

## **FIRST AMENDMENT TO SERVICE PROVIDER AGREEMENT**

This Amendment of the Agreement, entered into this 1st day of September 2018, by and between the CITY OF ALAMEDA, a municipal corporation (hereinafter "City") and Preferred Alliance, a California Corporation whose address is 16960 S. Harlan Road, Building 2, Lathrop, CA 95330, (hereinafter "Provider"), is made with reference to the following:

### **RECITALS:**

A. On September 1, 2015, an agreement was entered into by and between City and Provider (hereinafter "Agreement") with compensation not to exceed \$30,000.

B. City and Provider desire to modify the Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. Paragraph 1 of the Agreement is modified to read as follows:

The term of this Agreement shall commence on the 1<sup>st</sup> day of September, 2015, and shall terminate on the 31<sup>st</sup> day of August, 2021, unless terminated earlier as set forth herein per Section 19. This contract may be amended to add up to one additional three year term, based upon satisfactory performance by the provider and upon the discretion and agreement of both parties; provided, however, that with respect to any term beginning on or after July 2, 2021, Provider may revise the billing rates set forth in Exhibit A with respect to any three-year renewal term. In such event, Provider will provide at least sixty (60) days prior written notice to the City of any such changes in rate.

2. Paragraph 3A of the Agreement is modified to read as follows:

A. Service Provider shall be compensated for the Services performed in accordance with this Agreement at the hourly rates set forth in Exhibit B. Compensation for this Amendment shall not exceed \$40,000. Total Compensation for this Agreement shall not exceed \$70,000. Payment shall be made by checks drawn on the treasury of the City.

3. Paragraph 8 of the Agreement is modified to read as follows:

To the extent prohibited by law, there shall be no discrimination or harassment of any kind based on any statutorily (federal, state or local) protected class, including but not limited to; race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (ex. Cancer), genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, pregnancy, political affiliation, military and veteran status or legitimate union activities, against any employee or applicant for employment by the Association, the City or by anyone employed by the City.

4. Paragraph 18 of the Agreement is modified to read as follows:

**NOTICES:**

All notices, demands requests or approvals to be given under this Agreement shall be given in writing, addressed as hereinafter provided.

All notices, demands, requests, or approvals from Service Provider to City shall be addressed to City at:

City of Alameda  
2263 Santa Clara Avenue  
Alameda, CA 94501  
Attention: Human Resource Analyst

Cc: City Attorney's Office

All notices, demands, requests, or approvals from City to Service Provider shall be addressed to Service Provider at:

Preferred Alliance, Inc.  
16960 S. Harlan Road  
Lathrop, CA 95330  
Attention: Nannette Mendez-Latalladi

The parties must designate, in writing, any change in the individual to who notice is to be addressed. Notices shall be deemed to be received upon personal delivery to the addresses above; if sent by overnight delivery, upon delivery as shown by delivery service records; if sent by facsimile, upon receipt as confirmed by the sending facsimile equipment; if by United States Postal Service, five days after deposit in the mail.

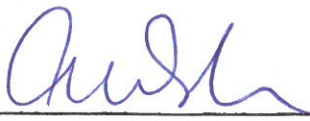
5. Except as expressly modified herein, all other terms and covenants set forth in the Agreement shall remain the same and shall be in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this modification of Agreement to be executed on the day and year first above written.

Preferred Alliance, Inc.,  
A California Corporation

  
By Miguel Taime  
President & CEO

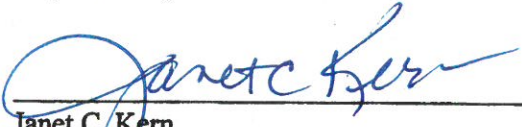
CITY OF ALAMEDA  
A Municipal Corporation

  
Elizabeth D. Warmerdam  
Acting City Manager

RECOMMENDED FOR APPROVAL:

  
Nancy Bronstein  
Human Resources Director

APPROVED AS TO FORM:  
City Attorney

  
Janet C. Kern  
City Attorney



## EXHIBIT "B"

### Fees for Services:

Employer shall pay PA according to the following schedule:

#### **Preferred Alliance Random Fee Schedule** **ON SITE TESTING**

| Company Random Pool Size | Per Driver/Per Month Rate | Payment Terms |
|--------------------------|---------------------------|---------------|
| 1-5                      | \$15.85                   | Annual        |
| 6-10                     | \$13.83                   | Monthly       |
| 11-20                    | \$12.30                   | Monthly       |
| 21-60                    | \$8.66                    | Monthly       |
| 61-99                    | \$7.74                    | Monthly       |
| over 100                 | \$7.30                    | Monthly       |

#### **Preferred Alliance Off-Site Random Fee Schedule**

| Company Random Pool Size | Per Driver/Per Month Rate | Payment Terms |
|--------------------------|---------------------------|---------------|
| 1-5                      | \$13.30                   | Annual        |
| 6-10                     | \$11.06                   | Monthly       |
| 11-20                    | \$9.72                    | Monthly       |
| 21-60                    | \$8.14                    | Monthly       |
| 61-99                    | \$7.43                    | Monthly       |
| over 100                 | \$7.03                    | Monthly       |

PA will bill Employer the **Driver Rate** according to the size of its random pool each month. The contract fee covers the cost of the program's administration and all random drug and breath alcohol tests. ***The initial set up fee of \$259.00 is to be paid in advance unless other arrangements have been made.*** The above contract fee schedule is for calendar year 2015.

The Driver Rate monthly fee assumes the Employer is enrolled with PA for the entire calendar year. Should the Employer enroll in PA after January an additional amount may be due to cover the costs to conduct random tests to bring the Employer's program current up to the point of enrollment.

- (a) Should Employer arrange for testing using entities not affiliated with PA to conduct testing other than PA's random drug and alcohol testing may be in the case in post-accident or reasonable suspicion testing, it is the obligation of the Employer to pay the cost of such testing and collection at the fee for service billed rate;
- (b) Employer shall pay PA \$65.00 for Pre-Employment, Reasonable Suspicion, Return-To-Duty, Follow-up or Post-Accident drug test as may be requested by Employer. The fee includes the services of a Medial Review Officer (M.R.O.), Laboratory, supplies, Specimen Collection, recordkeeping and reporting. Should the Employer order a breath alcohol test (by itself) the Employer shall pay PA a fee of \$45.00.
- (c) In case of an After Hours call (5:00 p.m. – 8:00 a.m.) the employer shall pay PA \$225.00 for the call out fee plus the cost of test (Drug is \$65.00 and Alcohol \$40.00).
- (d) Non DOT test done at Kaiser for Pre-employment, Reasonable Suspicion, Post-Accident will be billed at the cost of \$55.00 for Drugs and \$40.00 for alcohol. Testing done outside of Kaiser will be billed at the rate of \$65.00 for Drugs and \$40.00 for Alcohol.
- (e) Reasonable Suspicion Training: Cost is \$800.00 + \$15.00 per person for training materials.