

DATE SUBMITTED July 28, 2023  
 SUBMITTED BY City Manager  
 DATE ACTION REQUIRED August 2, 2023

COUNCIL ACTION (X)  
 PUBLIC HEARING REQUIRED ( )  
 RESOLUTION ( )  
 ORDINANCE 1<sup>ST</sup> READING ( )  
 ORDINANCE 2<sup>ND</sup> READING ( )  
 CITY CLERK'S INITIALS ( )

**IMPERIAL CITY COUNCIL  
 AGENDA ITEM**

SUBJECT:

DISCUSSION/ACTION:  
 Approve Koff & Associates, A Division of Gallagher Services, Inc. proposal and authorize City Manager to enter into Contract to Perform Classification and Compensation Study.

BACKGROUND/SUMMARY:

City Manager's staff reached out to three companies requesting proposals to perform a Classification and Compensation for City of Imperial employees. This study is a tool to independently assess the City employee's classifications compensation.

The City received two proposals (the third proposer did not have time availability to conduct the study). City Manager's staff has reviewed the two proposals and recommends the Council accept the proposal from Koff & Associates, A Division of Gallagher Services, Inc. The cost to complete the study is \$127,620 and is expected to take approximately eight months to complete.

FISCAL IMPACT: The cost to complete this study is \$127,620.

FINANCE INITIALS DAF

STAFF RECOMMENDATION: Recommended to approve Koff & Associates, A Division of Gallagher Services, Inc. proposal and authorize City Manager to enter into Contract to Perform Classification and Compensation Study.

DEPT. INITIALS KWS

MANAGER'S RECOMMENDATION: Approve acceptance of Koff & Associates, A Division of Gallagher Services, Inc. to perform a Classification and Compensation Study and authorize the City Manager to execute the agreement in amount not exceeding \$127,620.

CITY MANAGER'S INITIALS JHM

MOTION:

SECONDED: APPROVED ( ) REJECTED ( )  
 AYES: DISAPPROVED ( ) DEFERRED ( )  
 NAYES:  
 ABSENT: REFERRED TO:



Koff & Associates  
A Gallagher Company

**April 12, 2023**

# Classification and Compensation Study Proposal

**City of Imperial**

## **KOFF & ASSOCIATES, A GALLAGHER COMPANY**

**GEORG S. KRAMMER**

Managing Director, Compensation and Rewards Consulting

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April 12, 2023

Ms. Alexis Brown  
Assistant City Manager  
420 South Imperial Avenue  
Imperial, CA 92251

Dear Ms. Brown:

Thank you for the opportunity to respond to your Request for Proposals for a **Classification and Total Compensation Study** for the **City of Imperial** ("City"). We are most interested in assisting the City with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with other cities, counties, special districts, joint-powers associations, and other public agencies.

Koff & Associates, now a Gallagher company, is an experienced Human Resources and Recruitment Services firm providing human resources services to cities, counties, special districts, courts, educational institutions, and other public agencies for 39 years. The firm has achieved a reputation for working successfully with management, employees, and governing bodies. We believe in a high level of dialogue and input from study stakeholders and our proposal speaks to that level of effort. Our firm's extra effort has resulted in close to *100% implementation* of all our classification and compensation studies.

Koff & Associates ensures that each of our projects is given the appropriate resources and attention, resulting in a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistently high-caliber work product.

As a Managing Director of Koff & Associates, I would assume the role of Project Director and be responsible for the successful completion of project. I can be reached at our Berkeley address and the phone number listed on the cover page. My email is [georg\\_krammer@ajg.com](mailto:georg_krammer@ajg.com).

This proposal will remain valid to September 30, 2023. Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the **City of Imperial**.

Sincerely,

Georg S. Krammer  
Managing Director, Compensation and Rewards Consulting



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## FIRM QUALIFICATIONS

**Koff & Associates (“K&A”)** is a full-spectrum, public-sector human resources and recruitment services firm that was founded in 1984 by Gail Koff; K&A has been assisting cities, counties, special districts, other public agencies, and non-profit organizations with their human resources needs for 39 years.

On April 30, 2021, we merged with Arthur J. Gallagher and are now officially a Gallagher Division. Our headquarters are in Berkeley, CA, and we have satellite offices in Southern California, the Central Valley, the Sacramento Region, and the Western Region.

We are familiar with the various public sector organizational structures, agency missions, operational and budgetary requirements, and staffing expectations. We have extensive experience working in both union and non-union environments (including service as the management representative in meet & confer and negotiation meetings), working with City Councils, County Commissions, Boards of Directors, Boards of Supervisors, Boards of Trustees, Merit Boards, and Joint Power Authorities.

The firm’s areas of focus are classification and compensation studies (approximately 70% of our workload); executive search and staff recruitments; organizational development/assessment studies; performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks; training and development; public agency consolidations and separations; Human Resources audits; and serving as off-site Human Resources Director for smaller public agencies that need the expertise of a Human Resources Director but do not need a full-time, on-site professional.

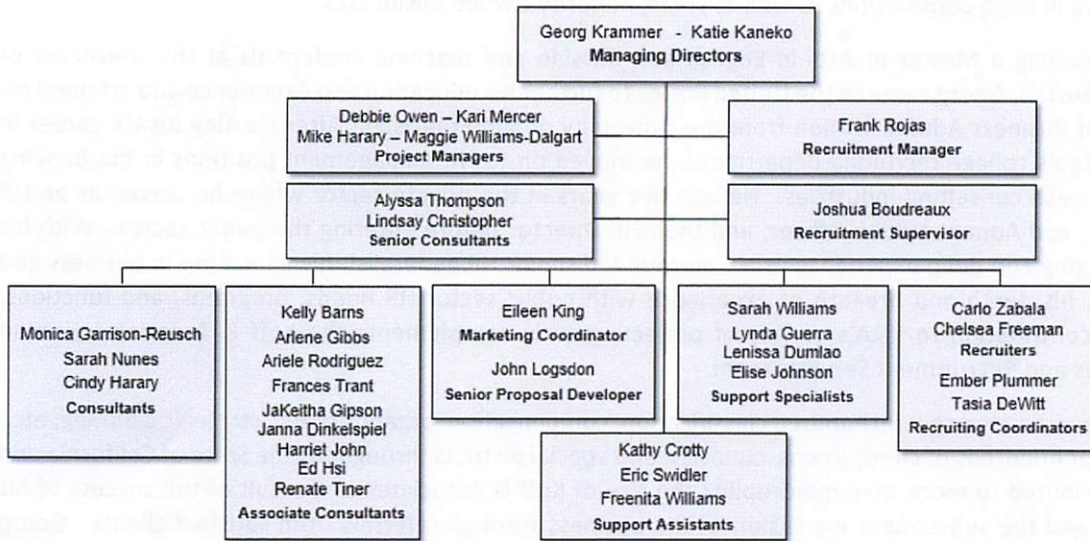
Without exception, all our classification and compensation studies have successfully met all of our intended commitments; communications were successful with employees, supervisors, management, and union representatives; and we were able to assist each agency in successfully implementing our recommendations. All studies were brought to completion within stipulated time limits and proposed budgets.

Our long list of clients (please see <https://koffassociates.com/our-clients/>) is indicative of our firm’s reputation as being a quality organization that can be relied on for producing comprehensive, sound, and cost-effective recommendations and solutions. K&A has a reputation for being “hands on” with the ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

K&A relies on our stellar reputation and the recommendations and referrals of past clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty and a commitment to excellence. We are very proud of the fact that in working with hundreds of public agency clients and completing hundreds of classification and/or compensation and other types of studies, we have only had a handful of formal appeals in our entire history.



Our team consists of 35 employees as shown below in our organizational chart.



**No subcontractors will be assigned to this study.**

### TEAM MEMBER QUALIFICATIONS

All members of our team have worked on multiple comprehensive classification and total compensation studies and are well acquainted with the wide array of public sector organizational structures, compensation structures, classification plans, as well as the challenges and issues that arise when conducting studies such as this one for the City.

#### KEY PERSONNEL

Our project team will be led by Co-Project Directors Georg Krammer (Managing Director), and Debbie Owen (Senior Project Manager). They will coordinate all of K&A’s efforts, attend all meetings with the City, and be responsible for all work products and deliverables.

#### WORKLOAD

We currently have a team of 25 HR consultants and five administrative support staff – resources that we are able to pool base on each project’s needs, to execute projects and to meet clients’ needs and expectations. Each time we are selected as the successful bidder on a project, we strategize to determine project timelines, deliverable deadlines, and the resources that are required to produce the deliverables as promised. We are poised to accommodate the City’s classification and total compensation study and plan to devote the necessary resources for the successful execution of the project.

Following are biographies of the specific staff who will be assigned to this study:

**Georg S. Krammer, M.B.A., S.P.H.R.**

**Managing Director, Compensation and Rewards Consulting**

Georg brings over 22 years of management-level human resources experience to Koff & Associates with an emphasis in classification and compensation design; market salary studies; organizational



development; executive recruitment; performance management; and employee relations, in the public sector and in large corporations as well as small, minority-owned businesses.

After obtaining a Master of Arts in English and Russian and teaching credentials at the University of Vienna, Austria, Georg came to the United States to further his education and experience and attained his Master of Business Administration from the University of San Francisco. After starting his HR career in Wells Fargo's college recruiting department, he moved on to HR management positions in the banking and high-tech consulting industries. He had five years in the private sector where he served as an HR Manager, and Administrative Officer, and then HR Director before entering the public sector. With his wide-ranging and deep experience as a well-rounded senior HR generalist, his education in business and teaching, his depth and breadth of experience with public sector HR needs, programs, and functions, Georg's contribution to K&A's variety of projects greatly complements the Koff & Associates Human Resources and Recruitment Services team.

He has spearheaded several hundred classification, compensation, organizational, strategic planning, etc., studies for hundreds of cities, towns, counties, and special districts throughout the State of California and has contributed to more than quadrupling the size of Koff & Associates as a result of the success of his projects and the subsequent expansion of the business through referrals from satisfied clients. Georg joined K&A in 2003 and was the firm's Chief Executive Officer since 2005. Since the acquisition by Arthur J. Gallagher, he is now Managing Director, Compensation and Rewards Consulting.

In the last few years, Georg has been the Project Director/Key Personnel for classification and/or compensation studies, organizational assessments, and other HR projects, at the following agencies:

- **Cities/Towns:** Alameda, American Canyon, Anaheim, Arroyo Grande, Bellflower, Campbell, Citrus Heights, Coachella, Concord, Cotati, Gilroy, La Cañada Flintridge, Lomita, Los Altos, Los Altos Hills, Menifee, Menlo Park, Morro Bay, Murrieta, National City, Newport Beach, Oakland, Oxnard, Palm Desert, Perris, Pleasant Hill, Port Hueneme, Redlands, Redwood City, Sacramento, San Diego, San Jose, San Marino, Santa Ana, Santa Barbara, Santa Clara, Saratoga, Sausalito, Seal Beach, Spokane (Washington), Vallejo, West Sacramento, Westminster, Yucca Valley, Yreka
- **Counties:** Bernalillo (New Mexico), Fresno, Monterey, Orange, Placer, San Joaquin, Sonoma, and Trinity.
- **Courts:** Habeas Corpus Resource Center, Superior Court of Kern County, Superior Court of Orange County, Superior Court of Santa Barbara.
- **Education:** College of the Sequoias, Excelsior Charter Schools, First 5 Alameda, Foothill-De Anza Community College District, Riverside Community College District, West Valley Mission Community College District.
- **Special Districts:** Air Quality, Community Services District, Fire and Police Protection, Housing/Economic Development, Open Space, Public Utilities, Transportation, Wastewater and Water.

