



PROPOSAL
For
HUMAN RESOURCES CONSULTING SERVICES
For A
COMPREHENSIVE CLASSIFICATION AND COMPENSATION STUDY
For The
MARINA COAST WATER DISTRICT

Submitted by:

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KOFF & ASSOCIATES, INC.
Human Resource Consulting Since 1984

March 26, 2012

Ms. Jean Premutati
Management Services Administrator
Marina Coast Water District
11 Reservation Road
Marina, CA 93933

Dear Ms. Premutati:

Thank you for the opportunity to respond to your Request for Proposals for a Classification and Compensation Study for Marina Coast Water District. We are most interested in assisting the District with this important project.

Koff & Associates, Inc. is an experienced public-sector consulting firm that has been conducting similar studies for special districts (water, wastewater, community services, fire, education, air quality management, solid waste, library, hospital, housing, transportation, and higher education districts), cities, counties, courts, and other public agencies for over 28 years. The firm is a woman-owned California corporation and has achieved a reputation for working successfully with management, employees, and union representatives. We believe in a high level of dialogue and input from employees and management and our proposal speaks to that level of effort. That extra effort has resulted in close to *100% implementation* of all of our classification and compensation studies. In 28 years, our firm has never had a formal appeal to any of our studies.

Koff & Associates, Inc. is a small firm that accepts only as much work as our own staff can handle. This assures a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budgets, and a consistent high-caliber work product.

As President of the firm, Katie Kaneko would assume the role of Project Director and be responsible for the successful completion of this project. We can both be reached at the Emeryville address and phone number listed below. Katie's email address is kkaneko@koffassociates.com and my email address is gkrammer@koffassociates.com.

Please call if you have any questions or wish additional information. We look forward to the opportunity to provide professional services to the Marina Coast Water District.

Sincerely,

A handwritten signature in blue ink that reads "Georg S. Krammer". The signature is written in a cursive, flowing style.

Georg S. Krammer
Chief Executive Officer



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I. UNDERSTANDING OF THE PROJECT

The Marina Coast Water District desires human resources consulting assistance to conduct an objective job evaluation, classification review, and development of compensation systems for all of its job classifications in order to make recommendations regarding the appropriateness, internal equity, and external competitiveness of the District's classification and compensation plans, as well as, pay plan rules and policies. The District currently has thirty-three (33) employees allocated to twenty (20) classifications. In addition, two (2) classifications are currently vacant according to the District's organizational chart (i.e., Associate Engineer and Accounting Technician).

The existing classification and compensation system consists of three (3) salary schedules in the following classifications: union represented hourly employees, non-represented hourly employees, and exempt represented and non-represented employees.

One of the study's purposes is to develop updated and objective classification descriptions for all study positions that are legally compliant (including FLSA and ADA requirements), internally aligned, reflective of contemporary standards, and accurately reflect current roles, responsibilities, duties, and qualifications. The final work product will be an integrated organizational structure that will allow for potential future organizational changes of the District, career growth, and effective customer service delivery.

We understand that the District went through a reorganization due to attrition of several managers and that time and effort have been invested to update current classification descriptions. Therefore, the District does not expect a full-blown classification study to be necessary. Our goal will be to ensure that current classification descriptions are reviewed and only slightly adjusted where necessary.

The classification analysis process includes orientation and briefing sessions with employees, management, Human Resources, and union representation; the completion of a Position Description Questionnaire by employees; potential interviews with some employees to clarify information in the questionnaires (this may be done over the phone and only where necessary); and follow-up with supervisors and managers to address any classification issues, if necessary. All participating employees will be allocated to an appropriate classification and our recommendation will be submitted to the District and incumbents for additional feedback and concurrence.

A second level of effort will be to review the District's compensation structure for the studied classifications and to conduct a compensation market survey using a set of appropriate comparator agencies. It is understood that 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 a salary schedule and the integration of all study classifications into 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 District's compensation preferences into consideration and regarding the appropriate placement of each classification on that salary schedule. Our recommendations will also address any compression/equity issues.

The study includes a significant number of meetings with management, human resources, employee representation, and staff. 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 improve a collaborative and interactive approach that will result in greater buy-in for the study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of Koff & Associates' studies.

II. STUDY OBJECTIVES

The objectives of the study are:

Classification Objectives

- To analyze and update each study position's classification through a process of job analysis and evaluation, including review of existing documentation, position description questionnaire completion, analysis of levels of duties and responsibilities, and other professional methods, employee interviews (if necessary), concurrence with management, as appropriate;
- To confirm each study position's classification and/or recommend title changes or reclassifications (if 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, adequate career paths and class series that will foster career service within the District;
- To clearly state minimum requirements of each class that are consistent with work experience that is clearly obtainable from positions immediately below on the career ladder and to clarify for each classification opportunities for promotion and/or cross training;

- To provide a classification structure that ensures regulatory compliance, including allocation of each selected study position to the correct classification with appropriate FLSA designation, as well as, meeting Federal ADA 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 of key staff throughout the study, including classification concepts, distinguishing characteristics, knowledge, skills and abilities, and implementation and maintenance manuals, so that the plan can be implemented and maintained in a competent and fair manner.

