

## **INDEPENDENT CONTRACTORS**

### **SECTION 1. PURPOSE**

This policy establishes guidelines for the engagement, management, and oversight of independent contractors by the City of Richland Center to ensure compliance with legal, financial, and operational standards while maintaining the integrity of city services.

### **SECTION 2. SCOPE**

This policy applies to all city departments, employees, and contractors involved in the selection, supervision, and termination of independent contractors performing work on behalf of the City of Richland Center.

### **SECTION 3. DEFINITIONS**

1. **Definition of Independent Contractors:** An independent contractor is an individual or entity contracted directly by the City to perform specific tasks or services under a city project or service agreement, operating independently and not as an employee.

### **SECTION 4. SELECTION PROCESS**

1. Independent contractors must be selected through a bidding process or sole-source justification, adhering to the City's procurement policies.
2. All independent contractors must provide proof of insurance, including general liability and workers' compensation, and meet any applicable licensing or certification requirements. The following minimum coverage limits are required unless otherwise specified by the City Administrator based on the nature and scope of the project:
  - General Liability Insurance: \$1,000,000 per occurrence and \$2,000,000 aggregate, covering bodily injury, property damage, and personal injury.
  - Workers' Compensation Insurance: Statutory limits as required by State law, with Employer's coverage of at least \$500,000 per accident for bodily injury or disease.
  - Additional Requirements: Certificates of insurance must name the City of Richland Center as an additional insured and include a waiver of subrogation in the favor of the City, as specified in Section 5.4. The City Administrator may require higher limits or additional coverage (e.g., professional liability or automobile liability) for high-risk or specialized projects.
3. Background checks may be required for independent contractors involved in sensitive or public-facing roles, at the discretion of the department head.

### **SECTION 5. CONTRACTUAL AGREEMENTS**

1. Independent contractor agreements must be in writing, reviewed by the City Attorney, and approved by the Common Council if unbudgeted or at a cost of \$3,000 or more; agreements that are budgeted and less than \$3,000 may be approved by the City Administrator after City Attorney

review. Agreements shall specify scope of work, payment terms, performance standards, and termination clauses.

2. Independent contractors are required to comply with all applicable federal, state, and local laws, including non-discrimination and tax regulations (e.g., IRS Form 1099 reporting).
3. Mutual indemnification clauses must be included in contractual agreements.
4. All independent contractor agreements shall include a waiver of subrogation clause, whereby the Contractor agrees that their insurance company shall have no right to seek recovery from the City, its agents, employees, or insurers for any loss or damage arising from the performance of this agreement, to the extent such loss or damage is covered by the Contractor's insurance policies. The Contractor shall ensure that their insurance policies include a waiver of subrogation consistent with this provision.

### SECTION 6. SUPERVISION AND OVERSIGHT

1. City department heads are responsible for supervising independent contractor performance, with contractors maintaining control over their methods and means of work.
2. Any issues regarding performance, safety, or compliance must be reported to the City Administrator within 48 hours.

### SECTION 7. PAYMENT AND FINANCIAL MANAGEMENT

1. Payments to independent contractors shall be processed only after verification of completed work and approval by the department head responsible.
2. All payments must be recorded in the appropriate account and reported for tax purposes.

### SECTION 8. TERMINATION OF AGREEMENTS

The City shall reserve the right to terminate independent contractor agreements.

1. **Termination for Convenience:** The City may terminate agreements without cause by providing written notice to the other party.
2. **Termination for Cause:** Agreements may be terminated immediately by either party upon written notice if the other party breaches a material term, becomes insolvent, or engages in unlawful, unethical, or damaging conduct.
3. **Completion of Services:** Agreements will automatically terminate upon the satisfactory completion of the services as defined in the Scope of Work, unless otherwise extended by mutual written agreement.

### SECTION 9. DISPUTE RESOLUTION

Disputes with independent contractors shall be resolved through mediation before legal action, with costs shared equally by both parties, unless otherwise agreed upon during mediation.

### SECTION 10. CONFIDENTIALITY AND DATA SECURITY

1. Independent contractors must adhere to the City's confidentiality policies and protect sensitive data, including personal information of residents.
2. Any breach of data security must be reported immediately to the City Administrator.

### SECTION 11. COMPLIANCE

Non-compliance with this policy may result in suspension or termination of the independent contractor agreement.

### SECTION 12. RESPONSIBILITIES

- **City Administrator:** Oversees policy implementation and resolves escalated issues.
- **Department Heads:** Ensure compliance within their departments and report issues to the City Administrator.
- **Employees:** Report concerns about independent contractor performance to their supervisors promptly.

### SECTION 13. REVIEW AND AMENDMENT

This policy shall be reviewed and amended by the Personnel Committee as needed.

### SECTION 14. EFFECTIVE DATE

This policy takes effect on 8/05/2025. Any engagements with independent contractors initiated prior to this date shall be governed by existing policies until completion or renewal, unless otherwise specified by the City Administrator.

**ADOPTED** by the Common Council of the City of Richland Center on this 5<sup>th</sup> day of August by the following votes: AYES \_\_\_\_\_, NOS \_\_\_\_\_.

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Todd Coppernoll, Mayor

Attest:

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Amanda Keller, Clerk