Georg will be key personnel and serve as the Co-Project Director for this project; he will coordinate all of K&A's efforts, will attend all meetings with the City, and will be responsible for all work products and deliverables.

**Debbie Owen, CCP**  
**Senior Project Manager**

Debbie has over 25 years of experience providing classification and compensation services to public sector agencies; she has worked with clients across local government including cities, counties, special districts,



and transit agencies. Her project roles include serving in the capacity of either project team member or project manager. Prior to beginning her public sector career, Debbie worked as a Compensation and Benefits Specialist in the private sector for five years.

In 1992, Debbie obtained her certification as a Certified Compensation Professional (“CCP”) from the American Compensation Association (now *WorldatWork*); to ensure current knowledge of compensation and benefits program trends and best practices, she maintains active membership in the *WorldatWork* organization.

Her specialized, diverse experience includes serving as a project team member on classification projects by facilitating employee orientation sessions, conducting employee job evaluation meetings, researching/evaluating classification concepts, analyzing data for employee allocations, developing/revising classification specifications and preparing classification reports. Her compensation experience includes base salary or total compensation survey development, labor market agency research and recommendations, comparable agency job matching, compensation data analysis, salary recommendations and preparing compensation reports. In addition to serving as a team member, Debbie has often served as a project manager, working with clients to evaluate their classification and compensation needs, directing the work of teams to provide high quality deliverables consistent with best practices, presenting study findings to client stakeholders, and addressing feedback from the client.

Since joining K&A, Debbie has worked on classification and/or compensation studies, organizational assessments, and other HR projects for the following agencies, either as Co-Project Director or as Sr. Project Manager:

- **Cities/Towns:** Campbell, Coachella, Davis, El Monte, Gardena, Glendora (AZ), Hemet, Indian Wells, Laguna Beach, Murrieta, Redwood City, National City, Newman, Palm Desert, San José, Santa Clara, Seattle (WA), Spokane (WA), West Sacramento, Yreka.
- **Counties:** El Dorado, Fresno, Humboldt, Mendocino, Trinity
- **Education:** Riverside Community College District, Victor Valley Community College District
- **Special Districts:**
  - Community Services District: El Dorado Hills Community Services District, Livermore Area Recreation and Parks District
  - Housing/Economic Development: Housing Authority of the County of San Bernardino, Housing Authority of Santa Clara County, Los Angeles County Development Authority (LACDA)
  - Transportation: AC Transit, El Dorado County Transit Authority, Port of Oakland, San Francisco Bay Area Water Emergency Transportation Authority
  - Wastewater/Water: Beaumont-Cherry Valley Water District, Coachella Valley Water District, Cucamonga Valley Water District, Eastern Municipal Water District, Inland Empire Utilities Agency, Leucadia Wastewater District, Napa Sanitation District, Sonoma County Water Agency, State Water Contractors, Sweetwater Authority, Trabuco Canyon Water District, Truckee Sanitary District, Western Municipal Water District
- **Other:** California State Auditor’s Office, Contra Costa County Employee Retirement Association, Orange County Mosquito and Vector Control District, Tri-City Mental Health Authority





Debbie will serve as the Co-Project Director for this study; together with Georg, she will coordinate all of K&A's efforts, will attend all meetings with the City, facilitate and participate in the compensation philosophy workshop process with City stakeholders, and will be responsible for all work products and deliverables. She will provide consultant support for this project, including collecting and compiling data on compensation and benefits practices in surveyed districts.



## EXECUTIVE SUMMARY, APPROACH, METHODOLOGY

The City desires human resources assistance to conduct an objective analysis of the current classification and compensation practices of the City; recommend changes that result in equitable, competitive and legally defensible classification and pay practices that will enrich the attraction and retention of qualified individuals as well as enhance opportunities for growth and professional development; evaluate the current employee benefit and compensation plan against local and regional markets, and comparable employers; and provide recommendations for adjustments.

The City currently has approximately 135 funded positions in approximately 80 job classifications; 12 positions are currently unfilled per the report the City provided to us.

The study's first level of effort is to initially develop an updated and well-structured classification system and classification descriptions for all study positions that are legally compliant (including Fair Labor Standards Act ("FLSA") and Americans with Disabilities Act ("ADA") requirements), internally aligned, reflective of contemporary standards, and accurately descriptive of current roles, responsibilities, duties, and qualifications. The classification analysis process includes orientation and briefing sessions with employees, management, Human Resources, union representation, and other stakeholders, as appropriate; the completion of a position description questionnaire by employees; interviews with at least a representative sample of employees in each study classification; and interviews with supervisors and management to address any classification issues. All participating employees will be allocated to an appropriate classification; draft classification descriptions will be developed, and sent back to the City and incumbents for additional feedback and concurrence.

A second level of effort will be to review the City's compensation structure for the studied classifications and to conduct a total compensation market survey (salaries plus benefits) using a set of appropriate comparator agencies. The identification of comparator agencies, benchmark classifications, and benefits to be collected is an iterative process that includes all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked classifications and classifications without a large enough market sampling.

The compensation study will contain specific recommendations regarding the integration of all study classifications into the City's compensation structure, with the goal of developing a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the City's compensation preferences into consideration as well as the appropriate placement of each classification on the City's salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, union representation, and the City Council, as desired. We have expertise in labor/management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and create a collaborative and interactive approach resulting in greater buy-in for study recommendations. This interactive approach has resulted in almost 100% implementation success of K&A's studies.

The majority of our clients are unionized and our larger city and county clients typically have multiple unions. Due to the multitude of stakeholder groups who are affected by any compensation study K&A conducts, our team understands the importance of accurate and validated data that withstands any



scrutiny, effective and ongoing communication throughout each effort, and collaboration with the various stakeholder groups to ensure organizational buy-in to our findings and recommendations. We have developed a unique methodology of stakeholder “touchpoints” and collaboration that has made us highly successful and effective and has earned our team respect, agreement, and understanding from all stakeholders. In addition, we adjust and customize our methodology based on each individual client’s unique needs and circumstances.

We also recognize that both the City and union representatives have obligations to employees and members to ensure that any study is conducted in a fair and equitable manner. Our project work plans are designed for transparency and we strongly encourage dialog with all stakeholders on study deliverables so they in turn can express their concerns; we all have a shared goal of ensuring the process followed is fair and equitable.

This intense and comprehensive stakeholder engagement and our transparent study processes are also a mechanism of quality control. The fact that our information, data, and recommendations have to be able to withstand utmost scrutiny by diverse stakeholders require an in-depth multi-step quality control process for deliverables. This involves K&A team member validation of classification analyses and compensation data, K&A Project Manager review of all classification and compensation analyses, recommendations and deliverables, and finally K&A Principal (Project Director) review of deliverables before submittal to the client.

## Study Objectives

### Classification Objectives:

- To analyze and update the City’s classification system and each study position’s classification description and structure through a comprehensive process of job analysis and evaluation, including review of existing documentation, position description questionnaire completion, employee interviews, management interviews, analysis of existing positions and working situations, analysis of levels of duties and responsibilities, and other professional methods, as appropriate;
- To recommend each study position for title change or reclassification (as appropriate), create new classifications (if applicable), eliminate outdated classifications (if applicable), and consolidate classifications assigned to similar functional areas (as appropriate);
- To provide for growth and flexibility of assignment within the new classification structure, where feasible, in recognition that some job duties and responsibilities may evolve over time, as well as to provide adequate career paths and class series/job families that will foster career service within the City;
- To clearly state definitions of job classifications, the typical job functions, and minimum required and preferred/desired qualifications such as education, prior work experience, knowledge, skills, abilities, licenses, certifications, and physical demands and working conditions;
- To provide a classification structure that ensures regulatory compliance, including allocation of each study position to the correct classification with appropriate FLSA designation as well as meeting ADA and EEO regulations;
- To provide for adequate educational, review, and appeal processes that will result in a product that is understood by all levels of personnel and is internally equitable; and



- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate classification and level, methods for logical progression of movement between classifications, classification concepts and distinguishing characteristics, as well as the delivery of final reports and recommendations to guide the organization in implementing, managing, and maintaining the classification system.

**Compensation Objectives:**

- To make recommendations regarding a list of appropriate, logical and defensible comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that the information is analyzed in a manner that is clear and comprehensible to the Study Project Team, Human Resources, management, employees, union representation, and the City Council;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes, according to generally accepted compensation practices;
- To review the City's compensation structure and practices and develop compensation recommendations that will assist the City in recruiting, motivating, and retaining competent staff;
- To develop solutions that address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting the City's goals, objectives, and budget considerations;
- To evaluate benefit offerings in the labor market and make recommendations for better alignment and/or different benefit offerings as indicated by the analysis and best practices;
- To create a comprehensive final report summarizing the compensation study approach and methodology, analytical tools, findings, and recommended compensation structure;
- To recommend appropriate internal salary relationships and allocate classes to salary ranges in a comprehensive salary range plan; and
- To ensure sufficient documentation and training throughout the study, on methods used to determine appropriate salary ranges, methods for logical progression of movement within the salary scale for each classification, and other practices, so that our recommendations can be implemented and maintained in a competent and fair manner.

**Overall Objectives:**

- To review and understand all current documentation, rules, regulations, policies, budgets, procedures, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of classification and compensation recommendations; finalize study plans and timetables; conduct orientation sessions with management, union leadership, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;



- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a classification and compensation structure that meets all legal requirements, that is totally non-discriminatory, and that easily accommodates organizational change, growth, and operational needs;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in classification and compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

### Methodology / Work Plan / Deliverables

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks clearly distinguishes our approach and comprehensiveness.

Our approach is to complete the classification and job evaluation before completing the compensation review. The reasons for this include:

- The description of the work performed and the requirements for that work are, in the minds of the employees and their supervisors, inextricably associated with the “worth of that work” or compensation, which is often a highly emotional issue. Separating the two phases of the study, even though elements of phases may be conducted concurrently, tends to produce more objective classification results.
- The compensation review will be completed when there is a full understanding of the work of the City, thereby ensuring that the data developed from the labor market and the City’s classifications is accurate.

Given these parameters, our approach is as follows:

#### PHASE I: CLASSIFICATION STUDY

##### **Deliverable A: Meetings with Study Project Team and Management Staff, Initial Documentation Review, and Development of Communications and Engagement Plan**

This phase includes identifying the City’s Study Project Team, contract administrator, and reporting relationships. Our team of Project Managers and H.R. Associates will conduct an orientation and briefing session with the Study Project Team to explain process and methodology; create the specific work plan and work schedule; identify subsequent tasks to be accomplished; reaffirm the primary objectives and specific end products; determine deadline dates for satisfactory completion of the overall assignment; determine who will be responsible for coordinating/scheduling communications with employees, management, union representation, and the Council; and develop a timetable for conducting the same.

We will also conduct an initial meeting with Department Heads to provide information regarding study methodology, process, timing and logistics and provide them an opportunity to communicate any areas of concerns and pain points they may be experiencing with the current classification and compensation system.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, memoranda of



understanding (“MOU”), personnel policies, previous classification and compensation studies, and any other relevant documentation to gain a general understanding of City operations.

