

PROFESSIONAL SERVICES AGREEMENT

Compensation & Job Market Analysis

Between Zak Consulting Group, LLC and the City of Tontitown, Arkansas

This Professional Services Agreement (the "Agreement") is entered into as of the date of last signature below (the "Effective Date") by and between Zak Consulting Group, LLC, a Tennessee limited liability company doing business as Zak Human Solutions, with its principal place of business in Franklin, Tennessee ("Consultant" or "ZHS"), and the City of Tontitown, Arkansas, a municipal corporation organized under the laws of the State of Arkansas (the "City" or "Client"). Consultant and Client are each referred to herein as a "Party" and collectively as the "Parties."

WHEREAS, the City wishes to engage Consultant to perform a compensation and job market analysis for the City's positions; and

WHEREAS, Consultant has the expertise and qualifications to perform such services; and

WHEREAS, the Parties wish to set forth the terms and conditions under which Consultant will perform such services.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. ENGAGEMENT

The City hereby engages Consultant, and Consultant hereby agrees, to perform the professional services described in Section 2 (the "Services") and as further detailed in Attachment A (Statement of Work), subject to the terms and conditions of this Agreement.

2. SCOPE OF SERVICES

Consultant shall conduct a comprehensive compensation and job market analysis covering all positions identified by the City, with the goal of ensuring competitive, equitable pay aligned with comparable municipalities in the Northwest Arkansas region. The Services include, without limitation:

- Review and analysis of the City's existing salary administration guide, grade structure (Grades 1 through 12), and point-based classification system
- Market benchmarking of all positions against comparable municipalities (including but not limited to Cave Springs, Arkansas) and the surrounding regional labor market
- Identification of internal equity considerations across positions and departments
- Written compensation study report containing findings, market data, and recommended salary range adjustments

- Presentation of findings to the City and the Mayor and to the City Council
- One round of revisions to the final report following stakeholder review

Additional services not described herein or in Attachment A may be added to this engagement only by a written Work Order signed by both Parties, as further described in Section 12.

All reports, analyses, memoranda, data compilations, recommendations, and other deliverables produced under this Agreement shall become the property of the City upon payment.

3. TERM AND TIMELINE

This Agreement shall commence on the Effective Date and shall continue until the earlier of (a) Consultant's delivery and the City's acceptance of the final deliverable described in Section 2, or (b) termination of this Agreement in accordance with Section 11.

Consultant shall use commercially reasonable efforts to deliver the final report within sixty (60) calendar days of the Project Kickoff, defined as the later of (i) Consultant's receipt of the Project Kickoff payment as set forth in Section 4, or (ii) Consultant's receipt of all position descriptions, current salary data, and other documentation reasonably required from the City to perform the Services. Delays caused by the City's failure to provide requested information or to remit payment shall extend the timeline accordingly.

The City's obligations under this Agreement are subject to annual appropriation and availability of lawfully budgeted funds

4. COMPENSATION AND PAYMENT TERMS

4.1 Project Fee

In consideration of the Services, the City shall pay Consultant a fixed-fee project total of Nine Thousand Five Hundred and 00/100 Dollars (\$9,500.00), payable according to the following schedule:

Milestone	Trigger	Amount
Project Kickoff	Upon execution of this Agreement, prior to commencement of Services	\$4,750.00 (50%)
Final Deliverable	Upon delivery of final report	\$4,750.00 (50%)
Total Project Fee		\$9,500.00

4.2 Payment Method

All payments shall be made by ACH bank transfer or credit card only. Consultant does not accept payment by check. A processing fee of three percent (3%) shall apply to all credit card payments

and shall be added to the invoice total. ACH bank transfer payments are not subject to the processing fee.

4.3 Invoicing and Payment Timing

Consultant shall issue an invoice for the Project Kickoff milestone upon execution of this Agreement. Payment is due upon receipt and must be received before Consultant commences the Services. Consultant shall issue an invoice for the Final Deliverable milestone upon delivery of the final report. Payment for the Final Deliverable is due within fifteen (15) calendar days of invoice date.

4.4 Late Payment

Any payment not received by its due date shall accrue a late fee of One Hundred Fifty and 00/100 Dollars (\$150.00). Consultant reserves the right to suspend the Services, withhold delivery of any work product (including draft or final deliverables), and pause all related activity until the outstanding balance, including any applicable late fees and processing fees, has been paid in full. Suspension of Services for non-payment shall not constitute a breach of this Agreement by Consultant.

5. INDEMNIFICATION

Nothing herein shall be construed as creating any obligation of indemnification by the City beyond that permitted by Arkansas law.

