



RATE & SERVICE CONFIRMATION LETTER

January 14th, 2019

Ms Jennifer Avina, Human Resources Analyst
City of Lake Elsinore
130 South Main Street, Lake Elsinore, CA 92530
Email: javina@lake-elsinore.org

Dear Jennifer,

Thank you for choosing Manpower, the leader in the changing world of work. This letter confirms our agreement with **City of Lake Elsinore**, "the Customer", to place one or more employees described below at the prices set forth below.

Manpower Services: Manpower will recruit, interview, screen and assign to Customer our employees who, through our proven process and expertise, are the best qualified candidate to perform the work described below. Manpower will maintain personnel and payroll records; paying, withholding and transmitting payroll taxes; making unemployment compensation contributions; handling unemployment and workers' compensation claims involving our employees with respect to the compensation that Manpower has agreed to pay; and removing any assigned employee at your request, provided there is a valid legal reason for doing so. Customer also agrees to only request testing equivalent to what they would require of their own full-time employees in that respective position.

Customer Responsibilities: Manpower expects Customer will take responsibility for supervising and controlling the work performed by our employees. Customer will also provide all employees with a safe worksite and will provide information, training and safety equipment with respect to any hazardous substances or conditions to which employees may be exposed at the worksite, whether or not required by law. Without limiting the generality of the foregoing, because Customer controls the facilities in which employees work, it is agreed that Customer is primarily responsible for compliance with the Occupational Safety and Health Act and comparable state laws and regulations there under, to the extent those laws apply to employees working at Customer's facilities. Manpower will, at the request of Customer, instruct its employees on general safety matters in accordance with information provided to Manpower by Customer. Additionally, Customer agrees to provide all our employees with a worksite environment free of harassment. In the event there are substantial changes to the agreed assignment duties, the Customer is required to notify Manpower immediately. Customer also agrees to document all hours worked, approve and submit timesheets to Manpower in a timely manner. Manpower, as the common law employer, has the right to physically inspect the work site and work processes; to review and address, unilaterally or in coordination with Customer, Assigned Employee work performance issues; and to enforce Manpower's employment policies relating to Assigned Employee conduct at the worksite.

Payment terms: Manpower is solely responsible for the compensation of our employees and must pay each employee for all hours worked. Customer agrees to remit the negotiated Bill Rate for all hours worked, including California overtime bill rates for hours worked in excess of 8 hours in a workday or hours exceeding forty (40) hours during the weekly pay period. Manpower invoices Customer weekly. Payment will be due upon receipt of invoice. The Manpower bill rate includes all deductions required by state and federal legislation, including employer's contributions for FICA taxes, providing Unemployment and Workers' Compensation, liability insurance and fidelity bonding, as well as all other deductions and benefits paid to our temporary employees. Additionally, we cover all administrative charges related to payroll, including preparation of W-2 forms at the end of the year. Our price is based upon weekly invoicing with method of payment in the form of check, bank transfer, or Electronic Data Interchange. Alternate payment methods may impact price and require mutual agreement. In the event there is a governmental mandated requirement (federal, state, or local law such as FICA, FUTA, Workers' Compensation, and State Unemployment Tax) to increase wages or employer payroll burdens, Customer agrees to accept and remit additional costs to Manpower from the effective date to the expiration date of this agreement.



Term: The term of this agreement will be three years from the signature date of this agreement.

1. JOB DESCRIPTIONS* and RATES:

<i>Service Delivery</i>	<i>Fee Schedule</i>
<i>Admin (Clerical & Admin roles)</i>	50% Mark Up
<i>Light Industrial (Public Works, General Labor, Groundskeepers)</i>	50% Mark Up
<i>Professional (Engineering, Finance & Accounting, HR, IT)</i>	TBD based Case by Case Basis

* If the parties decide to change information contained within this letter, for example, adding or deleting jobs, they must notify the Manpower office in writing reflecting the intended change. Manpower reserves the right not to provide an Assigned Employee or candidate for any reason. Manpower will only bill for sick time accrued while employee is on assignment.

- 2. ADDITIONAL BACKGROUND CHECKS AND TESTING:** All Manpower employees complete an I9, are processed through E-Verify, and have their employment background verified and screened. Manpower processes thousands of background and drug screenings on behalf of our Customers every year. As such, we have negotiated the most competitive rates possible. Manpower will cover the cost of our Standard drug and background screenings – any client specific requirements above our standard screenings will be billed back to client.
- 3. CONVERSION FEES: TEMPORARY STAFFING: NO FEE FOR HIRING:** It is Manpower's policy not to charge a fee for employees hired by Customer, after our employees have been on assignment for 520 hours. If Customer desires to hire a Manpower employee before 520 hours the conversion fee will be prorated based on hours completed. The conversion is calculated by the hours remaining times the difference between the pay rate and the bill rate.

Bill Rate – Pay Rate x hours remaining = Conversion Fee

Example: Bill Rate \$14 - Pay Rate \$10 x 300 hours = \$1,200 Conversion Fee

PERMANENT PLACEMENT FEE: Permanent Placement Fees: Customer agrees to pay a fee if Customer hires or retains a candidate, in any capacity, referred by Manpower within one (1) year after that candidate was presented to Customer, regardless of whether Customer learned of or could have learned of the candidate through other means. As follows is the fee payable, which is a fixed percentage of Compensation* paid by Customer:

<i>Annualized Compensation</i>	<i>Fee Percentage</i>
All Direct Hire positions	18%

*Compensation includes base gross salary, gross compensation for services, fees, and wages, excluding anticipated bonus and commission earnings, to be made to the candidate during the first twelve (12) months of employment.

- 4. TEMPORARY STAFFING GUARANTEE:** Manpower will guarantee the services of each employee. If for any reason the Customer is not satisfied with an employee, Manpower will replace that employee at no charge, provided Manpower is notified within the first eight (8) hours of that employee's start of an assignment.



5. **ACA INDEMNIFICATION:** Manpower shall be solely responsible for, and shall reimburse, indemnify, and hold harmless Customer (hereafter collectively referred to as "Customer Indemnity") for, any taxes, penalties, or other liabilities assessed against Manpower or Customer under Code §4980H with respect to Manpower Assigned Employees due to Manpower's failure to:
- (i) Offer "minimum essential coverage" within the meaning of Internal Revenue Code (the "Code") §5000A(f)(1)(B) under an "eligible employer-sponsored plan" each within the meaning of Code §5000A(f)(2); or
 - (ii) Offer coverage that is not "affordable" or fails to provide "minimum value," each within the meaning of Code §36B(c)(2)(C) and related regulations, including regulations under Code §4980H.
- Effective Jan. 5th, 2015, all Manpower invoices will include a 1.28% surcharge for healthcare benefits for associates as a response to the recent Affordable Care Act legislation. Provided, however, that in no event shall the customer Indemnity extend to any taxes, penalties, or other liabilities under the under Code §4980H where such tax, penalty, or other liability results from the imposition of assessable payments against the customer under Code §4980H(a) or Code §4980H(b) with respect to the customer's employees.

Once again, thank you Jennifer, for your business. Please let me know if you have any questions. We look forward to working with you!

Kind regards and thanks,

Caroline Hunt

Branch Manager, Manpower
Office: 951-308-2686, Cell: 951-491-4428
39885 Alta Murrieta Drive, Ste D1, Murrieta, CA 92563

ACKNOWLEDGED AND ACCEPTED:
City of Lake Elsinore
By:
Printed Name/Title:
Date: