



August 12, 2020

Darrin Gordon  
Lewes Board of Public Works  
107 Franklin Avenue  
Lewes, DE 19958

Email: [dgordon@lewesbpw.com](mailto:dgordon@lewesbpw.com)

Dear Mr. Gordon:

Thank you for retaining RKL LLP (RKL or the Firm) to provide the Lewes Board of Public Works (hereafter, Lewes BPW) with our Human Capital Management (HCM) Services. This letter constitutes an agreement between you and RKL LLP by which RKL will provide Lewes BPW with Consulting Services. The following paragraphs outline the scope of services, rates and standard terms, conditions and the nature and limitations of services we will provide.

#### SCOPE OF SERVICES

At your request, and under your direction, we will perform certain Human Capital Management Consulting Services. As part of the HCM Consulting fee, the Human Resources subject matter experts of RKL will provide compensation analysis services. Services will be provided onsite and/or remotely for the scope of services identified in Appendix A.

If you have questions and/or concerns regarding your ongoing human resource payroll, financial reporting, accounting records, and business management issues, we may provide additional assistance and describe alternatives we are aware of. Our advice and related alternatives will be based on our knowledge, training, and experience, but at all time, the decisions you make are strictly yours, as is the responsibility for the personnel, human resources, payroll and financial records of your Company.

Our engagement does not include any procedures designed to detect errors, fraud, or theft. Therefore, our engagement cannot be relied upon to disclose such matters. RKL in its sole professional judgment, reserves the right to refuse to take any action that could be construed as making management decisions or performing management functions and will notify Lewes BPW of such refusal.

#### ENGAGEMENT ASSUMPTIONS AND THE COMPANY RESPONSIBILITIES

Our services, fees, and work schedule are based upon the following assumptions, representations, and information supplied by you.

- The Company will determine the extent of services it wishes RKL to provide and will undertake the responsibilities set forth in this engagement letter.
- The Company will ensure that we have access to key people, facilities, and data and that all levels of your employees and contractors will cooperate fully and timely with us. We will also let you know where

we feel we are not getting the appropriate cooperation or direction and advise you of any other issues related to this engagement. The success of this engagement is dependent upon full openness, communications, cooperation, and timely direction.

- The Company agrees that all assumptions set forth in this engagement letter are accurate and agrees to provide us with such further information we may need and which we can rely on to be accurate and complete. We will be entitled to rely on all of your decisions and approvals made independently, and we will not be obligated to evaluate, advise on, confirm or reject such decisions and approvals.
- The Company will evaluate the adequacy and results of services and will let us know immediately of any problems or issues you perceive in our personnel, services, or deliverables.
- The Company accepts responsibility for designing, implementing and maintaining internal controls over the processes and perform ongoing evaluations of these processes.
- The Company acknowledges that we will use information provided by you to complete our services.

You are responsible to make staff available during our ongoing work with you, provide timely responses to questions and calls for decisions, and devote the resources necessary to achieve the objectives of the engagement. If the information you provide is not submitted in a timely manner or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem and/or update your accounting records upon receipt of past-due information. If this occurs, we will contact you to discuss the matter and the anticipated delay in performing our services. We reserve the right to suspend or terminate our work.

To maintain our independence we will look to management to be responsible for making all management decisions, perform all management functions and for designating an individual with suitable skill, knowledge or experience to oversee any services that RKL provides. While we may, as part of our engagement, provide advice, research materials, and recommendations to assist management in fulfilling its functions and making decisions, you agree that you will evaluate the adequacy and results of the services we perform, and that you accept responsibility for the results of those services. To provide oversight of the services we perform throughout this engagement, and to establish and maintain proper controls for this engagement, including appropriate monitoring ongoing activities, you will designate an individual to be the liaison with RKL and management who possesses suitable skill, knowledge, and/or experience to oversee the service, preferably from within senior management. The liaison will be the principal person responsible for communicating to management or other such persons requiring updates.

Please indicate the  
designee: \_\_\_\_\_

#### FEES AND BILLING

In order to reasonably match our billings with our efforts, fees and expenses are billed in the following manner:

1. Fees for our services are based upon the actual time expended on the engagement at the standard hourly rates for the individuals assigned, as adjusted from time to time. We will advise you if rates are being adjusted.
2. Our professional fees for completing the work outlined in Appendix A. Any subsequent changes to fees and/or services may be subject to a separate agreement.
3. Professional fees for out-of-scope work including but not limited to assistance with responding to requests not outlined in this engagement letter, interacting with external vendors, payroll, and technology implementation will be billed at our standard hourly rates.

