne Parties for claims, damages or penalties arising out of Client's violations of the Occupational Safety and Health Act of 1970, or any similar state law with respect to workplaces owned, leased or supervised by Client, and/or to which AppleOne employees are assigned. In the event of an accident, medical treatment, serious illness or injury, or death involving an AppleOne employee assigned to Client, Client shall notify AppleOne immediately. For any serious injury, illness or death, of an AppleOne employee occurring in a place of employment or in connection with an AppleOne employee's assignment with Client, Client is required to report immediately, by telephone or fax, to the nearest Occupational Safety and Health Administration ("OSHA") office and is authorized and required by AppleOne to make the report on behalf of both AppleOne and Client. Client shall provide to OSHA all information required by applicable law, as well as AppleOne's name, address, phone number and contact person, and the AppleOne employee's name. Client shall notify AppleOne immediately after the report has been made.
4. Client will not reassign or relocate an AppleOne employee without prior written authorization by AppleOne. Client agrees to assume all liability for any third party claim arising after any reassignment or relocation that occurs without such authorization.
5. Client understands that AppleOne employees are assigned to Client to render temporary service and, absent an agreement to the contrary, are not assigned to become employed by Client. Client acknowledges the considerable expense incurred by AppleOne to advertise, recruit, evaluate, train and quality control its employees. Client will not, without prior written authorization by AppleOne, hire an AppleOne employee, interfere with the employment relationship between AppleOne and its employee, or directly or indirectly cause an AppleOne employee to transfer to another temporary help service.
6. Client understands that AppleOne may refer candidates for Client's evaluation or assign AppleOne employees to render temporary services at Client often while such persons seek direct hire employment through AppleOne. If Client, either directly or indirectly, such as through any company within Client's control, either solicits, offers employment to and/or hires any AppleOne candidate or employee as an employee or consultant in any position, or utilizes such person's services through another temporary or outsourcing service, or any party affiliated with Client refers such person to any other employer and said person becomes employed by that employer: i) at any time from the date such person's identity is provided by AppleOne to Client until six (6) months thereafter, or ii) within six (6) months after termination of such person's temporary assignment through AppleOne at Client, whichever is the later, Client agrees to pay AppleOne a direct hire fee in accordance with AppleOne's standard fee schedule stipulated by the parties to be equal to thirty percent (30%) of such person's first year annualized wage or salary. Unless Client presents written evidence to AppleOne of Client's prior knowledge of an AppleOne referred candidate i) within three (3) business days of AppleOne's referral of such candidate to Client or ii) prior to Client's interview of such candidate or iii) prior to AppleOne's assignment of such candidate at Client, whichever is earliest, Client understands and agrees that Client is liable for the payment of any fees due to AppleOne pursuant to this Agreement.
7. AppleOne offers temporary-to-hire services to Client. An AppleOne employee temporarily assigned to Client is an employee of AppleOne until released to Client. Should Client be interested in hiring an AppleOne employee, Client shall contact AppleOne, who will establish the terms and conditions for releasing the employee to Client's payroll, including the conversion fee to be paid by Client if such terms are not otherwise agreed to between the parties. If any Client accounts are in default according to the payment terms in Section 9, Client shall bring the accounts current prior to the hiring. If Client hires an AppleOne employee with a Client account in default, Client agrees to pay AppleOne a conversion fee equivalent to the direct hire fee as set forth in Section 6 of this Agreement.

INVOICING AND PAYMENT

8. Client understands that AppleOne employees must be paid weekly and agrees to promptly review, and approve or verify, timecards or hours worked. Client will be liable for any and all charges incurred based upon Client approved or verified timecards or hours or similar information

submitted by Client to AppleOne. If timecards or hours lack timely Client approval or verification, AppleOne will process payroll and invoices based upon the timecards or hours submitted by the employees.