Compensation Objectives

- To review and make recommendations regarding a list of appropriate comparator agencies, benchmark classifications, and benefits to be collected prior to beginning the compensation portion of the study;
- To collect accurate compensation 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 your Board of Directors, human resources, management, employee representation, the Study Project Team, and staff;
- 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 District's compensation structure, plan rules, policies, and practices, establish the value of the current program, recommend changes as appropriate, make recommendations for achieving an overall competitive position in the market, and develop a compensation plan that will assist the District to recruit, motivate, and retain competent staff;
- 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 of key staff throughout the study so that the plan can be implemented and maintained in a competent and fair manner.

Overall Objectives

- To review and understand all current documentation, rules, regulations, policies, procedures, budgets, class descriptions, organizational charts, memoranda of understanding/union contracts, wage and salary schedules, and related information so that the new plans can be operationally incorporated with a minimum of disruption;
- To conduct start-up meetings with the General Manager, Human Resources, and members of the District's employee associations ("Study Project Team") to validate scope of services, methodology, timetable, and other deliverables, and to discuss any specific concerns with respect to the development of a classification

- and compensation plan; conduct employee orientation sessions with management 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 District 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 is totally non-discriminatory, provides for compliance with all pertinent legal requirements, is easy for management to administer, maintain, and defend, easily accommodates organizational change and growth, and is based on sound compensation principles reflecting the concepts of equal pay for equal work, equal pay for similar work, and equal pay for comparable work;
 - To document all steps in the process and provide documentation for management in both classification and compensation methodologies so that the District can integrate, maintain, administer, and defend the plans after the initial implementation;
 - To provide a procedure manual and training for HR employees enabling them to maintain the recommended classification and compensation plan, including the methodology for position grading; and
 - To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

III. FIRM'S EXPERIENCE AND QUALIFICATIONS

Koff & Associates, Inc. is a majority woman-owned public sector human resources consulting firm established in 1984 that has been assisting cities, counties, special districts, and other public agencies for the past twenty-eight years. Our headquarters are located in Emeryville, CA and we have a satellite office in La Brea, CA. We are a California State-certified small business enterprise and a locally (through the county) certified Very Small Business Enterprise.

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 serving as the management representative in meet & confer and negotiation meetings), working with City Councils, Boards of Supervisors, County Commissions, Boards of Trustees, Merit Boards, Joint Power Authorities, and Boards of Directors.

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

Without exception, all of 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.

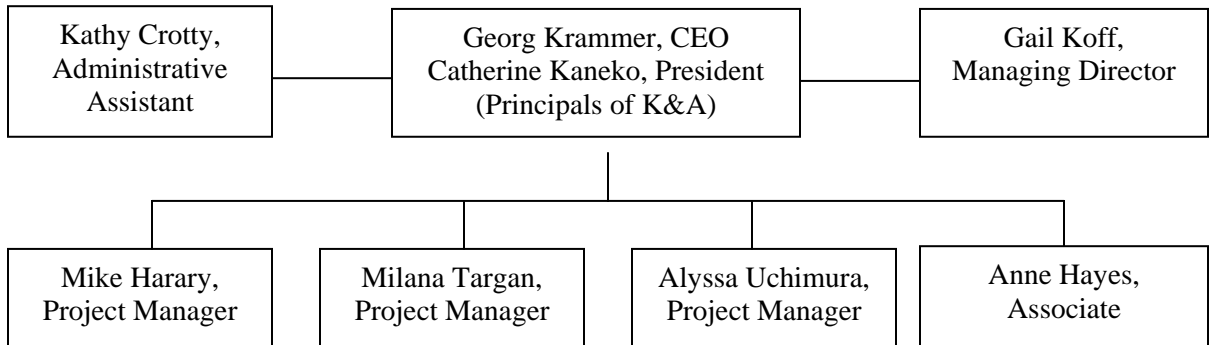
The firm's growing list of clients is indicative of its reputation as being a quality organization that can be relied upon for producing comprehensive, sound and cost-effective recommendations and solutions. Koff & Associates, Inc. has a reputation for being "hands-on" with an ability and expertise to implement its ideas and recommendations through completion in both union and non-union environments.

Koff & Associates, Inc. relies on our stellar reputation and on the recommendations and referrals of current 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. The fact that we have not had any formal appeals in 28 years, working with hundreds of public agency clients and completing hundreds of classification and compensation studies, is something we are very proud of.

KEY PROJECT PERSONNEL AND QUALIFICATIONS

Project chart and professional qualifications of staff that will be included in this study are:

Organizational/Project Chart



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

Catherine Kaneko, C.P.A., P.H.R.
President

Catherine brings over twenty (20) years of management level human resources experience to Koff & Associates, Inc., both as a human resources director and as a management consultant in the hi-tech industry as well as the public sector. She has extensive experience in compensation including equity plans and performance incentive programs, survey design and reporting, recruitment in both the public and private sector; staffing; classification and job analysis; compensation and job evaluation techniques, employee relations, retention strategies, infrastructure development; coaching; policy and procedure development; mergers and acquisitions; change management and employee training.

With a Bachelor in Business Administration, Catherine started her career as a Certified Public Accountant (CPA) in an international accounting/consulting firm. She transitioned into Human Resources within the firm to become the Human Resources Director of the San Francisco office. She then moved into the hi-tech industry where she served in leadership positions for high-growth, startup, and organizations in transition. Her primary focus in recent years has been in classification, compensation, and recruitment services in the public sector.

Catherine's experience provides a broad knowledge of human resource management within diverse organizations. Her background provides her a strong ability to understand the big picture, identify problems and solutions, and effectively implement them. Her skill set complements our current consultant base with additional levels of service areas. Catherine joined K&A in 2000 and has been the firm's President since 2005.

Catherine is assigned as the Project Director for this study to ensure close coordination of client needs throughout the project. Catherine will be involved with all steps of the process, will attend all meetings with the District, and will be the primary point of contact for the entire study.

Georg S. Krammer, M.B.A., S.P.H.R.
Chief Executive Officer

Georg brings fifteen (15) years of management-level human resources experience to Koff & Associates with an emphasis in organizational development; classification and compensation design; market salary studies; executive and staff recruitment; performance management; and employee relations, in the public sector, large corporations and 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. With his experience as a well-rounded senior HR generalist, his education in business and teaching, and his vast experience with public sector HR programs and functions, Georg's contribution to K&A's variety of projects greatly complements our consulting team. Georg joined K&A in 2000 and has been the firm's Chief Executive Officer since 2005.

Georg will provide consultant support throughout the study, including classification analysis, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Gail Koff
Managing Director

Gail Koff, Principal of Koff & Associates, Inc. for 21 years and now the Managing Director, has over thirty-five (35) years of human resource management experience, most of which have been serving the needs of public agencies. Gail's prior experience, after receiving her degree from Boston University, includes serving as the Personnel Director for one of California's largest sanitary districts, Central Contra Costa Sanitary District as well as the Personnel Director for the California College of Arts and Crafts.

She has spent twenty-one (21) years in her own firm providing consulting assistance to cities, counties and special districts. She specializes in strategic development; labor/management issues; classification and job analysis; compensation design and pay for performance strategies; executive search; employee handbooks and policy direction; performance management; and organizational efficiency issues.

Gail is familiar with the unique problems of public agencies and has worked extensively with publicly elected Councils, Boards, Commissions, numerous unions, and management and employee groups.

Gail works closely with the staff throughout the entire process to ensure success. She is actively engaged throughout the study's progress to ensure quality control, timeliness, and meeting client expectations.

Alyssa Uchimura
Project Manager

Alyssa earned her bachelor's degree in Psychology with a minor in Sociology-Organization Studies from the University of California, Davis and is currently working on her PhD in Organizational Psychology from Alliant International University. She brings with her over six (6) years of human resources experience in compensation data gathering and analysis, classification analysis and development, performance management, affirmative action program development, and recruitment. Alyssa also has experience in designing and conducting quantitative and qualitative research studies.

Since joining the firm, Alyssa has worked on over fifty (50) classification, compensation, recruitment, and other special human resources projects. She has worked on classification and/or compensation projects for numerous clients, such as the Cities of Orange, Menifee, Poway, Palo Alto, Campbell, Piedmont, El Cerrito, Emeryville, Napa, Santa Rosa, Monterey, Tracy, Madera, Ione, Newman, Patterson, Tigard (OR), and the Towns of Windsor, Danville and Apple Valley, as well as, the Dublin San Ramon Services District, Mid-Peninsula Water District, Central Marin Sanitation Agency, South Tahoe Public Utility District, Truckee Donner Recreation and Park District, Orange County Sanitation District, South Coast Water District, Ventura Regional Sanitation District, Mid-Peninsula Regional Open Space District, Berkeley Unified School District, California School Boards Association, Housing Authority of Texarkana Texas, Housing Authority of the County of San Bernardino, San Diego Housing Commission, San Francisco Housing Authority, and the County of Tehama.

Alyssa has also spearheaded several recruitment efforts for various positions ranging from entry-level to executive management. Alyssa has participated in various special projects like conducting exit interviews, retirement benefits studies, and human resources audits.