6. LEGAL DISCLAIMER

The City acknowledges and agrees that Consultant is not a law firm, and that no part of the Services constitutes legal advice. Consultant's deliverables, recommendations, and advisory communications are provided for informational and consulting purposes only. The City is solely responsible for obtaining independent legal counsel regarding the application of federal, state, and local law to any decision the City makes in connection with the Services or any deliverable. The City assumes full responsibility for all employment, compensation, classification, and personnel decisions it makes, and Consultant shall have no liability for outcomes resulting from such decisions.

7. CONFIDENTIALITY

Each Party (the "Receiving Party") acknowledges that, in connection with this Agreement, it may receive or have access to confidential and proprietary information of the other Party (the "Disclosing Party"), including, without limitation, business plans, financial information, personnel records, salary and compensation data, organizational structures, methodologies, processes, templates, trade secrets, and any other non-public information (collectively, "Confidential Information"). The Receiving Party shall (a) use Confidential Information solely for purposes of performing its obligations under this Agreement, (b) protect Confidential Information using at least the same degree of care it uses to protect its own confidential information (but in no event less

than reasonable care), and (c) not disclose Confidential Information to any third party without the Disclosing Party's prior written consent, except to its employees, agents, or professional advisors who have a need to know and who are bound by confidentiality obligations no less protective than those set forth herein.

If the Receiving Party becomes aware of any actual or suspected unauthorized use, disclosure, loss, or breach of Confidential Information, the Receiving Party shall notify the Disclosing Party in writing within seventy-two (72) hours of becoming aware of such event, and shall cooperate in good faith with the Disclosing Party's efforts to mitigate any resulting harm. The obligations in this Section 7 shall survive termination or expiration of this Agreement for a period of five (5) years, except with respect to trade secrets, which shall be protected for so long as such information remains a trade secret under applicable law.

This Section 7 is subject to the City's obligations under the Arkansas Freedom of Information Act and other applicable public records laws. The City shall, to the extent permitted by law, notify Consultant prior to any disclosure of Confidential Information in response to a public records request to allow Consultant a reasonable opportunity to seek a protective order or other appropriate remedy.

8. BREACH AND ATTORNEY'S FEES

In the event of any breach of this Agreement, the non-breaching Party shall be entitled to recover from the breaching Party all costs of enforcement, including without limitation reasonable attorney's fees, court costs, expert witness fees, collection costs, and other expenses incurred in enforcing this Agreement or pursuing any remedy hereunder.

Upon termination, Consultant shall be compensated only for Services satisfactorily performed through the effective date of termination

9. INDEPENDENT CONTRACTOR

Consultant is an independent contractor and not an employee, agent, joint venture, or partner of the City. Nothing in this Agreement creates an employment relationship between the Parties. Consultant shall be solely responsible for all federal, state, and local taxes, insurance, and other obligations arising from compensation received under this Agreement.

10. TERMINATION

This Agreement may be terminated as follows:

- By mutual written agreement of the Parties at any time.
- By either Party for material breach, if the breaching Party fails to cure such breach within fifteen (15) calendar days of receiving written notice describing the breach with reasonable specificity.

- By Consultant immediately upon written notice if the City fails to pay any invoice when due and such failure continues for more than ten (10) calendar days after the original due date.
- The City may terminate this Agreement for convenience upon fourteen (14) days written notice

Upon termination, the City shall pay Consultant for all Services rendered through the effective date of termination, including the full Project Kickoff fee if previously invoiced, and any other amounts that have accrued under this Agreement, subject to Section 9.

11. ADDITIONAL SERVICES

The Parties acknowledge that the City may, at its option and subject to budget availability, wish to engage Consultant for additional human resources consulting services beyond the scope of this Agreement (such as HR policy development, leadership and manager training, recruitment and onboarding support, employee relations advisory, or HR systems advisory). Any such additional services shall be governed by a separate written Work Order signed by both Parties that references this Agreement and sets forth the additional scope, fees, timeline, and any other terms specific to the additional engagement. Each Work Order shall incorporate by reference the terms of this Agreement, which shall continue to govern except as expressly modified in the Work Order.

12. GOVERNING LAW AND DISPUTE RESOLUTION

This Agreement shall be governed by and construed in accordance with the laws of the State of Arkansas, without regard to its conflict of laws principles. The Parties agree that any action arising out of or relating to this Agreement shall be brought in the state or federal courts located in Washington County, Arkansas, and each Party consents to the personal jurisdiction of such courts.

Prior to initiating any litigation, the Parties shall attempt in good faith to resolve any dispute through informal discussions between the Mayor (or designee) and Consultant's principal. If such informal discussions do not resolve the dispute within thirty (30) calendar days, the Parties may proceed to formal dispute resolution.

13. MISCELLANEOUS

13.1 Entire Agreement

This Agreement, together with Attachment A, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements, representations, and understandings, whether written or oral.

13.2 Amendment

This Agreement may be amended or modified only by a written instrument signed by authorized representatives of both Parties.

13.3 Severability

If any provision of this Agreement is held to be invalid, illegal, or unenforceable, the remaining provisions shall continue in full force and effect, and the invalid provision shall be modified to the minimum extent necessary to make it enforceable.

13.4 Waiver

No waiver of any provision of this Agreement shall be effective unless in writing and signed by the waiving Party. A waiver of any breach shall not constitute a waiver of any subsequent breach.

13.5 Assignment

Neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party, except that Consultant may assign this Agreement to a successor in interest in connection with a merger, acquisition, or sale of substantially all of its assets.

13.6 Notices

All notices required or permitted under this Agreement shall be in writing and shall be delivered by email (with confirmation of receipt) or by certified mail to the addresses set forth below the signature block, or to such other address as a Party may designate in writing.

13.7 Counterparts and Electronic Signatures

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Electronic signatures and signatures delivered by email or PDF shall have the same legal effect as original signatures.

13.8 Survival

Sections 5 (Indemnification), 6 (Legal Disclaimer), 7 (Confidentiality), 8 (Breach and Attorney's Fees), 12 (Governing Law and Dispute Resolution), and any other provisions that by their nature should survive, shall survive any expiration or termination of this Agreement.

Consultant shall cooperate with the City regarding any public records request relating to the Services, and that obligation shall survive the termination of this Agreement.

SIGNATURES

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

FOR ZAK CONSULTING GROUP, LLC

**FOR THE TOWN OF TONTITOWN,
ARKANSAS**

Nadian Zak, Founder & CEO
Zak Consulting Group, LLC
(dba Zak Human Solutions)

Angela Russell, Mayor
City of Tontitown, Arkansas

Date: _____

Date: _____

Notice Addresses:

Consultant: Zak Consulting Group, LLC (dba Zak Human Solutions), Franklin, Tennessee.
Email: nadian.zak@zakhumansolutions.com.

City: City of Tontitown, Arkansas, Office of the Mayor. Email: mlatham@tontitownar.gov

ATTACHMENT A

Statement of Work: Compensation & Job Market Analysis

1. PROJECT OVERVIEW

Consultant will conduct a comprehensive compensation and job market analysis for the City of Tontitown, Arkansas, to assess current compensation practices against comparable municipalities in the Northwest Arkansas region and to provide actionable recommendations for ensuring competitive, equitable pay across all City positions.

2. PROJECT PHASES AND DELIVERABLES

Phase 1: Discovery and Data Collection (Weeks 1 to 2)

- Kickoff meeting with the Mayor, HR Administrator, and City Administrator to confirm scope, timeline, and key contacts
- Collection of current position descriptions, salary administration guide, grade structure, and existing classification data
- Identification of comparable municipalities and benchmark data sources
- Deliverable: Project work plan with confirmed timeline and data inventory

Phase 2: Market Benchmarking and Analysis (Weeks 3 to 6)

- Market benchmarking of all City positions against comparable municipalities and the regional labor market
- Analysis of internal equity, including grade structure and point-based classification system
- Identification of pay gaps, compression issues, and inequities
- Deliverable: Draft analysis with preliminary findings shared with the HR Administrator for input

Phase 3: Reporting and Presentation (Weeks 7 to 8)

- Preparation of final written compensation study report including methodology, market data, findings, and recommended salary range adjustments
- One round of revisions following stakeholder review
- Presentation of findings to the City Administrator
- Presentation to the City Council if requested by the Mayor (one session included)
- Deliverable: Final compensation study report

3. CITY RESPONSIBILITIES

To enable Consultant to meet the project timeline, the City agrees to:

- Provide all requested position descriptions, salary data, classification documents, and organizational charts within ten (10) business days of the Project Kickoff
- Designate a primary point of contact (HR Administrator) to coordinate data exchange and respond to information requests
- Make the City Administrator, or equivalent, and other key stakeholders reasonably available for interviews and review meetings
- Provide timely feedback on the draft analysis within ten (10) business days of receipt

4. ASSUMPTIONS AND OUT-OF-SCOPE ITEMS

This Statement of Work is based on the following assumptions:

- Current position descriptions are reasonably accurate and reflective of actual duties performed
- Benchmark data from comparable municipalities is publicly available or accessible through standard salary survey sources
- The City will not require more than one (1) round of revisions to the final report; additional revisions may be performed under a separate Work Order at Consultant's standard rates

The following are not included in the scope of this engagement and may be added by separate Work Order:

- Implementation of recommended salary range adjustments, including payroll system updates
- Drafting or revision of HR policies, employee handbooks, or job descriptions
- Individual employee compensation reviews or grievance processes
- Legal review or counsel regarding compensation decisions
- Additional City Council presentations beyond the one (1) session included