9. AppleOne shall invoice Client weekly. Invoices are due upon receipt. Client agrees that an account balance that remains unpaid thirty (30) days after the invoice date will be considered in default and that AppleOne may assess a default charge of one and one-half percent (1.5%) per month on any such balance. Client agrees to pay any such default charges and attorneys' fees for the cost of collection.
10. Client and AppleOne acknowledge that through the Patient Protection and Affordable Care Act of 2010, as amended ("ACA"), and regulations promulgated thereby, statutory requirements have been imposed upon certain employers of certain employees working in the United States. AppleOne is committed to fulfilling its ACA obligations through offering ACA-compliant benefits to eligible contingent workers, including AppleOne employees assigned to Client. In demonstrating Client's commitment to ACA compliance, effective January 1, 2016, Client agrees to share in ACA-related costs by paying a \$0.54 surcharge for each hour of service provided by each AppleOne employee assigned to Client. The surcharge will be billed to Client in a separate line item on the invoice.
11. Client's payment method (Check box.): ☐ eCheck is the preferred method. ☒ ACH/Other shall be discussed between Client and the AppleOne representative.
12. Additional agreed upon pricing for the services to Client under this Agreement may be set forth in one (1) or more exhibit(s) to this Agreement or as mutually agreed upon by the parties in writing. The parties agree that upon thirty (30) days' written notice to Client, pricing under this Agreement may change to accommodate any increase or addition of any government-imposed taxes, fees or costs incurred by AppleOne after the Effective Date or an increase in the ACA surcharge. Client and AppleOne agree that such written notice may be in the form of an electronic communication, including email.

OTHER TERMS

13. This Agreement supersedes any and all other agreements, either oral or written, between the parties or anyone acting on behalf of a party hereto, with respect to the subject matter hereof. This Agreement contains all of the covenants, conditions, warranties, representations, inducements, promises or agreements (oral, written, on a website, or otherwise) ("Promises") between the parties with respect to the subject matter hereof. Each party hereto acknowledges that no Promises have been made by any party or anyone acting on behalf of any party which are not embodied herein and that no other Promises, which are not contained herein, shall be valid or binding. Any oral Promises or modifications concerning this Agreement shall be of no force or effect, except by a subsequent written amendment to this Agreement.
14. The confidential and/or proprietary information of the disclosing party will be held in strict confidence by the receiving party and will not be disclosed by the receiving party to any third party, or used by the receiving party for its own purposes, except to the extent that such disclosure or use is necessary in the performance by the receiving party of its obligations under this Agreement. The receiving party upon the request of the disclosing party will destroy or return all writings or documents that contain information subject to the protections of this section.
15. The laws of the State of California shall govern this Agreement, its interpretation and any disputes regarding the services. Any action concerning this Agreement or the services shall be instituted in the state or federal courts located in Los Angeles, California, and AppleOne and Client agree to the exclusive personal jurisdiction of said courts and waive any rights to a change of venue. In the event that a party hereto commences any legal or equitable action or other proceeding, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to any other relief.
16. This Agreement shall be in effect from the last date set forth below ("Effective Date") and shall continue until terminated at any time by either party in writing. The obligations of the parties shall survive termination or expiration of this Agreement. In the event that any provision of this Agreement shall be unenforceable or inoperative as a matter of law, the remaining provisions shall remain in full force and effect. A waiver of a breach of any covenant, condition, or promise of this Agreement shall not be deemed a waiver of any succeeding breach of the same or any other covenant, condition, or promise of this Agreement. No waiver shall be deemed to have been given unless given in writing. A photostatic copy of this entire executed Agreement shall be deemed an original.

Howroyd-Wright Employment Agency, Inc.
dba AppleOne Employment Services

Address: 327 W Broadway, Glendale, CA 91204

By (Please print.): _____

Title: _____

Signature: _____

Date: _____

Client: CITY OF RIALTO
HR

Address: 150 S. Palm Ave
RIALTO CA 92336

By (Please print.): CINDY BALDERAS

Title: HR Manager

Signature: _____

Date: 6/6/16

PLEASE SEND A SIGNED PHOTOSTATIC COPY OF THE AGREEMENT TO:

AT EMAIL:

CindylBalderas Cbalderas@rialto.ca.gov