Alyssa will provide consultant support throughout the study, including classification analysis, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Anne Hayes
Firm Associate

Anne is the newest member to our team and earned a Bachelor's degree in Mathematics and Economics from the University of California, Santa Barbara.

Before joining Koff & Associates, she worked in the private sector for more than ten (10) years, with five (5) years in a management role. She transitioned to a non-profit organization, which specialized in providing labor relations representation to public sector employers, where she gained extensive experience in data gathering and analysis, specifically in the areas of classification, compensation, and benefits analysis for public sector agencies.

Anne will provide consultant support throughout the study.

Kathy Crotty
Administrative Assistant

Kathy is our resident data entry, office administrative, and technical "guru." She will be heavily involved with the technical aspects of the project and assist our professional staff at each phase of the project.

IV. CLIENT REFERENCES

The following is a list of current references on completed projects.

<p>Midpeninsula Regional Open Space District Classification and Compensation study completed 2011.</p>	<p>Contact: Mr. Steve Abbors General Manager (650) 691-1200 Fax (650) 691-0485 330 Distel Circle Los Altos, CA 94022</p>
<p>Orange County Sanitation District Classification and total compensation study for various departments in 2009 and 2010.</p>	<p>Contact: Ms. Ann Sullivan Principal HR Analyst Contact information provided upon request</p>
<p>Dublin San Ramon Services District Comprehensive classification and total compensation study, completed in 2008. Also conducted numerous recruitments.</p>	<p>Contact: Ms. Mary Gordon Organizational Services Manager (925) 875-2291 Fax (925) 829-1180 7051 Dublin Blvd. Dublin, CA 94586</p>
<p>City of Palo Alto Various compensation study projects since 2009. Most recent completed in 2011.</p>	<p>Contact: Ms. Sandra Blanch Assistant Director, Human Resources (650) 329-2376 Fax (650) 329-2696 250 Hamilton Avenue Palo Alto, CA 94301</p>
<p>Town of Windsor Classification and total compensation study, completed 2011.</p>	<p>Contact: Ms. Amy Cortese Human Resources Manager (707) 838-5379 Fax (707) 838-5981 9291 Old Redwood Hwy, Bldg. 300 Windsor, CA 95492</p>
<p>City of Menifee Classification and total compensation study, completed 2011.</p>	<p>Contact: Ms. Pat Grob Human Resources Coordinator (951) 672-6777 (Fax (951) 679-3843 29714 Haun Road Menifee, CA 92586</p>
<p>Southern California Costal Water Research Total Compensation study, completed 2011.</p>	<p>Contact: Mr. Bryan Nece Administrative Officer (714) 755-3201 Fax (714) 755-3299 3535 Harbor Blvd., Suite 110 Costa Mesa, CA 92626</p>

<p>Montecito Water District Classification and Compensation study completed in 2011.</p>	<p>Contact: Ms. Toni Bailey Business Manager (805) 969-2271 583 San Ysidro Road Montecito, CA 93108</p>
<p>City of Santa Rosa Classification and organizational studies for various departments from 2007 to 2010.</p>	<p>Contact: Mr. Christopher Jeffery Human Resources Analyst (707) 543-4378 Fax (707) 543-3064 100 Santa Rosa Avenue, Room 1 Santa Rosa, CA 95404</p>
<p>South Coast Water District Comprehensive classification and total compensation study completed in 2009. Ongoing HR support since 2008.</p>	<p>Contact: Ms. Kathleen Kane Human Resources Manager (949) 342-1155 31592 West Street Laguna Beach, CA 92651</p>
<p>Mid-Peninsula Water District Total compensation study completed in 2006; classification study completed Sept 2007; employee opinion survey in 2007; succession plan development in 2007; General Manager salary study in 2008 & 2009.</p>	<p>Contact: Ms. Paul Regan General Manager (650) 591-8941 3 Dairy Lane Belmont, CA 94002</p>
<p>Ventura Regional Sanitation District Comprehensive classification and total compensation study completed in 2008 with implementation plan development in 2009.</p>	<p>Contact: Mr. Mark Lawler General Manager (805) 969-4600 1001 Partridge Dr., Suite 150 Ventura, CA 93303</p>
<p>Central Marine Sanitation Authority Have served as their off-site HR Director for 40-person organization since 1987. Have conducted many total compensation studies, HR Rules and Regulations, Staff and Executive recruitments</p>	<p>Contact: Mr. Jason Dow General Manager/Chief Engineer (415) 459-1455 x145 1301 Anderson Drive San Rafael, CA 94901</p>
<p>City of Pismo Beach Classification and total compensation study, completed in 2009.</p>	<p>Contact: Ms. Debra Garcia Human Resources Officer (805) 773-7928 Fax (805) 773-7929 760 Mattie Road Pismo Beach, CA 93449</p>

Additionally, we have completed similar types of studies for over 250 public agencies in the last fifteen years.