City terminology and methods of current classification and compensation procedures, as well as the written questionnaire instrument for the classification study that will be used in the job analysis phase will be reviewed and agreed to. We will discuss methodology, agree to formats for class descriptions and compensation results, identify appropriate comparator agencies, benchmark classifications, and benefits to be surveyed for compensation survey purposes. We will respond to any questions that may arise from the various stakeholders.

We will develop a communications and engagement plan to foster organizational buy-in and acceptance of study outcomes and consultant recommendations throughout the project by District stakeholders including employees. The goal of the communications and engagement plan is to build positive and effective relationships with the study stakeholders and achieve consensus whenever possible and to strive to understand and take into consideration stakeholders’ ideas, opinions, desires, and issues, and to fully address their concerns. The variety of communication and engagement channels will help inform, consult, involve, collaborate with, and empower City stakeholders and ensure that our methodology and “stakeholder touch-points” are followed and executed at each study milestone.

We are committed to working closely with City study advisors (Human Resources, District leadership, employee representatives, if any, and other stakeholders) to understand the needs of the mutual constituencies (employees) and to ensure that the Study Project Team, K&A team, management, and any employee representatives meet the highest standards of stakeholder interaction, including communicating clearly, politely, honestly, and promptly, and treating everyone fairly, equally, and with respect. We understand that the positions included in this study are non-union and will work with the City’s HR and leadership team to determine how to best collaborate with the workforce whose body of work is being studied and evaluated.

The communications and engagement plan will enable us to respond to questions or concerns in a timely and professional manner. Our typical communication model includes at least weekly or biweekly written status updates to keep the City informed on where we are for every element of the project. Over the last two years, we have learned that most communication can be managed through email and teleconferences and that the work we do can be accomplished successfully and, in fact, more efficiently, by performing it virtually and remotely.

In addition, the study includes a significant number of meetings with the Study Project Team, Human Resources, management, employees, and the Board of Directors, as desired. The meetings and “stakeholder touchpoints” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and improve a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

#### **Deliverable B. Orientation Meetings with Employees**

We will facilitate several orientation meetings with employees over the course of several days and distribute our Position Description Questionnaire (“PDQ”) to start the classification portion of the study. While these meetings are not mandatory, they form the beginning of the educational process that continues throughout the study. We will discuss the importance of the employees’ involvement in the study and their participation in PDQ completion and job analysis interviews. Project processes will be



explained, expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and a detailed explanation and examples for completing the PDQ will be given.

The Position Description Questionnaire ("PDQ") will be discussed with the Study Project Team and customized as needed to meet the study objectives prior to distributing copies to employees.

Each PDQ will be handed out with the incumbent's current class description attached to the questionnaire so the employee can use this as a tool for completing the questionnaire.

In the past, we have typically conducted these orientation sessions in person, onsite, and at various client locations. We have experience in conducting business virtually and have found that it can be a much more efficient and cost effective approach of our clients. We can provide the City with many technological options to ensure a smooth process, as we have with many of our clients during the last two years. Examples include:

- Scheduling app: Purchasing a scheduling web application for employee orientation sessions where up to 100 people can attend a session; employees can choose a session date and time and receive a confirmation which populates their calendar, and sends them a meeting reminder; it also generates attendee lists.
- Orientations: Providing more flexible options for employee orientation sessions by offering fewer options per day over a higher number of days to accommodate employee schedules; onsite meetings require a larger number of daily sessions over a more limited number of days.
- FAQs: Preparing a series of FAQ's for each study which are made available to employees after the orientation sessions.
- Recording meetings: Videotaping our employee orientation sessions (we also do this for onsite sessions) for employees who cannot attend a session; or simply recording a video-conference orientation session that employees could watch later.
- Chat lines: Training our staff on the use of communication tools such as chat lines; we intersperse our employee orientation session presentations with multiple points when questions can be asked.
- Post-meeting help: Remaining in the orientation session for about 5-10 minutes after it has "officially" ended in the event some employees want to stay behind to ask questions.
- Safeguards: For employee interviews, as we generally do, we prepare the schedules of dates and times for each employee and the client coordinates scheduling employees with departments, using agreed upon meeting options for employees. Safeguards are in place to ensure that only the employee/ employees (for group interviews) in that time slot can access the meeting, such as virtual "waiting rooms."
- Telephone support: Providing a direct telephone number for the K&A Project Manager to departments in the event there are scheduling or access issues.
- Time between meetings: Scheduling 10-15 minutes between meetings, versus on-site back to back meetings; this change results in slightly fewer meetings per day, but provides a less "hurried" nature to the meetings; and because the meetings are not onsite, clients do not need to reserve multiple meeting rooms for multiple days.

Our clients have received these operational changes very positively. We continue to ask our clients for feedback so we can implement continuous improvements. We recognize not all clients have the same technology as we do, which means we must provide viable technology options. While we provide multiple options, the expertise of our associates in asking relevant and probing questions of each study participant



to better understand each employee's work is critical to the job evaluation interview process (see more information regarding employee interviews below). Our client-centric approach and methodology does not change with the venue.

**Deliverable C. Collection and Review of PDQs**

We recommend giving employees in the same classification the option of collaborating on completing a PDQ together, if the employees so choose. At the same time, we will invite employees to complete an individual PDQ if they prefer and if they wish to be interviewed separately. We provide an electronic version of our questionnaire so that employees can more easily complete it. Employees complete the questionnaire and then send it to their supervisor for review, comment, and signature. We typically require a second level of review by the next level of management in the reporting structure. This ensures that all staff have an opportunity to provide information as to what the nature of the job is for each job classification.

Upon receipt of the PDQs in our office, K&A staff will review and analyze the PDQs in detail along with other documentation to obtain an understanding of the duties and responsibilities assigned to each position.

**Deliverable D. Interviews with Employees, Supervisors, and Management**

Interviews will be scheduled with employees. Because this is a critical step in the information-gathering and educational process, we recommend scheduling interviews with at least a representative sample of employees in each classification that will be included in the study. Typically, we employ the following approach and interview:

- All employees in single-position classifications;
- An adequate sampling of employees in multiple-position classifications; and
- Any employee who requests an interview.

We will offer employees the option to be interviewed in a focus group session with incumbents in the same classification or to request an individual interview if they prefer. We recommend individual interviews only if the employee wants to discuss certain issues (e.g., out of class responsibilities, etc.) in privacy with the consultant.

Interviews will then be held with supervisory and management staff (division managers, department heads, etc.), who will clarify their own responsibilities and/or confirm the information we have received in the interviews with their staff (we allow more time for these interviews).

The purpose of the interviews is to clarify and supplement the questionnaire data and to respond to potential perception differences regarding roles, tasks, scope, and supervisory responsibilities. The appropriateness of the following will be assessed:

- Work being completed and relationships of positions to each other within a division/department as well as across the organization; and
- Classification structure and reporting structure.

**Deliverable E. Classification Concept and Preliminary Allocation**

Prior to developing detailed class descriptions, our job evaluation will result in a classification concept and employee allocation document that will be submitted to the City for review and approval. We will compare





changes in business need and operations, as well as any reorganizations, with the established classification system and job families as well as review internal relationships between classifications to define the reasons for, and effects of, the proposed changes.

Our job analysis method is the whole position analysis approach. Objective factors in the whole position job analysis methodology include:

1. Decision making/judgment
2. Difficulty and complexity of work
3. Supervisory responsibilities
4. Non-supervisory responsibilities
5. Minimum qualifications
6. Working conditions/risk factors
7. Contacts

This document will list broad class concepts and highlight where significant changes may be recommended, such as creating or collapsing class series in the same functional area and/or separating or combining classifications assigned to different functional areas. We will review and analyze potential career ladders and promotional opportunities, including clearly delineated and distinguished levels within classification series. We will also review and update established titling guidelines for the studied classifications for appropriate and consistent titling.

A detailed, incumbent-specific allocation list for each position included in the study will be prepared, specifying current and proposed classification title and the impact of our recommendations (reclassification – upgrade or downgrade, title change, or no change).

After we have completed this process, a meeting will be arranged to review any recommended changes to the classification plan with the Study Project Team.

#### **Deliverable F. Draft Class Description Development**

After preliminary approval of the class concepts and allocation lists, new and/or updated class descriptions will be developed for each proposed classification, following the format approved by the City.

From the review of the PDQs and employee interviews, we will update duties, responsibilities, and minimum qualifications of each class specification, as necessary. We will develop new class specifications if duties, responsibilities, and minimum qualifications have changed significantly, and/or if we recommend new classifications/class levels, and/or if operational changes, business needs, or reorganizations, have occurred.

Following EEO Uniform Guidelines, we will review, analyze, and update, as appropriate, knowledge, skills, abilities, education and experience, position definitions, purpose, distinguishing characteristics, supervision received and exercised, position functions and special requirements including licensing and certifications that are required and desirable. We will address relevance and hierarchical consistency of each classification and each class series.

We will also review and update physical demands based on the most typical job functions of each classification in accordance with the ADA.

Finally, we will review each classification's typical job functions and determine exempt vs. non-exempt status in accordance with "white collar" exemptions under the FLSA.



#### **Deliverable G. Facilitation of Draft Class Description Review and Employee Feedback Process**

A draft copy of the revised/new class description with allocation recommendation will be submitted to the Project Team and subsequently to each manager, supervisor, and employee, to give each stakeholder group an opportunity to provide comments and concerns regarding any modifications to the classification structure and specifications. Our experience has been that this is one of the most critical phases of the project (as well as one of the most time-consuming). Our proactive and effective communication process at this juncture has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of our studies.

We will work with the study's stakeholder groups, including employee representation, to determine the best approach to reviewing the draft classification specifications, and how to provide feedback to us. Supervisors and managers typically receive a copy of their employees' draft class descriptions and will be asked to review their employees' comments and feedback to verify and concur with, or recommend changes to, the information provided.

Significant employee comments will be reviewed with management prior to making any significant changes to the proposed class plan. These discussions will be by email, telephone, or additional direct personal contact with employees, depending upon the extent of the response.

Allocation and/or class description changes will be made as required and the class specifications will be finalized and submitted for approval. All employees who submitted their comments during the review process will be notified in writing regarding the outcome of their concerns.

#### **Deliverable H. Classification Plan and Draft of Interim Report and Final Report**

A Draft Interim Report of the Classification Study will be completed and submitted to the Study Project Team for review and comment. The report will contain:

- Classification recommendations for each studied position, including documentation regarding study goals and objectives, classification methodology, approach, and process as well as all findings, analysis, and resulting recommendations;
- The recommended allocation list, classification title changes, job family and career ladder/career growth issues, reporting relationships, and other factors will all be included;
- The recommended classification structure will be in alignment with current business/operational needs of the City; and
- Classification concepts and guidelines as well as methods used to determine appropriate classification and level, methods for logical progression of movement between classifications, distinguishing characteristics and other pertinent information for implementation and continued maintenance of the recommendations will be detailed.

Once we have received the City's comments regarding the Draft Interim Report and have made any necessary changes, a Final Classification Report will be developed.

### **PHASE II: TOTAL COMPENSATION STUDY**

#### **Deliverable A. List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected**

During the initial meeting with the Study Project Team, we will discuss and agree to the compensation study factors. We will identify/confirm appropriate, logical and defensible comparator agencies that will



be included in the external market survey, which will be the foundation for ensuring that the City's salaries for the studied classifications are competitively aligned with the external labor market. We will also identify/confirm those classifications that will be surveyed in the market (i.e., benchmark classifications), with the intention of internally aligning the remaining classifications with those that were surveyed.

