

**GENERAL MANAGEMENT IN-BASKET (ALL VERSIONS) TEST RENTAL
AND SECURITY AGREEMENT**

This Agreement, entered by and between: The City of Redlands, California, hereinafter referred to as CLIENT, and Management & Personnel Systems, Inc., hereinafter referred to as CONTRACTOR, pertains to the rental by CLIENT of CONTRACTOR'S copyrighted General Management In-Basket (Series 100), as well as any parallel forms or versions of the Series 100 General Management In-Basket that CONTRACTOR may supply.

Now, whereas CLIENT desires to rent CONTRACTOR'S Series 100 General Management In-Basket for use in examining candidates solely for CLIENT'S own job classifications, CONTRACTOR agrees to rent the in-basket to CLIENT, and score it, on a candidate-by-candidate basis on the terms and conditions herein specified.

The CLIENT and CONTRACTOR hereby agree as follows:

I. CONTRACTOR AGREES

1. CONTRACTOR agrees to rent for a period of one year from the date this Agreement takes effect the General Management In-Basket (Series 100-All Versions) to CLIENT for CLIENT'S use in administering to CLIENT'S job applicants and/or employees taking the test for internal departmental evaluation or developmental purposes.
2. CONTRACTOR agrees to respond to CLIENT orders by shipping the number of in-baskets ordered so that CLIENT will have the required in-baskets prior to the scheduled test date. All in-baskets will be shipped in test envelopes with answer forms enclosed.
3. CONTRACTOR agrees to supply one master copy of all necessary administration instructions and forms for use by CLIENT in administering the test.
4. CONTRACTOR agrees to score candidate tests and prepare a rank-ordered list of candidates.
5. CONTRACTOR agrees to prepare a GMIB Score Profile (bar chart) for each candidate who takes the in-basket.
6. CONTRACTOR agrees to prepare, if so ordered by CLIENT, GMIB Narrative Reports on any or all candidates specified by CLIENT. CONTRACTOR shall also supply one master copy of CONTRACTOR'S document entitled: "The General Management In-Basket (GMIB): Guidance for Interpreting Feedback Reports", which CLIENT may

reproduce in whole or in part for each candidate or for each departmental manager or selecting official who is reviewing the results of the in-basket test.

7. CONTRACTOR agrees to ship in-baskets to test monitors arranged by CLIENT, at locations other than CLIENT'S, so that CLIENT may examine candidates any place in the United States, provided that CLIENT follows CONTRACTOR'S established "location" testing procedures which are specified in section II of this Agreement.
8. CONTRACTOR agrees, upon CLIENT'S request, to assist in defense of the General Management In-Basket at times which are mutually agreeable. Also, CONTRACTOR shall respond to any legal process or administrative process or proceeding upon service or upon notice by CLIENT. Such work by CONTRACTOR in defending the General Management In-Basket might include, but not be limited to, responding to interrogatories, giving a deposition at the request of CLIENT or in response to a subpoena by the party bringing the action, appearing before an administrative body, testifying in court or any other forum or proceeding. CONTRACTOR'S prevailing hourly rate for all such work and travel time is specified in section III of this Agreement.

II. CLIENT AGREES

1. The CLIENT expressly acknowledges CONTRACTOR'S copyright on the General Management In-Basket, as well as any similar versions or parallel forms of the General Management In-Basket, and CLIENT agrees not to use CONTRACTOR'S original ideas, including the in-basket scenario, content of the in-basket items, or scoring format, to develop a similar version of CONTRACTOR'S General Management In-Basket for any purpose.
2. CLIENT expressly agrees that it does not have the right to modify CONTRACTOR'S General Management In-Basket for any purpose.
3. CLIENT agrees to keep the General Management In-Basket, as well as any other parallel form or version of said in-basket that CONTRACTOR may supply, in locked file cabinets and take every reasonable precaution to insure that none of the tests is stolen or lost, including the following precautions during actual administration of the in-basket: (a) CLIENT will enter an identification number on each in-basket and record the name of the candidate receiving the in-basket on a Test Control Sheet to be supplied by CONTRACTOR; (b) each candidate will sign the Test Control Sheet next to the space indicating the assigned identification number; (c) CLIENT will insure that each candidate turns in all pages of the in-basket and attest to this by having a test monitor initial next to each candidate's name on the Test Control Sheet when the candidate finishes the test