V. STUDY APPROACH AND METHODOLOGY

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

Our approach, typically, is to complete the classification and job evaluation before completing the compensation and benefits 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 both 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 District, thereby ensuring that the data developed from comparator agencies and classification matches is accurate.

However, since the District is hoping to complete the study by the end of May, the two phases of the study may have to be conducted concurrently to expedite the process. Given these parameters, our approach is as follows:

PHASE I: CLASSIFICATION

A. INITIAL DOCUMENTATION REVIEW/MEETINGS WITH STUDY PROJECT TEAM/ HUMAN RESOURCES & MANAGEMENT STAFF

This phase includes identifying the District’s Study Project Team (General Manager, Human Resources, and other stakeholders, as appropriate), contract administrator, and reporting relationships. Our team 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, and employee representation; and develop a timetable for conducting the same.

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, memoranda of understanding/union contracts, budgets, personnel policies, and any other relevant documentation to gain a general understanding of District operations.

District terminology and methods of current classification and compensation procedures, as well as, the written questionnaire instrument (Position Description Questionnaire) for the classification study that will be used in the job analysis phase will be reviewed and agreed to. We will discuss methodology and agree to a class description, as well as, compensation format and identify appropriate comparator agencies, benchmark classifications, and benefits to be collected for compensation survey purposes. We will respond to questions.

B. ORIENTATION MEETINGS WITH EMPLOYEES AND DISTRIBUTION OF POSITION DESCRIPTION QUESTIONNAIRE

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

We will facilitate two to three orientation meetings with employees in the studied positions (within the same time frame as the initial project kick-off meeting) and distribute the PDQ to start the classification portion of the study. While these meetings aren't 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 (if necessary). 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.

PDQs shall be handed out with the incumbents' current class descriptions attached to the questionnaires so employees can use this as a tool for completing the questionnaire.

C. POSITION DESCRIPTION QUESTIONNAIRE COMPLETION & REVIEW

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 want to be interviewed separately. Our proposal speaks to two levels of effort for cost comparison purposes: 1) One PDQ per classification plus individual PDQs from employees with classification issues and 2) individual PDQs from all employees.

Although we provide an email version of our questionnaire so that employees can more easily complete it, we require a hardcopy with signatures affixed before we can begin the evaluation process. Employees complete the questionnaire and then send it to their supervisor/manager and department head for review, comment, and signature.

Upon receipt of the PDQs in our office, they will be reviewed and analyzed in detail along with other documentation.

D. EMPLOYEE/SUPERVISORY/MANAGEMENT INTERVIEWS

We understand that the District has spent significant time and effort over the past one-and-a-half years to reorganize and to update its current classification descriptions. Based on feedback received from the District, the assumption is that classifications may not need significant modification. Therefore, we assume that only occasional follow-up may be necessary with some employees to ensure that we understand all of the information in each PDQ. These interviews are expected to be short and can be conducted over the phone.

Our proposal speaks to two levels of effort for cost comparison purposes: 1) Occasional phone interviews with no more than 50% of employees and managers, and 2) onsite interview/desk audits with all employees at the District's offices.

Follow-up interviews/phone calls will then be held with supervisory and management staff (department heads, etc.), who will clarify their own responsibilities (if necessary) and/or confirm the information we have received in the interviews with their staff.

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.

E. CLASSIFICATION CONCEPT/PRELIMINARY ALLOCATION DEVELOPMENT

Prior to developing detailed class descriptions, our job evaluation will result in a classification plan concept and employee allocation document that will be submitted to the District for review and approval. This document will list broad class concepts and highlight where significant changes may be recommended. We will review and analyze current classification series, the number of classifications and classification levels, and career ladders and promotional opportunities. We will also review and update established titling guidelines for the studied classifications for appropriate and consistent titling.

Finally, we will review reporting relationships and organizational hierarchies in each department and of the District as a whole, and make recommendations on staff alignments and organization structure.

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 (upgrade, downgrade, title change, or no change). As mentioned above, no significant changes are expected from this classification process.

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.

F. DRAFT CLASS DESCRIPTION DEVELOPMENT/UPDATE

After preliminary approval of the class concepts and allocation lists, class descriptions will be updated, as appropriate, following the format approved by the District.

From the review of the PDQs and employee interviews, we will update essential job functions and minimum qualifications of each class specification, as necessary. We will review, analyze, and update, as appropriate, knowledge, skills, abilities, education and experience, relevance and hierarchical consistency, position definitions, purpose, distinguishing characteristics, supervision received and exercised, essential position functions, special requirements including licensing and certification requirements, working conditions, license requirements, and standby responsibilities.

We will also review and update the physical demands based on the essential job functions of each classification in accordance with the Americans with Disabilities Act (ADA).

Finally, we will review each classification's essential job functions and determine exempt vs. non-exempt status in accordance with "white collar" exemptions under the Fair Labor Standards Act (FLSA).