Finally, we will determine the list of benefits that the City wants to include in the total compensation data gathering process.

### 1. Determination of Comparator Agencies

The selection of comparator agencies is a critical step in the study process. We typically use the following factors to identify appropriate comparators and will receive approval before proceeding with the total compensation study.

Our recommended methodology is that we involve management, Human Resources, employee representation, and the City Council, in the decision-making process of selecting which comparable agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we typically review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each organization is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, the City's current/previous list of comparators, if any, and the advantages/disadvantages of including them or others would be discussed.
- **Similarity of population served, City demographics, City staff, and operational budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of services.
- **Scope of services provided** – While having an organization that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the *majority* of services are provided in a similar manner, sufficient data should be available for analysis. When reviewing this factor, the City's unique services would be evaluated in order to ensure that the majority of comparators provide the same services. This ensures that each comparator yields a sufficient number of matches for the City's jobs.
- **Labor market** – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees, because large portions of the workforce don't live in the communities they serve, are accustomed to lengthy commutes, and are more likely to consider changing jobs in a larger geographic area than in the past. Therefore, the geographic labor market area (where the City may be recruiting from or losing employees to) is taken into consideration when selecting potential comparator organizations. As part of this analysis, we will determine whether the City has identified agencies that it competes with for qualified talent; those agencies are taken into consideration for purposes of our analysis. It is important to understand and consider the City's competitive landscape and include agencies in the study to whom the City loses talent.
- **Cost-of-living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We review overall cost-of-living of various



geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

We typically recommend using 10-12 comparator agencies for all survey benchmarks in order to achieve statistical significance but are flexible and can easily use a different approach based on the City's preferences.

## 2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the City's stakeholders to select those classifications that will be surveyed.

"Benchmark classes" are ordinarily chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid data sample for analysis. Internal relationships will be determined between the benchmarked and non-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes. Due to the fact that the labor market typically yields reliable data, we recommend using approximately 60-65% of all classifications as benchmarks but we are happy to use a different model.

## 3. Determination of Salary and Benefits Data to Be Collected

In addition to base salaries, benefit data elements for a total compensation study normally include at least the following (which are generally available to all staff in a specific job classification):

- **Monthly Salary** – The top of the normal, published salary range. All figures are presented on a monthly or annual basis. We normalize the salary data to reflect number of hours in the work week and/or roll-up of retirement or other benefits in base salaries.
- **Employee Retirement** – This includes two figures: the amount of the employee's State or other public or private retirement contribution that is contributed by the agency and the amount of the agency's Social Security contribution.
- **Retiree Healthcare** – Given that healthcare costs are rising and retiree healthcare and liabilities increasing for many public agencies, we collect this information to capture the costs.
- **Insurance** – This typically includes Health, Dental, Vision, and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. We will discuss with the City whether leave days/hours should be converted to direct salary cost in dollars or represented in days/hours.
  - ❖ **Vacation:** The number of vacation days available to all employees after five years of employment.
  - ❖ **Holidays:** The number of holidays (including floating) available to the employee on an annual basis.
  - ❖ **Administrative/Personal Leave:** Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.
- **Deferred Compensation** – We report any employer contribution made on the employee's behalf, whether dollar amount or percentage of salary, that does not require an employee-matching contribution. We can also report employer contributions that do require an employee match and would do so as a separate report.



- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

#### **Deliverable B. Data from Comparators and Preliminary Analysis of Data**

K&A does not collect market compensation data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. Our experienced compensation analysts conduct all of the data collection and analysis to ensure validity of the data and quality control. This approach also ensures that we compare job description to job description and not just job titles, therefore ensuring true “matches” of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not.

As mentioned above in the Classification methodology, our job analysis method is the whole position analysis approach.

We typically collect classification descriptions, organization charts, salary schedules, personnel policies, budgets, master plans, operational information, MOUs, and other information via website, by telephone, or by an onsite interview. With the prior knowledge from the data gathered directly from each comparator agency and our experience in the public sector human resources field, our compensation analysts make preliminary “matches” and then schedule appointments by telephone, or sometimes in person, with knowledgeable individuals to answer specific questions. We find that information collected using these methods has a very high validity rate and allows us to substantiate the data for employees, management, and governing bodies.

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures allowing the City to make informed compensation decisions. Other elements of the compensation survey report are agencies surveyed; comparable class titles; salary range maximum/control point; number of observations; and percent of the City’s salary range is above/below the market values.

In addition, we will include any type of statistical representation and analysis that the City desires such as 60<sup>th</sup>, 70<sup>th</sup>, or any other percentiles per the City’s compensation philosophy.

Benefits data will be displayed in an easy-to-read format. You will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. In addition, we are often asked to collect “other” benefits (as listed in the benefits section above), which we typically report on a separate spreadsheet.

#### **Deliverable D. Draft Compensation Findings/Additional Analysis/Study Project Team Meetings**

As part of our transparent approach and communication strategy to ensure organizational buy-in to the study, we share the market survey with the organization. We first distribute our draft findings to the Study Project Team. After their preliminary review, K&A will meet with the Study Project Team and other stakeholders (including Human Resources, management, employees, and their representatives) to clarify data, to receive requests for reanalysis of certain comparators, and to answer questions and address concerns. This provides an opportunity for the Study Project Team and other stakeholders to review and question any of our recommended benchmark comparator matches. If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.



#### **Deliverable E. Analysis of Internal Relationships and Alignment**

To determine internal equity for all studied positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the organizational value of each classification. Again, we utilize the whole position analysis methodology as described earlier.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, for example, as well as across departments. This analysis will be integrated with the results of the compensation survey and the City's existing compensation plan.

The ultimate goal of this critical step in the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction issues between certain classifications. We will create a sound and logical compensation structure for the various levels within each class series, so that career ladders are not only reflected in the classification system but also in the compensation system, with pay differentials between levels that allow employees to progress on a clear path of career growth and development. Career ladders will be looked at vertically, as well as horizontally, to reflect the City's classification structure that was developed during the classification phase of the study.

#### **Deliverable F. Compensation Structure and Implementation Plan**

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. In addition, we will develop externally competitive benefit comparisons for all classifications. We will also assist the City in developing a compensation philosophy and practices relative to the surveyed public jurisdictions, if desired. Finally, we will develop a proposed implementation plan based on the study results and recommendations.

We will conduct a competitive pay analysis using the market data gathered to assist in the determination of external pay equity and the recommendation of a new base compensation structure, if desired. We will conduct a comparative analysis to illustrate the relationships between current pay practices and the newly determined market conditions and develop solutions to address pay equity issues, analyze the financial impact of addressing pay equity issues, and create a market adjustment implementation strategy supporting City goals, objectives, and budget considerations.

Draft recommendations will be discussed with the Study Project Team and management for discussions and decisions on overall pay philosophy and the practicality of acceptance and prior to developing an Interim Report.

#### **Deliverable G. Final Report and Guidelines for Implementation**

Volume II (Draft Interim Report of the Compensation Study) will be completed and submitted to the Study Project Team for review and comment. The report will provide detailed compensation findings, documentation, and recommendations. The report will include:

- An executive summary of the compensation study results;
- A set of all market data spreadsheets;
- A proposed Salary Range Placement document;
- A procedure to address employees whose base pay exceeds the maximum of their newly assigned pay range;



- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the City in implementing, managing and maintaining the compensation system, as appropriate.

Once all of the City's questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted in the City's preferred format. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report.

#### **Deliverable H. Formal Appeals Process**

Should the City have a formal appeals process regarding the allocation of positions to classifications and of classifications to salary ranges, this proposal does not cover time regarding a formal appeal process. Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses any of these issues.

#### **Deliverable I. Final Presentation**

Our proposal includes multiple meetings and weekly oral and written status/progress updates to the Study Project Team. Regarding the involvement of the City Council, etc., we recommend at least one initial meeting to confirm/identify the comparator agencies to be included in the study, one interim study session (to discuss the initial findings of the compensation study), and one final presentation of our Final Report. Of course, we are flexible regarding having more or less interaction with the Council, based on the City's preferences.

#### **❖ Expectations of City Support:**

In order to conduct this study in the most timely and cost-effective manner, we ask for support in the following areas:

- Timely provision of written documentation, such as current class specifications, union contracts, organizational charts, budget documents, requests for audits, past studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate interview space and resources;
- Assistance in the compilation of current descriptions with the PDQ; collecting and forwarding questionnaires; and in ensuring that materials are complete and returned in a timely manner;
- Assistance in scheduling study project team, bargaining unit, management, employee audit, and other meetings; and
- Meeting agreed-upon timelines.

In terms of time commitment for City staff, we understand that the City hires an outside consultant to conduct and coordinate the entire effort. Therefore, it is our goal to reduce the time commitment of City staff as much as possible and to only request assistance in the coordination of some of the steps in the process, such as scheduling employee orientation meetings, duplicating PDQs, scheduling employee interviews/desk audits, disseminating information, and in general, being a channel of communication between our firm and employees.

#### **❖ Communication with the City:**

Our typical communication model includes at least weekly or biweekly written status updates to keep the City informed on where we are during each phase of the project.

In addition, the study includes a significant number of meetings with the Study Project Team, human resources, management, employees, and the City Council, as desired. The meetings and "stakeholder



touch-points” that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and foster a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

❖ **Post-Implementation Consultation and Support:**

We are committed to providing the City with the highest-quality product and service. Providing ongoing consultation and support after study implementation is a service that is included in our professional fees and a continued relationship-building aspect of our client relationship that we highly value.

We often find that clients will call or email with follow-up questions and to discuss certain aspects of the study, ask why decisions and recommendations were made, and other important components of the study. We consider post-implementation support as part of our customer service.

Should the City request any additional onsite meetings and/or training after implementation of the study and/or other specific, identifiable work efforts, such as position reclassification studies, creating new class descriptions, or conducting annual surveys, we would honor our composite hourly rate for actual hours spent at the City. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our “Not To Exceed Fee” for this project.

❖ **Stakeholder Engagement:**

The meetings and communications with stakeholders that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information, and encourage a collaborative and interactive approach that will result in greater buy-in for study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of K&A’s studies.

We believe in an interactive and collaborative process with the whole organization and in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. Following are the major milestones at which we touch base with Human Resources, employees, managers, employee representation, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- PDQ completion and review;
- Employee and management interviews;
- Employee, management, and Human Resources review of draft class descriptions;
- Contact with employees and management to address final classification issues;
- Stakeholder input regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected;
- City stakeholder review of compensation study data and contact with them to address any challenges to the market comparables we identified for each classification;
- Stakeholder input on internal salary relationship analysis and recommendations; and
- Stakeholder input regarding final compensation plans and structure recommendations.

These steps will ensure that the study results in a product that is accepted and trusted by all levels within the organization. Beyond sound mechanics, our approach includes sufficient communication steps to ensure that the study methodology is understood and the results are regarded as expert, impartial, and fair.





## TIME REQUIREMENTS

Our professional experience is that classification and compensation studies of this scope and for this size organization take approximately six to eight months to complete, allowing for adequate PDQ completion, interview time, classification description review and/or development, compensation data collection and analysis, review steps by the City, the development of final reports, any appeals, and presentations.

