



STAFFING AGREEMENT

1. **Parties.** This staffing agreement is entered into on this day by and between Meador Staffing Services, Inc. (MSS), a Texas corporation located at 722A Fairmont Parkway, Pasadena, Texas 77504 and City of League City (Client), located at 300 West Walker, League City, Texas 77573.
2. **Scope of Agreement.** MSS will use its best efforts and utilize valuable resources in cooperation with Client to locate and provide temporary and/or direct-hire employees for Client as from time to time requested by Client. *The services provided under this agreement are exempt from state sales tax pursuant to Texas Tax Code §151.057(2).*
3. **Description and Duties.** Client has requested, and may from time to time in the future, request that MSS provides temporary and/or direct-hire personnel to Client; the duties, responsibilities, and skill levels of such personnel to be described by Client with each placement of job requirements.
4. **Term of Agreement and Maximum Compensation:** This staffing agreement shall begin on the date of execution and shall terminate twelve (12) months thereafter, unless extended by mutual written consent of both parties. The total compensation under this staffing agreement shall not exceed \$50,000.
5. **Responsibilities of Respective Parties**
 - a. MSS is responsible to
 - i. Recruit, screen, interview, and assign its employees (assigned employees) to work under Client's supervision.
 - ii. Pay assigned employees' wages and provide them with the benefits that are currently offered by MSS.
 - iii. Pay, withhold, and transmit payroll taxes; make unemployment contributions; and provide unemployment and workers' compensation insurance involving assigned employees.
 - iv. Notify in writing all assigned employees the benefits provided by MSS that may include, but are not limited to, holidays, vacations, disability, insurance, pensions or retirement plans, or any other benefits offered by MSS.
 - v. Assume full responsibility to comply with all other applicable state or local laws or regulations, including but not limited to those regarding hiring, termination, compensation, hours of work, or other conditions of employment.
 - vi. Verify the identity and right to work of each assigned employee under the United States immigration laws.
 - vii. Refer candidates solely on the basis of qualifications without regard to race, color, sex, sexual orientation, national origin, citizenship status, age, disability or special needs, medical condition, marital status, protected veteran status or other protected classifications.

- viii. Perform background checks of its employees deemed reasonably necessary and appropriate, based upon the skills level and positions for which the employee may be reasonably qualified.

b. Client is responsible to

- i. Properly inform MSS of the skills level, duties, and responsibilities required for each position to which an employee is to be assigned.
- ii. Properly maintain systems of internal controls, separation of duties, and oversight of personnel.
- iii. Properly supervise assigned employees performing its work and be responsible for its business operations, products, services, and intellectual property.
- iv. Properly supervise, control, and safeguard its premises, processes, or systems, and not permit assigned employees to operate any vehicle or mobile equipment or entrust them with unattended premises, cash, checks, keys, credit cards, merchandise, confidential or trade secret information, negotiable instruments, or other valuables without MSS' express prior written approval.
- v. Provide assigned employees with a safe work site, appropriate information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed to at the work site.
- vi. Provide OSHA qualified, site-specific training to assigned employees and provide documentation of training to Meador.
- vii. Not expand or change assigned employees' job duties without MSS' express prior written approval.
- viii. Promptly report in writing to MSS any (i) discriminatory, inappropriate or sexually-oriented remark or statement, (ii) any threat or violence, (iii) injury of any kind or nature made by or to any MSS employee.
- ix. Complete, review, and sign assigned employees' time sheet weekly, thus authorizing payment of wages and issuance of Invoice to client weekly.
- x. Exclude assigned employees from Client's benefit plans, policies, and practices and not make any offer or promise relating to assigned employees' compensation or benefits.
- xi. Not utilize any MSS employee which has been assigned or referred to Client for 180 days after the last day paid by MSS.
 - 1. "Use" includes:
 - a. Employing the person directly
 - b. Purchasing the person's services as an assigned employee, referred employee, or leased employee of any organization other than MSS
 - c. Obtaining the services through any independent contractor, agency, facility, staffing, or consulting relationship
 - d. Arranging, suggesting, endorsing, facilitating, or acquiescing in the person's employment or recruitment by another organization, whether or not the person is later assigned to Client.
 - 2. Client's liability for such use will be the full placement fee plus all costs of collection.

6. **Terms and Conditions.** The cost for MSS employees are based on an acceptable salary for the expertise level required for the assignment plus a total mark-up to cover MSS' actual cost and acceptable fee for the services rendered.