G. DRAFT CLASS DESCRIPTION REVIEW/INFORMAL APPEALS PROCESS

A draft copy of the revised/new class description with allocation recommendation will be submitted to each manager, supervisor, and employee, involving employee representation, to give them an opportunity to provide comments and concerns regarding any modifications to the class specifications. Our experience has been that this is one of the most critical phases of the project (but also one of the most time-consuming). Our proactive and effective communication process at this crossroad has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of the study.

Due to the District's feedback that classification descriptions are fairly up-to-date, we do not expect significant employee concerns or reasons to appeal.

Each employee will receive a memorandum from us outlining what has been accomplished, how to best review the draft classification specification that will be attached, and how to provide feedback to us. Supervisors and managers 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 the information provided.

Each memo will have two options for the employee's signature: one line is reserved for employees who have read and agree with their draft class description; the other line is reserved for employees who have read the draft class description and disagree with certain parts, want to make changes, want to add or delete information, or have general questions about the description and/or the process.

Employees shall submit their written concerns (via their supervisor/manager) to our office. While employees may not always agree with our recommendations, they have a “second chance” to ensure that they have been heard and to continue the educational process regarding why specific recommendations were made.

Significant employee comments will be reviewed with management and HR prior to making any significant changes to the proposed class plan. These discussions may 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.

H. FINALIZE CLASSIFICATION PLAN/DRAFT INTERIM REPORT/FINAL REPORT

Volume I (Draft Interim Report of the Classification Study) will be completed and submitted to the General Manager and Human Resources for review and comment. The report will contain:

- A recommended classification plan;
- A classification manual, 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 growth issues, reporting relationships, organization structure and internal hierarchy, and other factors will all be included;
- Classification concepts and guidelines, as well as, distinguishing characteristics and other pertinent information for implementation and continued maintenance of the Plan will be detailed;
- A complete set of the updated classification descriptions that include required knowledge, skills, and abilities for each position class in a standardized format.

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

PHASE II: COMPENSATION

A. IDENTIFY COMPARATOR AGENCIES, BENCHMARK CLASSIFICATIONS, AND BENEFITS TO BE COLLECTED

In the initial study kick-off meeting with the Study Project Team, we will discuss the compensation study factors that need to be agreed upon. We will identify appropriate comparator agencies that will be included in the external market survey, which will be

the foundation of ensuring that the District's salaries for the studied classifications are competitively aligned with the external labor market. We will also identify 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 District wants to be included in the total compensation data gathering process.

1. Determination of Comparator Agencies

The selection of comparator agencies is considered a critical step in the study process. Using the following factors to identify appropriate comparators, we will receive approval before proceeding with the salary survey.

Our recommended methodology is that we involve the Study Project Team and the Board of Directors in the decision-making process of agreeing as to which agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we review when selecting and recommending appropriate comparator agencies include:

- ***Organizational type and structure*** – While various public agencies 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, previous comparators that have been utilized in the past and the advantages/disadvantages of including them/others will be discussed. We will be reviewing and analyzing comparable special districts, cities, potentially, the county, and other regional organizations that may be comparable.
- ***Similarity of population served, agency demographics, agency staff and operational and capital improvement 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.
- ***Labor market*** – The reality of today's labor market is that many agencies are in competition for the same pool of qualified employees. No longer do individuals necessarily live in the community they serve. Therefore, the geographic labor market area (where the District may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations.
- ***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 will 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 ten to twelve (10-12) comparator agencies for all benchmark classifications in an organization, but we are flexible to use a different model based on the District's preference. Our proposal speaks to two levels of effort for cost comparison purposes: 1) Surveying twelve (12) agencies and 2) surveying ten (10) agencies.

2. Determination of Benchmark Classifications

In the same collaborative manner as described above in Step 1, the classes to be surveyed will be determined. Again, all parties prior to commencement of the data-gathering process should reach consensus.

“Benchmark classes” are normally 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 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.

Because we find that the labor market typically yields reliable data, we recommend using about 60%-65% of all classifications as benchmarks but are flexible to use a different model. Due to the relatively small number of classifications and the District, we expect to survey the majority of classifications. Our proposal speaks to two different levels of effort to demonstrate difference in cost.

3. Determination of Salary and Benefits Data to Be Collected

For total compensation purposes, in addition to base salaries, benefit data elements normally include at least the following, (which are generally available to all staff in a specific job classification). Shown below are descriptions of those benefits that we normally collect (which can be modified to include any other information the District desires):

- **Monthly Salary** – We will look at the minimum, midpoint, and maximum of the normal, published salary range. All figures are presented on a monthly basis. We normalize the salary data to reflect working hours and/or “spiking” of retirement or other benefits.
- **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.