We understand the City would like to complete the study for fiscal year 2023/2024 budget planning purposes. However, a comprehensive classification and compensation study will take several months to complete (see above). However, we anticipate that the study would be at least close to being completed by the City’s mid-year budget review. In addition, due to the unprecedented demand on our services, we are currently experiencing an unusually high volume of projects. Therefore, and if the City is able to be flexible, we propose commencing the project in May 2023 and anticipate completion by December 2023, assuming a contract is executed within 2 months of the submittal date of our proposal.

The following is a suggested timeline (which can be modified based on the City’s needs):

Deliverables	Classification Study	Completion by:
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	Week 1
B.	Orientation Meetings with Employees and Distribution of PDQ	Week 2
C.	PDQ Completion and Review	Week 6
D.	Employee/Supervisory/Management Interviews	Week 8
E.	Classification Concept/Preliminary Allocation Development	Week 10
F.	Draft Class Description Development/Update	Week 18
G.	Draft Class Description Review and Employee Feedback Process	Week 20
H.	Finalize Classification Plan/Draft Interim Report/Final Report	Week 22
Deliverables	Total Compensation Survey	Completion by:
A.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	Week 4
B.	Data from Comparators and Preliminary Analysis of Data	Week 24
C.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	Week 26
D.	Analysis of Internal Relationships and Alignment	Week 27
E.	Compensation Structure and Implementation Plan	Week 27
F.	Final Report and Guidelines for Implementation	Week 28
G.	Formal Appeals Process *	As Needed
H.	Final Presentation	As Scheduled



## COST PROPOSAL

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with employees, employee representation, management, and the governing body. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, sharing of compensation survey data, employee review and feedback processes, etc.) results in significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has only had a handful of formal appeals to any of our studies in our 39 years in business. It has been our experience that the money and time invested in stakeholder communication throughout the study are money and time saved during implementation. Numerous times our firm has been hired after an agency has gone through an unsuccessful study whose results were rejected or appealed and whose implementation was very controversial. The result was a divided organization with hostility and animosity between employees/employee representation and management. Whenever our firm was hired after such an unfortunate experience, study stakeholders were amazed at our open and all-inclusive process, our efforts to elicit equal stakeholder input, and our development of recommendations that were accepted as fair and reasonable and understood by management, employees, and the governing body. Our success rate is also attributable to the fact that we have 39 years of experience working with employees of all types of backgrounds, educational levels, and work experiences, and we are accustomed to successfully communicating with and educating them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.

Our clients always provide feedback that our process was professional, comprehensive, understandable, timely, and inclusive. Employees, although not necessarily always happy with our recommendations, have always indicated that we listened to their issues and concerns, were available for discussion, and able to provide documentation and data to support our recommendations. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

Over the last few years, K&A and all our clients have become accustomed to conducting our organizational, classification, and compensation studies virtually. From that experience, we have learned that studies can be conducted successfully by using virtual technologies and performing the work remotely. We have also learned that this represents a significant cost savings for our clients, both in terms of consultant travel time and travel expenses, as well as less disruption and reduced non-productivity for the client's workforce. We have several technological solutions that can easily facilitate the entire process (see proposal narrative above). Conducting meetings and orientations virtually means that the client's employees do not have to spend time traveling from one location to another and will not be pulled away from their workstations for lengthy periods of time. They can simply click on a link or call in from a phone to participate. This approach also represents significantly less logistical planning on part of the client in order to reserve meeting rooms and making space available for large employee groups, as well as multiple consultants coming onsite to conduct interviews within a condensed period of time. Conducting orientations and interviews virtually provides us with much more flexibility in scheduling and accommodating multiple different shifts and schedules among a large workforce.



In addition, K&A strives to be as “green” an organization as possible and we are certainly concerned about our carbon footprint. We find that multiple trips to client sites that can sometimes involve multiple consultants flying on planes and/or driving cars, is not as environmentally conscious as we would like to be. Considering the effectiveness of virtual meetings, especially when meetings are only one hour or one-and-a-half hours at a time, onsite travel does appear to create a larger footprint than necessary. This can especially be true for final presentations to leadership teams and governing bodies that are often less than 60, or even 30, minutes long.

For purposes of this cost proposal, we are assuming that all meetings and presentations will be conducted virtually/remotely and no onsite travel to City offices will occur. Should the City desire onsite meetings, we will be happy to provide our per diem cost for onsite meetings based on travel time and market rate travel cost at the time.

The cost proposal below includes two options depending on scope of work to provide the City with a cost comparison based on the number of classifications and number of comparator agencies surveyed for the compensation study. Of course, the City may select any combination thereof and we are open to negotiating another option if it better serves the City. We hope to be able to negotiate a scope of work and cost option that best serves the City’s needs.

See our cost tables on the following page.



Deliverables	Phase I: Classification Study 80 Classifications, 123 Employees (plus 12 Vacant Positions)	Hours
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	12
B.	Orientation Meetings with Employees and Distribution of PDQ	12
C.	Collection and Review of PDQs (assumes up to 100 PDQs)	35
D.	Interviews with Employees, Supervisors, and Management (assumes up to 100 interviews)	70
E.	Classification Concept & Preliminary Allocation	45
F.	Draft Class Description Development (assuming up to 80 classifications)	200
G.	Facilitation of Draft Class Description Review and Employee Feedback Process	45
H.	Classification Plan and Draft of Interim Report and Final Report	16
	<b>Total Professional Hours – Classification</b>	<b>435</b>
	Combined professional and clerical composite rate: <b>\$180/Hour</b>	<b>\$78,300</b>

Deliverables	Phase II: Total Compensation Study	Option 1: Hours	Option 2: Hours
A.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	16	16
B.	Data from Comparators and Preliminary Analysis of Data <i>Option 1: assumes up to 8 comparators (the minimum we recommend); up to 48 benchmark classifications; and total compensation, including benefits.</i> <i>Option 2: assumes up to 10 comparators; up to 52 benchmark classifications; and total compensation, including benefits.</i>	130	170
C.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	24	30
D.	Analysis of Internal Relationships and Alignment	10	10
E.	Compensation Structure and Implementation Plan	10	10
F.	Final Report and Guidelines for Implementation	12	16
G.	Formal Appeals Process *	0	0
H.	Final Presentation	8	10
	<i>Anticipated hours for additional unscheduled meetings and phone calls</i>	8	12
	<b>Total Professional Hours – Compensation</b>	<b>218</b>	<b>274</b>
	Combined professional and clerical composite rate: <b>\$180/Hour</b>	<b>\$39,240</b>	<b>\$49,320</b>
	Expenses are <b>included</b> in the composite hourly rate: <i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage, etc.</i>	<b>N/A</b>	<b>N/A</b>
	<b>TOTAL PROJECT COST NOT TO EXCEED:</b>	<b>\$117,540</b>	<b>\$127,620</b>
	<i>*Additional consulting will be honored at composite rate (\$180/hr)</i>		

Our cost proposal does not include time to support the City during any labor negotiations that may follow this study. If we are needed for this work, our composite hourly rate will apply and we will charge on a time-and-materials basis.



## CONTRACTUAL CONSIDERATIONS

We will be pleased to sign the City's professional services agreement for a Classification and Compensation Study. We respectfully request that the City will allow for a period of negotiation of certain terms in the professional services contract related to liability, indemnity, insurance, and other terms. We have found that we have always come to an agreement with all of our clients in the past and appreciate the City's flexibility in reviewing certain terms in a collaborative fashion between our legal counsels.

*It is our practice to provide the coverage below in lieu of the City contract insurance language. We therefore propose to replace the insurance language in the RFP's sample agreement with coverage language provided by Gallagher as follows (we attach our Memorandum of Insurance for your review as well):*

Gallagher shall at all times during the term of this Agreement and for a period of two (2) years thereafter, obtain and maintain in force the following minimum insurance coverages and limits at its own expense:

- Commercial General Liability (CGL) insurance on an ISO form number CG 00 01 (or equivalent) covering claims for bodily injury, death, personal injury, or property damage occurring or arising out of the performance of this Agreement, including coverage for premises, products, and completed operations, on an occurrence basis, with limits no less than \$2,000,000 per occurrence;
- Workers Compensation insurance with statutory limits, as required by the state in which the work takes place, and Employer's Liability insurance with limits no less than \$1,000,000 per accident for bodily injury or disease. Insurer will be licensed to do business in the state in which the work takes place;
- Automobile Liability insurance on an ISO form number CA 00 01 covering all hired and non-owned automobiles with limit of \$1,000,000 per accident for bodily injury and property damage;
- Umbrella Liability insurance providing excess coverage over all limits and coverages with a limits no less than \$10,000,000 per occurrence or in the aggregate;
- Errors & Omissions Liability insurance, including extended reporting conditions of two (2) years with limits of no less than \$5,000,000 per claim, or \$10,000,000 in the aggregate;
- Cyber Liability, Technology Errors & Omissions, and Network Security & Privacy Liability insurance, including extended reporting conditions of two (2) years with limits no less than \$2,000,000 per claim and in the aggregate, inclusive of defense cost; and
- Crime insurance covering third-party crime and employee dishonesty with limits of no less than \$1,000,000 per claim and in the aggregate.
- All commercial insurance policies shall be written with insurers that have a minimum AM Best rating of no less than A-VI, and licensed to do business in the state of operation. Any cancelled or non-renewed policy will be replaced with no coverage gap, and a Certificate of Insurance evidencing the coverages set forth in this section shall be provided to Client upon request.

## ARTHUR J. GALLAGHER & CO. MEMORANDUM OF INSURANCE

This Memorandum of Insurance ("Memorandum") is produced as a matter of information only to authorized viewers for their internal use only and confers no rights upon any viewer of the Memorandum. This Memorandum does not amend, extend or alter the coverage described below. Copyright 2005, Arthur J. Gallagher Risk Management Services, Inc. ("Gallagher"). Gallagher grants permission to you to view, copy, print and distribute the information found on the Memorandum website ("Site") provided that the above copyright notice appears on all copies, that use is internal to you or for personal noncommercial informational purposes only, and that no modification is made to any materials. Any modification, use, reproduction or distribution of this Memorandum, the Site or its contents must be first approved by Gallagher in writing. You will not suffer or permit any unauthorized use of any Gallagher trademark, service mark or logo. This Memorandum, the Site and its contents, including but not limited to text, graphics, images, software, copyrights, trademarks, service marks, logos, and brand names ("Content"), are protected under both United States and foreign laws, and Gallagher or its affiliated entities retain all right, title and interest in and to the Content, all copies thereof, and all copyrights and other proprietary rights therein. The information contained herein is as the date referred to above. Gallagher shall be under no obligation to update such information.

**DATE: 10/4/2022**

**INSURED:**

Arthur J. Gallagher & Co. and its subsidiaries  
2850 West Golf Road  
Rolling Meadows, IL 60008

**Insurance Companies**

A: ARCH INSURANCE COMPANY  
B: THE CONTINENTAL INSURANCE COMPANY  
C: XL INSURANCE AMERICA, INC  
D: FEDERAL INSURANCE COMPANY  
E: LEXINGTON INS. COMPANY  
F: XL SPECIALTY INS. COMPANY  
G. ILLNOIS NATIONAL INSURANCE COMPANY  
H. INDIAN HARBOR INSURANCE COMPANY

The policies of insurance listed below have been issued to the "INSURED" named above for the policy period indicated. Notwithstanding any requirement, term or condition of any contract or other document with respect to which this Memorandum may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies. Limits shown may have been reduced by paid claims.