A. **Term of Assignment.** It is MSS' understanding that the temporary employee will be working at the Client's facility. The Client is not required to retain the services of an employee if he or she does not perform up to expectation or if the assignment is completed prior to the

scheduled completion date. Upon request by Client, an employee deemed unsatisfactory will be replaced according to the guarantee outlined in Section D Rates.

- B. **Acceptance of Services.** The Client agrees that any representative from its organization who signs the MSS employee's time sheet is validating that the contractor has performed his or her job to the satisfaction and approval of the Client. As a result, the Client is obligated to pay all invoices in full and on time. MSS should be notified immediately if the client is unhappy with the contractor's performance.

The Client acknowledges that when a candidate is referred for a direct-hire position, that, by virtue of a start date, the hire is complete. An invoice will be presented on or about the first day of employment of the placed employee, and the terms of the placement are outlined in Section D Rates.

- C. **Overtime.** MSS and the client company agree that overtime will be allowed under this agreement. Overtime, if allowed for under this agreement, will be all hours worked in excess of forty (40) per work week. MSS will follow the Client's overtime policy if it differs from the normal forty-hour policy. Overtime will be calculated using the rates below in Section D Rates.
- D. **Rates:** MSS and the Client agree that Client will be charged for all hours worked by each temporary employee at an hourly rate below. The hourly bill rate will include all deductions required by state and federal legislation, including the employer's contributions for FICA taxes, Worker Compensation insurance premiums, and Unemployment Taxes. MSS reserves the right to review the performance of our employees and to issue performance pay increases on an as-needed basis.

Assigned (Temporary) Employee Rates

Administrative/Office and Clerical	48% Mark Up
General Labor	48% Mark Up
Professional	48% Mark Up

Referred (Temporary) Employee Rates

Administrative/Office and Clerical	45% Mark Up
General Labor	45% Mark Up
Professional	45% Mark Up

Overtime/Special Pay/Bill Rates

All hours worked in excess of 40 hours per pay period	Time and one-half
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<u>Direct-Hire Fees (based on annual compensation)*</u>	20% Fee
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**Rate for direct-hire services is a percentage of the first year compensation and offers a 60-day replacement guarantee should the employee be terminated for any reason other than lack of work. MSS guarantees replacement of the placed employee within 90 days of termination. Should MSS be unable to identify a satisfactory replacement within 90 days of termination, it will issue a fee credit to Client that is valid for one year from the date of issuance. In addition, the guarantee applies only to the original position filled. Any deviation will need to be approved in writing by the President or Vice President. Fee is due within 30 days of the start date for the placed employee. If the fee is not paid within 30 days of the start date of the direct-hire employees, the guarantee is negated.*

Testing

Skill Testing

Specialized Testing upon request

FREE

AT COST – NO MARK UP

- E. **Contract to Hire Policy.** MSS will allow our employees to be hired directly. Release fees are based on one percent per thousand of annual salary up to a maximum of thirty percent.
- Non-professional employees must work a minimum of 520 hours for the Client prior to being hired directly to avoid release fees.
 - Professional employees must work a minimum of 1,040 hours for the Client prior to being hired directly to avoid release fees.
 - Referred employees may be converted by the client at any time without additional fees.
- F. **Purchase Orders.** MSS and Client agree that a purchase order will be required.
- G. **Business Expenses.** All approved business expenses that are incurred on behalf of Client by MSS employees should be paid directly to that employee. In the event the client company requires MSS to provide travel arrangements, per diem, expense allowances, mileage reimbursement, or any other expenses related to this contract assignment, the Client will be invoiced for actual expenses, plus a billing fee of 15 percent of the amount expensed.
- H. **Invoicing and Payment Terms.** Temporary employees (assigned employees) are paid on a weekly basis and temporary staffing invoices will be submitted in duplicate form to Client and supported by copies of weekly time sheets on a weekly basis. Direct-hire invoices will be billed on or near the placed employee start date. Unless other payment arrangements are agreed to between Client and MSS in writing beforehand, all invoices are due and payable on a **net 30 day** basis. Interest at the rate of one and a half percent per month or any part thereof shall accrue on all amounts outstanding more than thirty days after the date of the invoice.
- I. **Billing Changes.** MSS may, upon thirty (30) days written notice, request an adjustment in the mark-up, either upward or downward, to reflect changes in the worker's compensation insurance, and or unemployment compensation insurance as affected by their state.
- J. **Pre-employment Charges.** If the Client requires pre-employment services, such as drug screening, physicals, etc., MSS will provide the required testing for a charge per employee. The basic nation-wide criminal background check is provided at no additional charge. Employees placed in the Houston Metro Area are also checked through Harris County at no additional charge. MSS shall not be responsible for errors, omissions, or negligence of any third party performing any of these tests, checks, or services.
7. **Liability.** MSS, its employees, officers, directors, shareholders, and agents assume no liability for any claim, loss, damage, injury, or death caused or allegedly caused by an assigned employee whose duties involve driving the employee's vehicle for Client purposes, driving Client company vehicles, operating Client equipment, handling cash, negotiable instruments, or other valuable property. If the contract requires these duties be performed by the contract employee, MSS will require notification in advance. Client shall indemnify and hold MSS harmless for any such claim, loss, damage, injury, or death.