- With healthcare cost rising and retiree healthcare and liabilities increasing for many public agencies, we often are asked to collect this type of information as well. However, we typically do not roll this cost into our total compensation analysis but report it separately by merely describing what the policies/liabilities are.
- **Insurance** – This typically includes Health, Dental, Vision, Life, Long-Term Disability, Short-Term Disability, 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. All days will be translated into direct salary costs.
 - **Vacation** – The number of vacation days available to all employees after five (5) 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.
 - **Automobile** – This category includes either the provision of an auto allowance or the provision of an auto for official and/or personal use.
 - **Deferred Compensation** – This is any deferred compensation provided to all members of a classification, either as an employer matching contribution or as a straight dollar or percentage contribution.
 - **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed. This could include other special pay type of benefits, including longevity pay, education or certification incentives, shift differentials, on-call pay, uniform allowance, etc.

B. DATA COLLECTION

Our firm does not collect market salary 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. We conduct all of the data collection and analysis ourselves 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. Our job analysis method is the whole position analysis approach.

Objective factors in the whole position classification methodology include:

1. Education, Training, and Certifications/Licenses
2. Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others
8. Consequences of Action/Decisions Made on the Job
9. Working Conditions
10. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed. In addition, we will provide training sessions and training manuals for key staff in our job analysis methodology.

We typically collect classification descriptions, organization charts, salary schedules, personnel policies, 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 professional staff makes preliminary “matches” and then schedules appointments by telephone, and sometimes in person, with knowledgeable individuals to answer specific questions. We find that the information collected using these methods has a very high validity rate and is generally substantiated before employees, employee representation, as well as governing bodies.

C. ANALYSIS AND PRELIMINARY DATA REVIEW

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 District to make informed compensation decisions. Other elements of the compensation survey report are:

- Agencies surveyed;
- Comparable class titles;
- Salary range minimum and maximum/control point;
- Number of observations; and
- Percent of the District’s current salary range above/below the market average/median value.

In addition, we can include any type of statistical representation and analysis that the District desires based on its current compensation policies, i.e., 60th, 70th, or other percentile, etc.

Benefit 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.

D. DRAFT COMPENSATION FINDINGS/ADDITIONAL ANALYSIS/ MEETING WITH STUDY PROJECT TEAM

We distribute our draft findings to the District. After the District’s preliminary review, K&A will meet with the Study Project Team, Board of Directors, and other stakeholders 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, Board of Directors, and other stakeholders to review and question any of our recommended benchmark comparator matches.

Depending on the District’s preference, this process can be structured similarly to the informal appeals process for the classification portion of the study. We will disseminate the compensation information with an explanation in memo format attached and receive written comments from employees (via their supervisor/manager) to our office.

If questions arise, we conduct follow-up analysis to reconfirm our original analysis and/or make corrections as appropriate.

E. INTERNAL RELATIONSHIP ANALYSIS/INTERNAL 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 “whole position” classification methodology as described above in Section B.

By reviewing those factors, we will make recommendations regarding vertical salary differentials between classes in a class series, as well as across the organization. This analysis will be integrated with the results of the compensation survey.

The ultimate goal of this critical step of the process is to address any potential internal equity issues and concerns with the current compensation system, including compaction/compression 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 classification structure that was developed during the classification phase of the study.

F. COMPENSATION STRUCTURE & IMPLEMENTATION STRATEGY DEVELOPMENT

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, number of steps, percent difference between each salary step, and/or alternative compensation plans) within which the classes are allocated, based upon the District's preferred compensation model. We will develop recommendations for pay grades and salary ranges for all classifications based on median salaries from the comparable agencies.

We will also prepare a cost analysis for employees in positions that fall below the proposed minimum salaries following reclassification.

Finally, we will also develop recommendations for externally competitive benefit comparisons for all classification groups.

Our recommended implementation strategies will include calculating the cost of implementing the study with a phased approach that could be implemented over the course of two to three years. We have developed many implementation plans, can provide the District many different implementation options, and guide the District in developing a plan that takes its financial and political realities into consideration.

In order to provide the District with a long-term classification and compensation solution, we will conduct an analysis of overall classification and compensation policies and practices and develop recommendations for the ongoing internal administration and maintenance of the proposed classification and compensation plan.

Draft recommendations will be discussed with the Study Project Team and management prior to developing an Interim Report.

G. PREPARATION OF DRAFT FINAL AND FINAL REPORT AND DELIVERABLES

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

- A set of all market data spreadsheets;
- A recommended compensation plan document;
- Any alternative compensation plans identified;
- Methods used to conduct the salary survey and to develop recommended compensation plans;

- Implementation strategy, issues, and cost projections surrounding our recommendations; and
- A detailed methodology for continued implementation and maintenance of the Plan.

All elements detailed in the “Deliverables” section (below) will be included. We will be available to conduct an in-depth review of the draft compensation report with the Study Project Team and other key staff. Any needed corrections, clarifications, or modifications will be discussed at this time.