CO. LTR.	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE	POLICY EXPIRATION	LIMITS (In USD unless otherwise indicated)	
A	Commercial General Liability Occurrence Per location Aggregate	41GPP4938415	10/01/22	10/01/23	General Aggregate	4,000,000
					Products - Comp/Op Agg	4,000,000
					Personal and ADV Injury	2,000,000
					Each Occurrence	2,000,000
					Damage to Rented Premises (Each occurrence)	1,000,000
A	Automobile Liability Any Auto	41CAB4939015 41CAB4938315	10/01/22	10/01/23	Combined Single Limit	5,000,000
					Bodily Injury (per person)	
					Bodily Injury (per accident)	
B	Excess/Umbrella Liability Retention: \$10,000	7034611269	10/01/22	10/01/23	Each Occurrence	25,000,000
					Aggregate	25,000,000
A	Workers Compensation and Employers Liability	41WCI4938115	10/01/22	10/01/23	Workers Comp Limits	Statutory
					EL Each Accident	1,000,000
					EL Disease - Each Employee	1,000,000
					EL Disease - Policy Limit	1,000,000
C	Property	US00112916PR22A	10/01/22	10/01/23	Blanket Bldg. & PP	10,000,000
D	Crime/Fidelity Bond (Employee Dishonesty)	J06039418	09/01/22	09/29/23	Single Loss Limit	15,000,000
E	Errors & Omissions (Primary Policy)	015466449	10/01/22	10/01/23	Per Claim and Aggregate	12,000,000
F	Errors & Omissions (Excess Policy)	ELU163265-22	10/01/22	10/1/23	Per Claim and Aggregate	10,000,000
G	Errors & Omissions (Excess Policy)	FI0121922	10/01/22	10/01/23	Per Claim and Aggregate	15,000,000
H	Cyber Liability	MTP903416504	05/01/22	05/01/23	Limit of Liability	10,000,000

**Description of Operations / Other Information:** See ADDITIONAL INFORMATION on the following page.

*This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.*

**ARTHUR J. GALLAGHER & CO.  
MEMORANDUM OF INSURANCE**

**ADDITIONAL INFORMATION**

As respects GENERAL LIABILITY POLICY

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES \*  
Endorsement Form # CG 20 11 04 13 modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

**SCHEDULE**

1. Designation of Premises (Part Leased to You): ANY PREMISES OR PART THEREOF LEASED TO YOU.
2. Name of Person or Organization (Additional Insured): ANY AND ALL PERSONS OR ORGANIZATIONS CONTRACTUALLY REQUIRING ADDITIONAL INSURED STATUS AS THE MANAGER OR LESSOR OF PREMISES TO YOU.
3. Additional Premium: INCLUDED

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

We waive any right of recovery we may have against the person or organization where required by written contract because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only where required by written contract.

As respects PROPERTY

This policy insures against "All Risks" of physical loss or damage, except as excluded, to covered property while on Described Premises, provided such physical loss or damage occurs during the term of this policy. Coverage is subject to policy deductibles, terms, conditions and exclusions. Loss Payable clause included for whom Insured has agreed to per written contract.

**IMPORTANT NOTICE**

**\*All other Additional Insureds requests requires Legal approval and issuance of a Certificate of Insurance.**

**\*For special requests, such as a WET SIGNATURE, please contact the appropriate team: P&C – Doreen Morris or Therese Scamardo; E&O – Helen Ponce de Leon or Mari Maceri; Cyber – Jeremy Gillespie or Ariel Magrini.**

*This Memorandum of Insurance serves solely to list insurance policies, limits and dates of coverage. Any modifications hereto are not authorized by Gallagher or the Insurance Companies.*



## Signature Page

Koff & Associates intends to adhere to all of the provisions described above.

This proposal is valid through September 30, 2023.

Respectfully submitted,

By: KOFF & ASSOCIATES  
State of California

Georg S. Kramer

April 12, 2023

Managing Director, Compensation and Rewards Consulting



Koff & Associates  
A Gallagher Company



**PROPOSAL**

# City of Imperial

## Classification and Compensation Study

**RFQ**

Friday, February 24, 2023

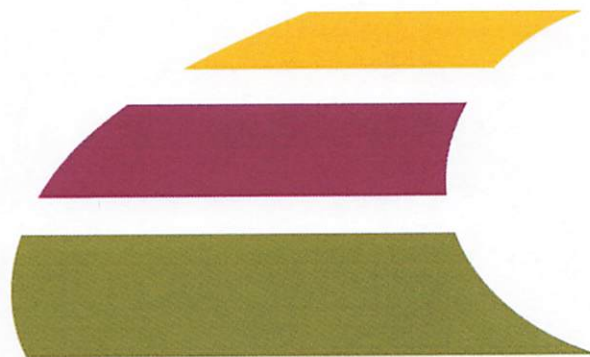
**SUBMITTED BY:**

**VICKI QUINTERO BRASHEAR**

*Director of Products and Services*

CPS HR Consulting  
2450 Del Paso Road, Suite 220  
Sacramento, CA 95834  
P: 916-471-3481  
vbrashear@cpshr.us  
Tax ID: 68-0067209

[www.cpshr.us](http://www.cpshr.us)



Your Path to Performance

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February 24, 2023

Kristen Smith  
 Human Resources Manager  
 City of Imperial  
 420 S. Imperial Ave.  
 Imperial, CA 92251

**Submitted via email to: [ksmith@cityofimperial.org](mailto:ksmith@cityofimperial.org)**

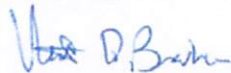
Ms. Smith,

CPS HR Consulting (CPS HR) is pleased to submit this proposal to the City of Imperial (City) to provide comprehensive classification and total compensation study services for the City’s employees. With a rich history of assisting government agencies with their compensation studies (including the City of Imperial), we at CPS HR are confident that we can provide expert solutions to meet the City’s requirements and objectives.

ORGANIZATION IDENTIFICATION INFORMATION	
Legal Name and DBA	Cooperative Personnel Services dba CPS HR Consulting
Main Office	2450 Del Paso Road, Suite 220, Sacramento, CA 95834 Main: (800) 822-4277; FAX: (916) 263-3613; WEB: <a href="http://www.cpshr.us">www.cpshr.us</a> <i>*Primary location from which services are conducted with support from our local consultants based in Southern CA</i>
Regional Offices	20211 Guadalupe Street, Suite 260, Austin, TX 78705 9233 Park Meadows Dr #139, Lone Tree, CO 80124 1968 S. Coast Hwy # 961, Laguna Beach, CA 92651
Years in Business	Established 1985
Type of Business	Joint Powers Authority (Public Agency)
CONTACT INFORMATION	
Proposal/RFP Process Contact and Contract Authorized Representative	Vicki Quintero Brashear, Director of Products and Services (916) 471-3481; <a href="mailto:vbrashear@cpshr.us">vbrashear@cpshr.us</a>

Thank you for this opportunity; we very much look forward to working with the City of Imperial. Should you have any questions, please do not hesitate to contact **me at the contact information above.**

Sincerely,



Vicki Quintero Brashear  
 Director of Products and Services

## Background, Qualifications, and Experience

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### About CPS HR Consulting

CPS HR is an innovative, client-centered human resources and management consulting firm specializing in solving the unique problems and challenges faced by government and non-profit agencies. As a self-supporting public agency, we understand the needs of public sector clients and have served as a trusted advisor to our clients *since 1985*.

***Our mission is to promote human resource excellence in the public sector and our vision is to enable people to realize the promise of public service.***

CPS HR's core competency is its knowledge of and expertise in the public sector. As a public agency, we understand the challenges and issues facing our client base. We provide best practice expertise that is unique because CPS HR believes in an integrated, systems-based approach to human resources. Our consultants understand that the multiple functional human resources disciplines (including classification and compensation) work together to foster an optimal Human Resource system.

CPS HR has been providing classification and compensation services to state, federal, and local governments along with special districts and non-profit organizations *for over 35 years*. We have performed many studies with agencies of similar size and scope as the City of Imperial. Additionally, the references and project list we have included provide further clarity around the type of classification and compensation projects with which we have worked. With these examples, we have shown how we have collected data, performed analyses on said data, made recommendations, and worked successfully with our partners/clients.

### Joint Powers Authority

Cooperative Personnel Services, doing business as CPS HR Consulting, is a national firm and is a governmental Joint Powers Authority (JPA) of the State of California. A JPA is a public agency created pursuant to the Joint Exercise of Powers Act (Government Code 6500 et seq). This Act allows two or more government agencies to establish a new public entity authorized to exercise those powers jointly held. A JPA is an instrumentality of a state or a political subdivision of a state and is not a registered corporation of any state. Cooperative Personnel Services was established under a "Joint Powers Agreement" by the State Personnel Board of the State of California, the counties of Sacramento and Sonoma, the Hayward Unified School District, the City of Anaheim, and the East Bay Municipal Utility District, and its purpose is to provide the opportunity for the joint powers "to discuss, study and solve common or similar problems with respect to modern human resource and related management processes."

## Distinguishing Characteristics

**Depth of experience working in public agencies.** CPS HR is a joint powers authority, and as such, our charter mandates that we provide services exclusively to public agencies and non-profits. CPS HR has conducted hundreds of classification and compensation related studies for cities, counties, courts, special districts, water and utilities, and higher education institutions.

**CPS HR staffing.** CPS HR employs only the best staff members. Many of our staff have both public and private classification and compensation experience, they are diligent in their work, listen to and understand the needs of our clients, and possess advanced education and certifications such as **SHRM, IPMA**, etc.

**Automated Solution.** CPS HR utilizes a proprietary system called Comp Calculator for the management and analysis of compensation survey data. The Comp Calculator is a web-based program that allows for the data entry of survey data on an agency-by-agency basis and then generates a separate datasheet within Excel for each surveyed classification. We can also provide access to shared documents through our SharePoint™ website and updated project management information through our Wrike™ project management software.

**Quality and tailored services.** CPS HR delivers quality and tailored classification and compensation services to better meet each client's unique study goals and objectives.

**Our commitment to maintaining open communication.** Our CPS HR Project Team will focus on maintaining open communication with the City's HR staff to ensure that this project preserves its focus and adheres to the timeline and budget.

## Approach and Methodology

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### Our Understanding of the Scope of Work

CPS HR understands that the City is seeking a consulting firm to conduct a City-wide classification and compensation study which includes salary and benefits. This budget assumes:

#### ■ Classification Study

- Up to **74** classifications and up to **126** incumbents
  - One orientation (total) for incumbents/Department Heads/Managers/Supervisors/Union Representatives
  - Online position description questionnaire with online supervisor review process
  - Incumbent/supervisor job evaluation interviews of selected study participants
  - Update of **all** existing classification specifications and creation of up to **2** new classification specifications
- Incumbent allocations (City will handle any employee appeals)
- Provision of a formal report and 2 presentations to City stakeholders at the conclusion of the study

#### ■ Compensation Study

- Total compensation (salary and benefits) collection, analysis, and comparison
- Up to **44** benchmark classifications (recommended; represents **60%** of the total classes under study)
- Labor market pool of up to **8** agencies (CPS HR will conduct research and provide recommendations) plus the use of private sector data from the Economic Research Institute (ERI)
- Internal equity leveling at the classification level
- Salary recommendations for all pay grades
- Compensation structure update
- Create implementation considerations/scenarios
- Provision of a formal report and 2 presentations to City stakeholders at the conclusion of the study

Following is our proposed workplan with detailed steps.