4. Expenses are not included in the quoted fee. Engagement fees and expenses will be billed monthly and are due upon submission and include, but is not limited to mileage. Mileage will be charged at current IRS rates. In the event that you disagree with or question any amount due under an invoice, you agree that you shall communicate such a disagreement to us in writing within thirty (30) days of the invoice date. Any claim not made within that period shall be deemed waived.
5. In accordance with Firm policies, we reserve the right to suspend our work until payment is received on past due invoices. Our work will commence upon payment of all outstanding invoices, including service charges. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been concluded upon our providing you written notification of termination, even if we have not completed our work. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.
6. If the consulting engagement is terminated, the Firm will bill for services rendered to the date of termination, which will be due upon presentation. Failure to make the payments required by this agreement or failure by you to comply with the terms of this agreement will give us the sole option to terminate the agreement.

#### CONFIDENTIALITY

RKL agrees to take reasonable steps to protect all Confidential Information and to use the Confidential Information only in connection with performing the services hereunder. For purposes of this agreement, Confidential Information shall mean any and all information which is private and not in the public domain about Lewes BPW that is provided, obtained, or produced in connection with the services in written, oral, digital or other tangible form, including, without limitation, all information furnished at any time relating to the Company's business, customers, intellectual property, processes, strategies, all portions of any analyses, compilations, data, studies, or other documents prepared by the RKL that contain or are based on any furnished information or that reflect its review of such information, and any and all information concerning the Company's plans and activities, ideas, projects, software, methodologies, processes, tools, experience, customers and suppliers, financial information and any other information, which ought reasonably under the circumstances to be considered confidential (the "Confidential Information"). RKL agrees to take reasonable steps necessary to ensure that the confidentiality of the Confidential Information is maintained and that such Confidential Information is protected from unauthorized disclosure, but not to a greater extent than the Company itself uses to protect Confidential Information. Without limiting the generality of the foregoing, RKL shall not disclose Confidential Information to any party outside its organization, without the prior written approval of the Company. RKL represents that, as a matter of policy, it informs its personal concerning maintaining the confidentiality of The Company information. You assume all responsibility relating to adherence with privacy and disclosure requirements relating to the use and sharing of information in your industry.

You acknowledge that the proprietary information, documents, materials, management techniques, and other intellectual property we use are a material source of the services we perform and that these were developed prior to our association with you. Any new forms, software, documents, or intellectual property we develop in this engagement for your use shall belong to us, and you shall have the limited right to use them solely within your business. All report templates, manuals, forms, checklists, questionnaires, letters, agreements (including this one), and other documents, which we make available to you, are confidential and proprietary to us. Any and all new documents created as a result of this engagement will automatically become our property. Neither you, nor any of your agents, will copy, electronically store, reproduce, or make available to anyone other than your personnel, any such documents. This agreement will apply to all materials whether in digital or "hard copy" format.

### THIRD-PARTY DISCLOSURE AND THE USE OF THIRD-PARTY SERVICES

Unless you indicate otherwise, you consent to and authorize RKL to transmit confidential information that you provide to us to third parties in order to facilitate delivering our services to you. Examples of such transmissions may include, but are not limited to, the access to your contact information by members of our team (independent contractors such as consultants, administrative assistants, or third-party developers), transfer of information and other data files via the internet, online back-up services, web site developer and hosting services (for newsletter and order processing), or a credit card processing Company. We only work with established companies that we believe to be reputable and that have demonstrated their commitment to safeguarding your data. As the paid provider of professional services, RKL remains responsible for exercising reasonable care in providing such services, and our work product will be subjected to our firm's customary quality control procedures. Please feel free to inquire if you would like additional information regarding the transmission of confidential information to entities outside the firm.

### ELECTRONIC (EMAIL) COMMUNICATIONS

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third-party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

### ASSIGNMENT

All obligations provided under this Agreement are between RKL and Lewes BPW and neither party shall assign any rights or delegate any obligations hereunder without the other party's prior written consent. Any attempted assignment without the required consent shall be null and void.