In addition, MSS assumes no liability for Registered Professional Engineers or any other licensed professional that have the authority to utilize their professional stamp, license, or credentials to certify, approve, check, or authorize any new or existing design projects or issues an opinion

thereon. The Client further agrees that in the event MSS and/or its agents are requested to supply a Registered Professional Engineer or any other licensed professional, the Client assumes all liability and/or responsibility, and the Client will indemnify, defend, and hold MSS harmless from any and all liability, claims, damages, losses, expenses, injury, or death that may be asserted against MSS and/or its agents as a result of claims based upon, arising out of, or attributable to errors and omissions, negligence, breach of contract, bodily injury, destruction of any tangible property, or loss of use, thereof resulting from the usage of the contract employee's professional stamp, license, or certification.

To the extent permitted by law, MSS will defend, indemnify, and hold Client and its parent, subsidiaries, directors, officers, agents, representative, and employees harmless from all claims, losses, and liabilities (including reasonable attorneys' fees) to the extent caused by MSS' breach of the agreement, its failure to discharge its duties and responsibilities set forth in this agreement, or the gross negligence or willful misconduct of MSS, its officers, employees, or authorized agents in the discharge of those duties and responsibilities, provided, however, only in the event that Client's negligence or willful misconduct did not contribute to such claim, damages, loss, injury, or death.

To the extent allowable by law and to the extent of the Client's negligence or willful misconduct, the Client shall indemnify, defend, and hold MSS, its officers and employees, harmless from and against all losses, liabilities, claims, actions, or demands whatsoever, including, without limitation, reasonable attorney's fees, costs and expenses, judgments, awards, decrees, or settlement agreements, in connection therewith.

MSS and Client shall at all times, at their respective costs and expense, maintain

- a) Employer's Liability Insurance in an amount not less than \$1,000,000 per occurrence,
- b) Commercial General Liability Insurance coverage, including products/completed operations and contractual liability insurance), providing coverage for bodily injury, personal injury, and property damage with combined single limits of not less than \$1,000,000 per occurrence,
- c) Commercial Business Automobile Liability Insurance, including coverage for all owned, non-owned, leased, and hired vehicles, providing coverage for bodily injury and property damages liability with combined single limits of not less than \$1,000,000 per occurrence,
- d) Professional Liability and Errors and Omissions Liability Insurance covering acts, errors, omissions arising out of insured's negligence in performance of services under this Agreement in an amount not less than \$1,000,000 per claim,
- e) Excess Liability Insurance in an amount not less than \$5,000,000 per occurrence.

MSS is not maintaining insurance on behalf of Client, insuring against loss or damage to the services or to any property of client. Client must provide MSS with a certificate of insurance evidencing the coverage listed above.

8. **Termination of Agreement.** Either party may terminate this agreement in writing with 30 days written notice to the relevant address listed in Section 9 Notices.
9. **Alternate Dispute Resolution.** In the event of any claims or disputes related to this Agreement, the parties to such claim or dispute shall make every reasonable effort to try to resolve the same. In the event such claim or dispute has not been resolved within sixty days, the same shall be finally resolved by binding arbitration. Any party to such claim and/or dispute may give written

notice to the other party, demanding that the same be finally resolved by binding arbitration and as set forth in this section.

Binding arbitration shall be a panel of three arbitrators located in Texas and in accordance with the commercial arbitration rules and procedures of the American Arbitration Association. One shall be selected by MSS, one by Client, and the third by the two so selected. The decision of a majority of the arbitrators shall be binding and final and may be enforced by any court having proper jurisdiction. The arbitrators shall have the right to award reasonable attorneys' fees and costs to the prevailing party, but may not award incidental, consequential, special, or punitive damages. The costs of the arbitration proceedings and fees of the arbitrators shall be borne equally by the parties to the proceedings. The parties shall make every effort to expedite the conduct and conclusion of the arbitration proceedings. Any party may, pending the final decision of the arbitrators, seek and obtain equitable relief to prevent irreparable injury, or harm and to preserve the status quo. Unless otherwise agreed upon by the parties to such proceedings, the arbitration proceedings shall be conducted in Pasadena, Texas, in the USA.