and returns the in-basket to the monitor; (d) CLIENT will provide sufficient monitors during administration of the in-basket to insure that no candidate removes the in-basket or any portion of it from the test room during or after the test; and (e) CLIENT will forward a copy of the Test Control Sheet to CONTRACTOR along with all in-baskets to be scored. All in-baskets which were received by CLIENT must be returned to CONTRACTOR, whether used or not.

4. CLIENT agrees that it will not reproduce or copy the General Management In-Basket, or any parallel form or similar version of it supplied by CONTRACTOR, in any manner whatsoever, including but not limited to the use of a reproduction machine or handwritten or typed notes or copies of any portion of said in-basket.
5. CLIENT agrees that the General Management In-Basket, or any parallel form or version of it that CONTRACTOR may supply, may only be used by CLIENT in conducting examinations for CLIENT'S own job classifications and/or for use in evaluating current employees for management information or employee developmental purposes.
6. CLIENT agrees that it will not permit the review of, nor provide the General Management In-Basket or any portion of it to, any private individual, any candidate or other individual who has taken the test (e.g., employee who took the test for developmental purposes), or to any representative of a candidate, or to any internal or external administrative body, for any reason. These provisions also apply to completed candidate answer forms, as well as any parallel form or similar version of the General Management In-Basket that CONTRACTOR may supply to CLIENT. Moreover, CLIENT understands and agrees that CONTRACTOR will not make any GMIB rating system guidance or completed candidate answer forms for the items included in the General Management In-Basket, or any parallel form or version of said in-basket, available to any candidate, or any employee, or any candidate or employee representative, or to any internal or external administrative body, or to any representative of any other organization that may request said answers unless ordered by a court to do so under conditions that will not compromise said test(s), with said conditions being acceptable to CONTRACTOR.
7. CLIENT agrees to immediately notify CONTRACTOR of any pending administrative or legal proceedings, or any such actual proceedings that are initiated with regard to the General Management In-Basket, including any parallel form or similar version that CONTRACTOR may supply.
8. As part of the ongoing data base updating by CONTRACTOR for the General Management In-Basket, CLIENT agrees to complete the

Candidate Profile Sheet supplied by CONTRACTOR, identifying the race and sex of candidates, and supply this information to CONTRACTOR along with the Test Control Sheet referenced in II (3) above.

9. CLIENT agrees to follow CONTRACTOR'S standard test administration instructions and procedures.
10. CLIENT agrees to forward to CONTRACTOR all used and unused in-baskets, along with completed candidate answer forms, in a box or suitable container to the address supplied by CONTRACTOR within five (5) days of the examination.
11. Should CLIENT desire to use the General Management In-Basket to test candidates at locations other than CLIENT'S, by arranging to have test monitors who are not employed by CLIENT administer the in-basket, CLIENT will forward to CONTRACTOR the exact name, title and mailing address of each test monitor and the candidate to be tested by each monitor. CLIENT also agrees to forward a copy of CONTRACTOR'S Test Administration Agreement to each test monitor, obtain the original copy signed by each test monitor, then forward the original of said Test Administration Agreement to CONTRACTOR prior to any shipments of in-baskets by CONTRACTOR to said test monitors. All test monitors must be employed in the personnel department of a federal, state or local government agency and may not be private sector, college or university employees.
12. CLIENT agrees to use Airborne or Federal Express or such other carrier as CONTRACTOR may designate for test control and security purposes in shipping in-baskets back to CONTRACTOR.