## Work Plan

### Classification Study

**Task 1.1 – Receive and Review Background Materials.** Upon contract execution, CPS HR will gather background information including the following materials:

- Organizational Charts
- Classification Specifications (Electronic copies)
- Relevant Policies and Procedures
- Memorandums of Understanding, as applicable
- Past Classification and Compensation Studies
- City’s Mission, Vision, and Values statements

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- The client will upload electronic copies of all documents to a shared online site provided by CPS HR.

**Task 1.2 – Initial Project Meeting.** The CPS HR Project Manager will meet with the City’s Internal Project Manager, HR Staff, and designated key stakeholders to initiate the project by confirming study goals, objectives, tasks to be performed, and methodologies. During this kick-off meeting, CPS HR and the City will also discuss and agree upon a communication plan for this study, since open and consistent communication is a key element in project acceptance and success.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- CPS HR will provide a project summary/parameters document after the kickoff meeting which the client will review and approve.

**Task 1.3 – Develop Job Evaluation Tool.** CPS HR will use a survey tool to ensure valid information is gathered, analyzed, and documented consistently from incumbents regarding their current classifications. This activity includes finalizing a Position Description Questionnaire (PDQ) for approval by the City, and distribution of the PDQ to study participants.

The PDQ is designed to capture specific information, and to be used in studies with multiple analytical goals such as position allocation and classification specification development/revisions.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- For purposes of creating a cost-effective response, our pricing assumes the City will use CPS HR’s PDQ with minor (3-4) edits. Additional hours spent on the task will be contracted separately.
- The PDQ will be provided in English in online survey format. All surveys will be completed online<sup>1</sup>.

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<sup>1</sup> We are open to discussing alternatives to online completion should the client desire to accommodate any personnel who do not have web/computer access during the conduct of their job duties. Depending on the alternative chosen, an amendment to the contract for additional funding may be necessary.

**Task 1.4 – Conduct Orientation Session.** The City will draft a communication to be sent via e-mail to all employees included in the study to invite them to attend an orientation session. For purposes of this scope of work, we have planned for **one (1) virtual, one-hour orientation session** which can be recorded by CPS HR for viewing by individuals who are not able to attend the scheduled session.

The purpose of the orientation session is to (i) **communicate** study goals, methodology, and processes; (ii) **demonstrate** the PDQ and explain to employees how the document should be completed; (iii) **explain** the role of employees, supervisors, and managers in the study; and (iv) **respond** to employee questions regarding the study process.

These tasks and processes are critical in gaining employee understanding, trust, and acceptance of the study. Where possible, we encourage executives, managers, supervisors, employee bargaining unit representatives, and human resources staff to attend the meeting(s) to familiarize themselves with employee questions and the responses to those questions.

**Task 1.5 – PDQ Completion.** All study employees will have the opportunity to provide information on the duties and responsibilities as it relates to job specifications, duties not covered in the job specification, minimum qualifications, and other aspects of the classification. Each incumbent's supervisor (*during a 1-level review process*) will then review the collected data to ensure that the incumbent has accurately and sufficiently captured all pertinent information on job context and work output.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- All PDQs will be completed online, including the supervisor/manager review process.
- Links to PDQ will be sent to incumbents via e-mail by CPS HR. A complete and accurate roster, including employee name and e-mail address (among other data points), will be uploaded to the shared online site by City staff using a Microsoft Excel template provided by CPS HR. Any needed corrections to the roster will be completed by the client to maintain accuracy.
- **Responsiveness of study participants is absolutely critical to maintaining the agreed timeline.** An amended timeline will be provided by the CPS HR Project Manager if the online PDQ completion date is pushed out. Any contract amendment needed due to timeline shift will be discussed with the City at the appropriate point.
- The supervisor/manager review process includes one (1) level of supervisory review.

**Task 1.6 – Receive and Review PDQs/Prepare for Job Evaluation Interviews.** The CPS HR Project Team will thoroughly review each completed PDQ<sup>2</sup> to obtain an understanding of the duties and responsibilities assigned to the position. Job evaluation interview questions for selected study employees will be developed based upon the results of the documentation review. CPS HR Project Team members will develop an interview schedule for selected incumbents and will coordinate the schedule with the Agency's designated staff member.

---

<sup>2</sup> For single position classifications lacking a completed PDQ, CPS HR will provide an opportunity for the appropriate supervisor to provide commentary on that position's duties and scope.



**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

For purposes of creating a cost-effective response, our pricing assumes that:

- up to **70%** of incumbents will provide completed PDQs. Therefore, project staff will review up to **88** returned PDQs
- project staff will create interview questions for up to **60%** of those respondents (or **53** incumbents)
- up to **35** supervisor interviews will be conducted
- CPS HR Project Team members will develop an interview schedule in coordination with the City and will set up an online scheduling system for incumbents to view the schedule and select his/her preferred time slot after initial assignment. At the agreed-upon deadline, incumbents may not change the final selected time slot.

**Task 1.7 – Conduct Job Evaluation Interviews, Focus Groups, follow up Supervisor/Manager Interviews.** In addition to PDQs, job evaluation interviews will be conducted with *selected* incumbents to ensure the CPS HR Project Team has a complete understanding of the duties and responsibilities assigned to the position. Incumbents to be interviewed, or invited to participate in a focus group, is determined during the PDQ review process.

Additionally, interviews with supervisors or managers may also be held to further clarify information documented on their subordinate employees' PDQs. For planning purposes, each interview session may take up to sixty (60) minutes via video or telephone conference. **For purposes of this costing, reschedules for missed interviews have not been estimated.**

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- CPS HR reserves the right to identify the interviewees.
- Interviews will take place over sequential business days and will take place between the hours of 8:30 am and 5:00 pm Local Time via telephone or video conference.
- If requested, we can supply a contract amendment to accommodate a reschedule process or add additional interviewees.

**Task 1.8 – Analyze Classification Data.** The Project Team will analyze all information collected from the incumbents and their supervisor/manager, and any job evaluation interviews to identify the job level, scope, typical duties, requisite knowledge, skills, abilities, and other job-related characteristics of each position. This analysis will be used to develop recommendations regarding classification concepts and a classification structure that aligns with current business needs, and to evaluate the proper classification allocation for study employees.

**Task 1.9 – Prepare and Present Findings.** The Project Team will prepare a presentation which will include the methodology, findings, and preliminary recommendations.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- Costs assume one meeting, for up to 1.5 hours, with the client's Project Manager/HR staff to discuss these topics.

**Task 1.10 – Revise Classification Specifications.** Once the City has approved the classification study findings, the classification specifications will be revised/created accordingly. The format for classification specification revisions will be submitted to the City for approval. Our methodology for this task will result in:

- Accurately identifying the specific essential duties and responsibilities; required knowledge, skills, and abilities; minimum education and experience requirements; and minimum special qualifications for each position in the study.
- Reviewing, revising, editing, and developing written classification specifications for each study classification that clearly specify and describe a general statement of duties; any distinguishing features of the class; essential duties, knowledge, skills, and abilities; acceptable minimum education and experience; and required special training and certifications.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- CPS HR will provide a classification specification template via the shared online site if the City does not already have one that must be utilized.
- Classification specifications will be uploaded to the shared online site. Documents will be marked “Draft” and provided in Microsoft Word with several views – “with mark-up” and “without mark-up.” This will allow the City to easily view tracked changes. Edits and comments made by both parties will be captured in these online shared documents. CPS HR will post finalized versions of classification specifications in both Microsoft Word and Adobe PDF marked “Final.”
- As the City conducts its review of the Draft Classification Specifications, client comments and questions will be captured in a single document provided on the online shared drive.

**Task 1.11 – Incumbent Allocation Process.** Following the finalization of classification specifications, CPS HR will create an allocation for each incumbent. The City will inform each staff member of the allocation, and the City will be responsible for the review and adjudication of appeals.

**Task 1.12 – Prepare, Submit, and Present the Classification Report.** CPS HR’s reporting will include a discussion of our methodology and a narrative summary to support our recommendations. The City will be responsible for approving and implementing classification specification content changes through their standard process, including any necessary notifications to employees, employee representatives, or the Department of Human Resources.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- Costs assume one meeting for up to two hours with primary client stakeholders to present the report. (We have also budgeted for one additional meeting to present the report to another stakeholder group, if the City so desires.)
- An opportunity for a single round of feedback/updates to the report will be provided to the client. The City will provide any change requests, if needed, within two (2) weeks of initial receipt of the report.

## Total Compensation Study

**Task 2.1 – Review City’s Background Materials.** Upon contract execution, CPS HR will request background information to ensure our Project Manager and Project Team are prepared for initial meetings.

- Compensation philosophy and strategy
- Salary schedules
- Benefits summaries
- Budget Information
- Memorandums of Understanding (MOUs)
- Compensation policies and procedures; past studies
- Other documents relevant to the study

The CPS HR Project Manager will coordinate activities through and report to the City’s Internal Project Manager and other designated key stakeholders.

**Task 2.2 – Initial Project Meeting/Labor Market Agency and Benchmark Selection Discussions.** The CPS HR Project Manager will meet with the City’s Internal Project Manager and any other designated stakeholders to discuss the study methodologies, deliverables, timelines, communication, and data collection methods. The CPS HR Project Manager will determine the City’s compensation philosophy in this meeting to obtain direction and consensus. Additionally, the CPS HR Project Manager will be available to conduct a workshop with these key stakeholders to discuss the following elements of compensation policy:

**Labor Market Agency Selection:** This section of the workshop focuses on the typical labor market selection criteria and the process by which CPS HR will evaluate and prepare recommendations for the City’s labor market agencies; such selection criteria typically includes: (i) Geographic Proximity; (ii) Organizational size (measures may include number of employees or population); (iii) Services provided; (iv) Past labor market agency practices; (v) Cost of Living/Cost of Wages; and (vi) Competitive Recruitment Range/Agencies.

CPS HR will discuss and assess the current employment population and demographics to refine the market list (i.e., where do most current employees reside, what employers attract your employees, etc.). CPS HR does not simply recommend the most comparable agency based on size and services, but those that are competitive in determining the market on both the high and low end and in attracting talent. Additional workshop topics are:

- Labor market position (i.e., median, mean, or other percentile)
- Benchmark classifications to be selected based on the following criteria:
  - They should be classifications for which counterparts can readily be found in surveyed employers so that sufficient compensation data can be gathered. Classifications which have a large number of comparables from other agencies are generally selected as benchmark classifications.
  - Benchmark classifications should have significant relationships to other classifications in their occupational group. This ensures they will make good reference points in relating and establishing salaries for other classifications within their occupational groups.
- Elements of total compensation to be surveyed
- Use of private sector data from ERI.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- It is assumed that no more than **44** benchmark classifications will be identified for the complement of the classification structure resulting from the classification study.
- It is assumed that no more than **8** labor market agencies (plus private sector data from ERI) will be selected for comparison.

**Task 2.3 – Design, Develop, and Distribute the Survey Instrument.** The CPS HR Project Team will develop a comprehensive survey instrument to ensure the effective collection of compensation data from each of the survey agencies. The online survey will include a brief description of each of the survey classifications with a request for the minimum and maximum monthly salary for each.

For a *base salary* study, the survey instrument will include a brief description of each of the survey classifications with a request for the minimum and maximum monthly salary for each. Salaries are retrieved from published salary schedules effective on an agreed upon date.