10. **Notices.** All notices, demands, requests, consents, approvals, or other communications (collectively "Notices") required or permitted to be given hereunder or which are given with respect to this Agreement shall be in writing and shall be personally mailed by registered or certified mail, telexed or delivered, or sent by another electronic medium to the address of each party above or such other address as such party shall have specified most recently by written notice. Notice shall be deemed given on the date of service or transmission if personally served or transmitted by electronic means. Notice mailed as provided herein shall be deemed given on the seventh (7th) business day following the date so mailed.

All written notices should be directed to:

Melinda Torrison, President/COO
722A Fairmont Parkway
Pasadena, TX 77504
mtorrison@meador.com
Phone: 713-941-0616
Fax: 713-941-3624

For Client:

James Brumm, MBA, Sr. HR Analyst
City of League City
300 West Walker
League City, Texas 77573
James.brumm@leaguecitytx.gov
Phone: 281-554-1006

11. **Counterparts.** This Agreement may be executed and delivered in counterparts, each of which shall constitute an original, and all of which together shall constitute one Agreement. A facsimile, telecopy, or other reproduction of this Agreement may be executed by either party, and an executed copy of this Agreement may be delivered by either party by facsimile or similar instantaneous electronic transmission device pursuant to which the signature of or on behalf of such party can be seen, and such execution and delivery shall be considered valid, binding and effective for all purposes.

12. **Entire Agreement.** The terms of this Agreement are intended by the parties as a final expression of their agreement with respect to such terms as are included in this Agreement and may not

be contradicted by evidence of any prior or contemporaneous agreement. The parties further intend that this Agreement constitutes the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever may be introduced in any judicial proceeding, if any, involving this Agreement.

13. **Modification and Amendments.** This Agreement may not be modified, changed or supplemented, nor may any obligations hereunder be waived or extensions of time for performance be granted, except by written instrument signed by the party to be charged or by its duly authorized agent or as otherwise expressly permitted herein.
14. **Waivers and Extensions.** No waiver or any breach of any agreement or provisions herein contained shall be deemed a waiver of any preceding or succeeding breach thereof or of any other agreement or provision herein contained. No extension of time for performance of any obligations or acts shall be deemed an extension of the time for performance of any other obligations or acts.
15. **Attorneys' Fees.** Subject to Section 9, should any party institute any action or proceeding to enforce this Agreement or any provision hereof, or for a declaration of rights hereunder, the prevailing party in any such action or proceeding shall be entitled to receive from the other party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in connection with such action or proceeding.
16. **Titles and Headings.** Titles and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provisions of this Agreement.
17. **Exhibits.** Each of the Exhibits referred to herein and attached hereto is an integral part of this Agreement and is incorporated herein by this reference.
18. **Consents and Approvals.** Whenever the consent or approval of either party is provided for in this Agreement, such consent or approval shall be given in writing to the requesting party.
19. **Further Assurances.** The parties agree to do such further acts and things as well as execute and deliver such additional agreements and further instruments as the other may reasonably require to consummate, evidence or confirm the agreements contained herein in the manner contemplated hereby.
20. **Assignments and Sublicenses.** This Agreement and the rights, duties, and obligations hereunder may not be assigned, sublicensed, or delegated by any party without the prior written consent of the other party. Any assignment or sublicense of rights or delegation of duties or obligations hereunder made without the written consent of the other party hereto shall be void and of no effect. Notwithstanding the foregoing, either party may assign or sublicense its rights or delegate its duties hereunder to any affiliated person or entity which controls, is controlled by, or is under common control with such party.
21. **Successors and Permitted Assigns.** This Agreement and the provisions hereof shall be binding upon each of the parties, their successors, and permitted assigns.
22. **Partial Invalidity.** If any provision of this Agreement is found to be invalid by any court, the invalidity of such provision shall not affect the validity of the remaining provisions hereof.
23. **Corporate Authority.** Each individual executing this Agreement on behalf of any corporation which is a party to this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of said corporation, in accordance with a duly

adopted resolution of the Board of Directors of said corporation, and that this Agreement is binding upon said corporation in accordance with its terms.

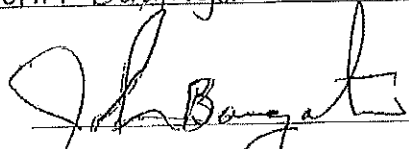
24. **Prohibition on Boycotting Israel:** Pursuant to Section 2270.002, Texas Government Code, by executing this Agreement MSS verifies that MSS: (1) does not boycott Israel; and (2) will not boycott Israel during the term of this Agreement.