### TERMINATION OF SERVICE

Either party may terminate this agreement by providing written notice to the other party.

You understand and agree that we may withdraw from the present engagement at any time for any reason at our sole discretion. In particular, you agree that if you fail to provide the requested information or pay for services for this engagement on the agreed upon schedule, we either may discontinue performing services for you until all outstanding balances are paid and/or may withdraw from the engagement ten days after the mailing of written notice to you at the same address to which statements are sent.

If our work is suspended due to lack of payment and we later receive payment from you along with your request that we resume services, we may provide you with an updated timeline for completion of any past due work. We are under no obligation to resume services. You understand that this may result in significant delays in processing.

We reserve the right to terminate our work immediately if, during the course of our services, we become aware of any matters that would compromise our professional or legal standing in any way, either in fact or based on confirmed or potential public perception.

You may elect to terminate this agreement by providing RKL with 30 days written notice. In the event that services are terminated, you assume responsibility for the transfer of any 3rd party vendor services as described earlier in this agreement.

If our work is suspended or terminated as provided herein, you agree that we will not be responsible for your failure to meet government and other deadlines, for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines and for any other damages, including consequential damages.

#### NONSOLICITATION

We value each and every one of our clients as well as each and every one of our employees. We have spent a great deal of time and resources to locate, train, and retain our employees. We respectfully request that you do not solicit our employees to work for you. During the term of this Agreement and for a period of one (1) year following its expiration or termination, neither Party will actively solicit, employ or otherwise engage any of the other Party's partners, principals or employees, including former partners, principals or employees, who were involved in providing or receiving Services under a Statement of Work. In the event that either Party breaches this provision, the breaching Party agrees to pay to the aggrieved Party within thirty (30) days after demand an amount equal to the greater of \$50,000 or 100 percent of the annual base salary of any such partner, principal or employee. For avoidance of doubt, the foregoing does not prohibit either Party from employing individuals who (i) were not involved in a Statement of Work and (ii) who apply for positions in response to public postings, employment advertisements or other general solicitations of employment not targeted at such individuals, whether such applications are during or after the term of this Agreement.

#### INDEMNIFICATION AND HOLD HARMLESS

Indemnification relates to this assignment and any future assignments provided under the terms of this letter. It is intended to protect RKL against being named in any lawsuit arising from this engagement and any future engagements provided under this letter or as a result of having rendered the contemplated opinion of value.

You hereby indemnify RKL and its partners, principals, and employees and hold them harmless from and against all claims, liabilities, costs, and expenses (including, without limitation, attorney's fees and the time of RKL personnel involved) brought against, paid or incurred by RKL at any time and in any way arising out of or relating to RKL's services under this proposal, except to the extent finally determined to have resulted from the gross negligence or willful misconduct of RKL personnel. This indemnification will survive termination of this letter.

RKL's maximum liability relating to the services rendered under this letter (regardless of form of action, whether in contract, negligence, or otherwise) shall be limited to the charges paid to RKL for the portion of its services or work products giving rise to the liability. In no event shall RKL be liable for consequential, special, incidental or punitive loss, damage, or expense (including without limitation, lost profits, opportunity costs, etc.) even if RKL has been advised of their possible existence.

#### SUMMONS OR SUBPOENAS

All information you provide to us in connection with this engagement will be maintained by us on a strictly confidential basis.

If we receive a summons or subpoena which our legal counsel determines requires us to produce documents from this engagement or testify about this engagement, provided that we are not prohibited from doing so by applicable laws or regulations, we agree to inform you of such summons or subpoena as soon as practicable. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate, at your sole expense, to attempt to limit discovery. If you take no action within the time permitted for us to respond, or if your action does not result in a judicial order protecting us from supplying requested information, we may construe your inaction or failure as consent to comply with the request.

If we are not a party to the proceeding in which the information is sought, you agree to reimburse us for our professional time and expenses, as well as the fees and expenses of our legal counsel, incurred in responding to such requests. This paragraph will survive termination of this Agreement.

DISCLAIMER OF LEGAL AND INVESTMENT ADVICE

Our services under this Agreement do not constitute legal or investment advice unless specifically agreed to in the Scope of Services section of this Agreement. We recommend that you retain legal counsel to provide such advice.