For a *total compensation* study, the following elements of total compensation are added to the base salary survey:

- 1) Retirement Contributions - Money paid by the employer on behalf of employees (members). The data are collected for reporting and are included in total compensation calculations.
  - a. Employer Retirement Contribution - CPS HR reports and analyze a stated percentage of salary paid by the employer or the employee at the current point in time. The normal cost rate is collected, which excludes unfunded accrued liability.
  - b. Medicare – Contribution rate of 1.45% times the base salary median is used to calculate total compensation, there is no maximum compensation limit.
  - c. Social Security (if agency participates) - Contribution rate is 6.20% of the median compensation and is included in the total compensation calculation.
- 2) Health benefits data are collected for reporting and included in total compensation calculations.
  - a. Medical, Dental, and Vision benefits, based on the maximum contribution for family coverage (employee + 2 or more dependents)
  - b. Cafeteria Plans (Flex Credit & Health Savings Account)
- 3) These data are collected for reporting purposes only and are not included in total compensation calculations.
  - a. Sick, Holiday, and Vacation Leave
  - b. Paid Time Off
  - c. Administrative/Management Leave
- 4) Cash Add-Ons are defined as “supplemental pay and benefit components that are equivalent to cash for the employee” and are typically found in a benefit summary document or bargaining agreement. The data are collected for reporting and are included in total compensation calculations.

- a. Retirement Pick-up (i.e., Employer Paid Member Contribution (EPMC))
  - b. Deferred Compensation (i.e., 457b, 401k, 403b)
  - c. Incentives (only education/certifications, performance)
  - d. Longevity
- 5) Premium pays and special allowances described in the RFP will also be collected.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- The client may add additional benefit elements, should it desire, at an additional cost.

**Task 2.4 – Review, Analyze, and Validate Labor Market Survey Data.** CPS HR begins labor market data collection by researching available information online to make preliminary classification matches and obtain benefits data. The CPS HR Project Team will reach out to labor market agencies to confirm and/or complete survey data after completing as much pre-work as possible. We find that this initial collection effort results in greater participation from the labor market agencies. Once CPS HR has completed their survey analysis tasks, the CPS HR Project Manager will audit the final data as part of our quality review process.

Classification matching includes reviewing agency background materials such as copies of classification specifications, organization charts, staffing information, and other useful materials to substantiate the accuracy of the comparability of the matches. It is critical that the CPS HR Project Team review such documents since titles alone can often be misleading and should not be relied upon.

To determine whether a match from a labor market agency is comparable to the City's benchmark, CPS HR utilizes a whole job analysis methodology; this commonly used methodology analyzes the job as a whole, rather than by individual factors, by evaluating the core duties and responsibilities, the nature and level of work performed, and the minimum qualifications to determine whether the classification is comparable enough to be utilized as a match. The methodology recognizes slight differences in duties assigned to matches from other labor market agencies which do not impact the type, nature, and level of work performed.

Matches should not be so broad that they include classifications performing dissimilar work, or work done at a higher or lower level, but they also should not be so narrow that they exclude matches doing comparable work, with slight differences in work that do not change the level and nature of work.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- Should any labor market agencies be non-responsive to requests for information, we will provide the City with contact information and request that they use their professional contacts to follow up on CPS HR's behalf. We have found this approach to be beneficial.
- At an additional cost, the City may add additional labor market agencies should any in the initial selection be non-responsive or not provide sufficient matches.
- **Responsiveness of labor market agencies is absolutely critical to maintaining the agreed timeline.** An amended timeline will be provided by the CPS HR Project Manager if the data collection period is pushed out. Any contract amendment needed due to timeline shift will be discussed with the City at the appropriate point.

**Task 2.5 – Design and Develop Data Spreadsheets.** CPS HR will develop an individual data sheet for each survey classification that presents the comparable classification used in each agency with the relevant data associated with that classification, such as the position ranking within the labor market and salary range minimum and maximum.

The labor market data analyses will be conducted based upon the labor market position affirmed within the City's compensation philosophy (e.g., median, mean, or other percentile). Each comparable match for each survey classification is reported in the relevant data sheet for full disclosure and review by others. We find this level of transparency in matching provides for a better understanding and acceptance of study results.

**Task 2.6 – Conduct Benefits Analysis.** The benefit data submitted from the labor market agencies will be analyzed quantitatively and qualitatively.

In the quantitative analysis, specific benefits will be incorporated into the base salary data sheets to provide a total compensation analysis. This analysis of program costs will provide the City with an understanding of how the study classes compare against their market when the costs of benefits programs are taken into consideration. Within these data sheets, four different analyses can be conducted based on how our clients wish to view the data:

1. An analysis of the survey classification's position within the labor market for base salary
2. An analysis of the survey classification's position within the labor market when the cost of cash add-ons is taken into consideration (total cash)
3. An analysis of the survey classification's position within the labor market when the cost of cash add-ons and health programs are taken into consideration
4. An analysis of the survey classification's position within the labor market when the cost of cash add-ons, health program costs, and retirement contributions are taken into consideration (total compensation)

The qualitative analysis will include a write-up of the general trends of benefits offered across the agencies as well as summary tables showing the practices of each agency.

**Task 2.7 – Conduct Internal Equity Analysis/Prepare Draft Salary Recommendations.** A comprehensive and balanced pay program is the result of the analysis of external labor market data, combined with an analysis of important internal relationships that reflect the City's value system of jobs.

With the whole job methodology, the internal pay relationship analysis for non-benchmark classifications will involve several steps to arrive at sound and equitable relationships. Among others, the most important of these steps will include:

- Analysis of pay relationships based on the outcome of the classification study;
- Development of consistent, uniform, and realistic guidelines for determining internal relationships including span of control, nature and level of work performed and related components; and
- Recommendation of equitable and appropriate internal relationship differentials based on the above.

Following is the methodology CPS HR utilizes for establishing salary levels for benchmark and non-benchmark classifications in our compensation studies. This methodology would be applied to all the City study classifications.

1. Conduct a comprehensive understanding of the City's approach to identify the benchmark classifications to be used in the salary setting process.
2. Establish salary recommendations for these benchmark classifications by setting the salary level based on the market data.
3. Conduct a comprehensive review of the City's current internal alignment differentials to determine what their practices are, and if they should be adjusted.
4. Apply recommended internal differentials within job families to build the salary recommendations for classifications which have significant relationships to each other because they are in the same job series or family.
5. Determine the remaining classifications that are not benchmark classifications, or classes that minimal comparable data was available for, and are also not part of a job series or family. These classifications are then reviewed to determine which classifications are the subject classifications currently internally aligned with and whether that relationship should be changed.

Evaluation factors include the nature and level of work performed, as well as the minimum qualifications.

The salary recommendations for each study classification will display the following information: (i) Classification title; (ii) Current monthly range maximum; (iii) Recommended monthly range maximum; and (iv) The percentage difference and/or dollar amount difference between the current and recommended monthly range maximum and the steps within a range, if desired. This information will provide the City with the percentage and dollar amount of any increase on a classification-by-classification basis.

**Task 2.8 – Prepare and Present the Compensation Report.** The CPS HR Project Team will develop a report detailing the results of the labor market survey. This report comprise the following:

- Scope and methodology of the study
- Labor market data analysis
- Results of the base salary survey and the total compensation analyses
- Benefits reporting
- Recommendations and actions taken to update salary recommendations and the salary structure itself
- Implementation considerations<sup>3</sup>

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<sup>3</sup> It is CPS HR's standard practice to assist our clients with evaluating and developing a method to implement compensation changes that are identified as a result of the study, and this is included within the proposed budget. Our salary recommendations will provide the City with the percentage of pay required to maintain each classification at the desired market position, as well as an average percentage of all classifications within the Compensation Study. CPS HR can also provide information on typical implementation strategies such as Step-to-Step and Closest Dollar. However, CPS HR does not provide a detailed analysis of individual employee implementation and costs since our clients typically utilize their own systems for that purpose.

CPS HR will review the report with the Internal Project Manager and designated stakeholders.

**Client Responsibilities and/or Pricing Assumptions Associated with Task:**

- Costs assume **one meeting for up to two hours** with primary client stakeholders to present the report.
- An opportunity for a single round of feedback/updates to the report will be provided to the client. The City will provide any change requests, if needed, within two (2) weeks of initial receipt of the report.

## Proposed Timeline

The CPS HR Internal Project Manager and the City will discuss varying approaches to customize a timeline after the initial kick-off meeting. CPS HR recommends a structured timeline that can be flexible to accommodate varying factors in achieving set milestones.

Our classification study timeline is based upon the assumption that

- the City is able to enforce orientation, PDQ deadlines, and the interview schedule within the designated timeframes, and that
- the City will be able to review, comment on, and approve study products within agreed upon deadlines.

Our compensation timelines are based upon the assumption that

- selected labor market agencies will provide the information required within the specified timeframe, and
- the City will be able to review, comment on, and approve study products within agreed upon deadlines.
- the compensation study will begin after the classification specifications resulting from the classification study have been finalized

**We estimate the timeline for this scope of work to be conducted is:**

- Classification Study: 5 to 6 months
- Total Compensation Study: 4.5 to 5.5 months

CPS HR is available to begin the project 4 weeks after full contract execution.



## Fee Schedule

### Professional Fixed Fee

CPS HR has prepared the following *professional fixed fee* based on the scope of work outlined.

Study	Professional Fixed Fee
Classification Study	\$108,565
Total Compensation Study	\$90,400
<b>Not-To-Exceed Contract Amount: \$198,965</b>	

### Pricing Assumptions

General Scope	
Number of Classifications	Up to 74
Number of Incumbents	Up to 126
Number of Benchmarks	Up to 44
Number of Labor Markets	Up to 8 plus private sector data from ERI
<b>Not Included in Fixed Fee Amount:</b>	
Materials Production - CPS HR provides all documents electronically. Hard copy printing of documents for this engagement will be the responsibility of the Client.	
Expenses – We have not included travel costs since all work will be conducted virtually through the use of tele- and web-conferences and the sharing of documents through an online portal provided by CPS HR.	

### Billing Terms

CPS HR will bill in equal installments at the following milestones:

#### CLASSIFICATION:

1. After kick off meeting
2. Provision of PDQ link to incumbents
3. Completion of job evaluation interviews
4. Submission of draft classification specifications
5. Provision of classification report

**COMPENSATION:**

1. After kick off meeting
2. Final selection of labor market agencies and benchmarks
3. Provision of draft matches
4. Submission of draft salary recommendations
5. Provision of compensation report

It is assumed that the City will be responsive to the delivery of all draft deliverables and all subsequent revisions as defined in the agreed upon project timeline. **Unanticipated revisions or delays to the project timeline could result in a need for an addendum to the contract related to contract end date, staff assignments, and/or pricing. Any addenda will be discussed in a timely manner with the City.**

**Pricing Philosophy**

CPS HR is flexible with the proposed work plan; alternate approaches may be discussed with the City which may in turn change the proposed cost of the project. As described in this proposal, the methods, approach, timelines, as well as the proposed fee, have been prepared as accurately as possible based upon the services requested and study objectives described in the information provided to CPS HR. The proposed professional fees reflect the steps and time necessary to conduct the study in a sound, thorough, and sustainable manner, including important input and review by the City's Internal Project Manager and designated stakeholders to accomplish the study objectives. If changes or additional services are required, we will be happy to discuss changes to the project activities, schedule, and/or fee proposal.