III. COSTS

1. CLIENT agrees to pay a non-refundable fee of \$370.00 (three hundred seventy and 00/100 dollars) for the first in-basket ordered, whether used or not (\$300 overhead/file start-up + \$70.00 for rental/scoring of the first in-basket).
2. For any in-baskets rented and forwarded by CLIENT to CONTRACTOR for scoring within one year of the date this Agreement is signed by CONTRACTOR, the following rates will be in effect: \$25 rental per in-basket; and \$45 for scoring of each in-basket.
3. CLIENT agrees to pay the actual cost of shipping and handling in-baskets and other correspondence (i.e., results and/or narrative reports) related to a specific examination plus \$5.00 (five and 00/100 dollars) for clerical time for each separate mailing/shipment to CLIENT'S location.
4. CLIENT agrees to pay for all shipping costs when sending in-baskets back to CONTRACTOR.
5. CLIENT agrees to pay \$12.00 additional for the rental of each in-basket shipped to a test monitor at a location other than CLIENT'S.
6. CLIENT agrees to reimburse CONTRACTOR for shipping costs incurred by CONTRACTOR in shipping and receiving in-baskets to or from test monitors arranged by CLIENT.
7. CLIENT agrees to pay \$75.00 (seventy five and 00/100 dollars) for each GMIB Narrative Report prepared by CONTRACTOR at CLIENT'S request.
8. CLIENT agrees to pay the in-basket rental rate of \$25.00 (twenty five and 00/100 dollars) for each unused in-basket test returned by CLIENT unless it is in original condition when received by CONTRACTOR; all in-baskets, whether used or not, must be returned by CLIENT.
9. CONTRACTOR'S fee for assisting in the defense of the General Management In-Basket shall be \$125.00 per hour during the initial one year term of this Agreement, such time to include professional review time, court appearances or other activities, with travel time billed at one-half this rate, plus the actual cost of travel, lodging, and subsistence. After the initial one year period of this Agreement, CONTRACTOR will be paid its prevailing rate for such services.
10. All fees due CONTRACTOR are to be paid within 30 days of billing; amounts due beyond 45 days will accrue interest at 1.5% per month.

IV. IT IS MUTUALLY AGREED

1. The costs specified in this Agreement will remain in effect for a minimum of one year. Any in-baskets which are sent to CONTRACTOR by CLIENT for scoring during this one year period will qualify for these rates.
2. The terms of the Agreement, other than rental and scoring fees, will remain in effect and a new Agreement will not be needed should CLIENT desire to rent the in-basket after the initial one year period. Upon request, CONTRACTOR will notify CLIENT of the rates in effect at that time. The in-basket will be rented and scored and GMIB Narrative Reports prepared at prevailing rates after the initial one year period.
3. Should CONTRACTOR desire a modification of this Agreement after the initial one year period in order to change or improve the test security or related procedures given herein, CONTRACTOR may require said modification as a condition of the continued rental of the in-basket.
4. The provisions of this Agreement which are designed and intended to protect the security of the General Management In-Basket as well as all of CONTRACTOR'S associated proprietary interests in the General Management In-Basket are not limited to the initial one year rate/fee period referenced in this Agreement.
5. Either party may cancel this Agreement by giving seven (7) days written notice. In such event, CONTRACTOR shall be paid the amount due based upon the rates specified herein, or CONTRACTOR'S prevailing rates should cancellation take place after the initial one year term of this Agreement.

WHEREAS THE PARTIES DESIRE TO ENTER THIS AGREEMENT:

CONTRACTOR AND CLIENT expressly warrant that this Agreement has been signed by the individual or individuals whose signatures are required to enter into this Agreement and bind CONTRACTOR and CLIENT to this Agreement. The act of returning this Agreement to CONTRACTOR with the signatures shown below for CLIENT is CONTRACTOR'S guarantee that CLIENT is bound by this Agreement and CONTRACTOR may rely upon CLIENT to faithfully and dutifully abide by this Agreement. Similarly, the signature of CONTRACTOR'S president is CLIENT'S guarantee that CONTRACTOR is bound to this agreement. The effective date of this Agreement will be the date entered by CONTRACTOR upon signing.

Management & Personnel
Systems, Inc.

City of Redlands,
California


Richard C. Joines, President

Date: 11/11/91


Charles G. DeMirjyn, Mayor

Date: November 5, 1991


Lorrie Poyzer, City Clerk

Date: November 5, 1991

Date: _____