25. **Prohibition Against Business with Iran, Sudan or Foreign Terrorists Organizations:** MSS warrants, covenants, and represents that MSS is not engaged in business with Iran, Sudan, or any company identified on the list referenced in Section 2252.152, Texas Government Code.

I hereby acknowledge and agree to the above terms and conditions:

For City of League City

Name: John Baumgartner Title: City Manager


Signature: 

ALV
Date: 3-12-19

Please sign and return to Meador Staffing Services, Inc. via email, U.S. Postal Services or hand deliver to 722A Fairmont Parkway, Pasadena, Texas 77504. A fully-executed copy will be returned to Client.

For Meador Staffing Services, Inc.

Name: Melinda Torrison Title: President/COO

Signature: 

Date: 3-14-19

Your Investment in the Solution

After reviewing our proposal, you can see how Spherion is different. When you select Spherion, you are not merely buying a service; you are engaging a partner whose main objective is to prove itself worthy of becoming an integral component of your organization's success strategy.

Spherion incorporates our industry experience and a variety of internal and external business information to develop comprehensive benchmarking and best-value pricing strategies for our service programs. As a well-established local employment service provider, we are uniquely positioned to evaluate and determine the most appropriate pricing within categories of labor and for individual positions/job descriptions. Ultimately, the following pricing model is based upon City of League City's business goals.

In establishing a pricing model for City of League City, we factor a number of cost considerations, including direct labor rates (including experience level), service costs, transactional costs, local labor market conditions, geography, and volume. Please note that Spherion is committed to always providing the best quality resources at the most competitive price.

Job Title	Client Bill Rate
Park Clean Up Associate (working less than four weeks)	\$21.91/hr
Parks Clean Up Associate (working more than four weeks)	\$20.09/hr

Our client bill rate pricing (effective through December 31st 2019) includes:

- Statutory taxes (FICA, FUTA, SUTA)
- Workers' compensation and general liability insurance
- Recruiting costs
- Qualification and skills assessment
- I-9 and W-4 processing
- Payroll administration
- Drug testing
- Criminal background checks

Temporary-to-Hire

Spherion understands that many of our clients will wish to retain our employees on a permanent basis. For that reason, we incorporate a "buyout clause" into all contracts. The buyout is based on a sliding schedule that assesses a fee as a percentage of the professional's annual salary, taking into account the employee's assignment tenure with your organization.

Total hours worked prior to conversion	Conversion fee (% of annual salary)
> 600	2%
501 – 600	4%
401 – 500	6%

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> 600	2%
501 – 600	4%
401 – 500	6%



301 – 400	8%
201 – 300	10%
101 – 200	12%
1 – 100	14%

Direct Hire

Spherion specializes in matching the right person with the right opportunity. Our local account team will discuss your hiring goals, including a personality fit that blends well with your business culture, and specific skill requirements to enable us to find the most comprehensive match for your personnel needs. As a result, the best candidates can be sourced and identified to join City of League City's full-time staff. Our fee to City of League City for this service will be *20% of the employee's first year annual salary*.



EXHIBIT A
PRICING PROPOSAL

This Proposal is entered into between PeopleReady, Inc. ("Supplier") and the Customer named below and attached to and incorporated in the **Service Agreement** ("Agreement"). Capitalized terms used but not otherwise defined herein shall have the same meaning given those terms in the Agreement.

Effective as of: May 2018

Position	Workers' Compensation Code	Bill (Straight Time) Rate	Overtime Rate	Holiday Rate
Kennel Operator	N/A	N/A		
General Labor	9014	15.75		
General Labor/Maintenance				

Entity	Fed ID	States of Operation

Customer Name ("Customer"): Southwest Pipe Services, Inc
Accepted by (Signature):
Name:
Date:

Brumm, James

From: Samantha Hermosillo <shermosillo@meador.com>
Sent: Wednesday, March 6, 2019 3:56 PM
To: Brumm, James
Subject: Bill Rate

WARNING: This email originated from outside of the City of League City's email system. Do not click links or open attachments unless you recognize the sender and know the content is safe

Hi James,

Per our previous contract the mark up rate for assigned personell is 48%.

So in regards to the Kennel Tech if they are being offered \$11.00 per hour then we would in turn bill \$16.28.

Please let me know if you have any additional questions I can assist with.



Samantha Hermosillo
Branch Manager
p: 281-486-1700
a: 528 W Bay Area Blvd.
Suite 1000
Webster, TX 77598
s: www.meador.com
[SEND US A REFERRAL](#)

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