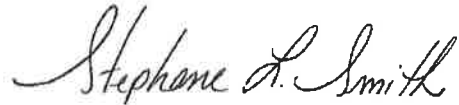
ACCEPTANCE

This agreement will become effective as soon as you sign and date the original copy of this letter and return the signed copy to us. If the need for additional services arises, or the scope of work changes, our agreement with you will need to be revised. It is customary for us to describe additional services and projects in an addendum to this letter or in a separate engagement document. You acknowledge having read this agreement in its entirety, having had full opportunity to consider its terms, having had full and satisfactory explanation of same, and fully understanding and agreeing to be bound by the terms of this agreement.

We look forward to the opportunity to work with you.

Sincerely,

RKL LLP



Stephane L. Smith, SPHR, SHRM-SCP  
Human Capital Management Consulting Services Group

**ACCEPTANCE OF TERMS:**

The above letter and the supporting Appendix(s) confirms our understanding of the services to be performed and the limitations of those services.

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Printed Name**

\_\_\_\_\_  
**Date**

## **Appendix A Scope of Services**

Human Capital Management Consulting services include:

### **Employee Handbook Review and Updates**

Review existing handbook for applicable employment policies providing updates as necessary to maintain an effective and harmonious workplace.

### **Human Resources Assessment**

*Evaluation of the human resources function to include:*

- Provide Lewes BPW with HR & Payroll Assessment Questionnaire to complete
- Interview key staff members to understand structure and effectiveness of the HR function
- Evaluate personnel files to ensure record compliance
- Audit of I-9s
- Assessment of processes and procedures
- Review job descriptions and make recommendations for improvement with content and formatting
- Assess exemption status accuracy by cross-matching job descriptions with exemption status criteria
- Summary report identifying results of assessment and opportunities for improvement

### **Compensation Analysis & Design**

#### *Phase I: Discovery*

Collection and review of all necessary information to conduct the compensation study, including current employee census, relevant financial information, job descriptions, and other supporting documentation.

- Interview and provide a questionnaire to Lewes BPW to collect the information necessary to conduct study.
- Discuss Lewes BPW's current pay philosophy and/or target market positioning. Gain an understanding of company's mission and vision, and current compensation structure.

#### *Phase II: Position & Incumbent Market Analysis*

Conduct market analysis by collecting pertinent compensation data through various resources and tools.

- Build company industry profile and position specific profiles in Salary.com and ERI technologies. Work with Lewes BPW to ensure mutual understanding of responsibilities by title for consistency of information and results.
- Gather market based salary data, leveraging both regional and industry criteria for Lewes BPW positions as defined by job descriptions and interview notation.
- Compare resultant information and market data to average position salaries and incumbent pay rates, establishing compa-ratios of existing employee average salaries to market salaries.
- Identify incumbent salaries that are either significantly over or under market rate, or not aligned with Lewes BPW pay philosophy and make related recommendations, if appropriate.
- Propose salary ranges by position.
- Age market data for following three years.

#### *Phase III: Cost Impact Analysis of Exemption Status Changes*

- Ensure compensation practices are aligned with the updated overtime and salary cut-off rule under the Fair Labor Standards Act. Identify individuals that are not within compliance and identify correction options.
- Conduct a cost impact analysis to assist Lewes BPW in deciding exemption status for such individuals.

*Phase IV: Documentation and Training*

Establish compensation system documentation and train Lewes BPW personnel on the implementation of the new system.

- Develop compensation system documentation including job description development process, content detailing methodology and use for new hires, during the performance process and for promotions.
- Conduct training for transfer of knowledge to Lewes BPW staff.
- Additional out of scope services as requested by the Company provided on an hourly basis

**NOTES:**

Stephane Smith will be leading this engagement with Human Capital Management consultants utilized to support the execution of the deliverables for this engagement.

**Fees**

<b>PHASE</b>	<b>FEE</b>
Employee Handbook Review & Updates	\$5,000
Human Resources Assessment	\$8,000
Compensation Analysis	\$16,500
<b>TOTAL</b>	<b>\$29,500</b>

**\*Out of Scope Fees - charged at the hourly rate:**

Hourly fees are as follows:

- Smith: \$250  
Witmer: \$230  
Consultants: \$150 - \$190 dependent upon the Consultant(s) completing work and providing services