Once all of the District’s questions/concerns are addressed and discussed, a Final Classification and Compensation Report will be created and submitted in bound format. The Final Report will incorporate any appropriate revisions identified and submitted during the review of the draft report. Finally, we will provide comprehensive training for key staff in the methodology used to systematically assess job classifications in order to maintain internal compensation equity in the future when adding, changing, or deleting classifications.

H. PARTICIPATION IN A FORMAL APPEAL PROCESS
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Should the District have a formal appeal 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 (the informal appeal process is identified in G [classification] and D [compensation] above). 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 appeal issues.

I. FINAL PRESENTATION TO THE BOARD OF DIRECTORS
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Our proposal includes multiple meetings and conference calls and weekly oral and written status/progress updates to the Study Project Team and other key staff.

Regarding the involvement of the Board of Directors, we recommend at least one initial meeting regarding the comparator agencies and benchmark classifications 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 to have more or less interaction with the Board of Directors, based on the District’s preferences. Each agency we work with is different in this regard and we will easily adapt to your preferred approach.

VI. DELIVERABLES

Volume I – Classification

- Position description questionnaire form for District employees to complete as part of the classification analysis;
- A summary classification study document that outlines study processes, concepts, and overall areas of concern to the District (such as consolidation of classes, internal alignment, reclassification issues, etc.);
- Detailed classification plan and allocation recommendations that will determine definitive class series and career ladders, including the impact of our recommendations for incumbents;
- New and updated class specifications for all study positions that are up-to-date, accurate, legally compliant, and provide for organizational growth and career development and mobility; and
- Classification manuals including a description of class concepts and other pertinent information regarding the administration, implementation, and maintenance of the new classification plan.

Volume II – Compensation

- A summary of and detailed compensation findings in spreadsheet format with recommendations for an overall compensation salary step and range plan;
- Internal relationships and market compensation data will be outlined for each class so that future equity relationships between classes can be continued;
- Implementation recommendations for achieving compensation goals within a reasonable timeframe and the economic and political limitations of the District, including practical implementation alternatives for the installation of the updated compensation approaches, salary cost projections, timing options, and other transitional plans; and
- Provision of recommended implementation and maintenance of the updated compensation plan.

Throughout the Study

- Extensive communication with the Study Project Team, HR staff, District management, employee representation, employees, and others; and
- At least, five (5) copies of the Final Report and one electronic version of all of the classifications and market salary data and spreadsheets created on email or disc in WORD and EXCEL format.

VII. EXPECTATIONS OF DISTRICT 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 salary studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate interview space, if needed;
- Assistance in the compilation of current descriptions with the position description questionnaire; 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 to timelines.

In terms of time commitment for District staff, it is our expectation that the District hires an outside consultant to conduct the entire effort. It is our goal to reduce the time commitment of District 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 position description questionnaires, disseminating information, and in general, be a channel of communication between our firm and employees.

VIII. STAKEHOLDER TOUCHPOINTS

As mentioned earlier in this proposal, we believe in a high level of stakeholder contact and interaction to ensure organizational buy-in of the study throughout the entire process. The following are the major milestones at which we touch base with human resources, employees, employee representation, managers, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- Position description questionnaire completion and review;
- Employee and management interviews (if necessary);
- Employee, management, and HR review of draft class descriptions;
- Contact with employees and management to address final classification issues;
- Stakeholder input regarding a list of appropriate comparator agencies;
- District/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.

IX. POST-IMPLEMENTATION CONSULTATION AND SUPPORT

We are committed to providing the District 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.

Often times, we find that clients will call or email with follow-up questions and to discuss certain aspects of the study, 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 District request any additional onsite meetings and/or training after implementation of the study and/or other specific, identifiable work efforts, we would honor our composite hourly rate for actual hours spent at the District. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our total lump sum fee for this project.

X. PROJECT COMPLETION SCHEDULE

Our professional experience is that classification and compensation studies of this scope and for this size organization take about three (3) months to complete, allowing for adequate position description questionnaire completion, interview time, classification description development, compensation data collection and analysis, review steps by the District, the development of final reports, any appeals, and presentations.

However, the District desires to complete the study by the end of May. Therefore, the classification and compensation phase of the study will need to be conducted concurrently. While not ideal, it can be accomplished due to the District's classifications having been updated in the last one-and-a-half years. This will mean that the District will need to start the study as soon as possible. The following is a timeline (which can be modified based on the District's preferences):

		Date of Completion
	PHASE I: Classification Study	2012
A.	Initial Document Review/Meetings with Study Project Team and HR	By April 13
B.	Orientation Meetings with Employees and Distribution of PDQ	By April 13
C.	Position Description Questionnaire Completion & Review	By April 20
D.	Employee/Supervisor/Management Interviews	By April 27
E.	Classification Concept/Preliminary Allocation Development	By May 4
F.	Draft Class Description Development/Update	By May 11
G.	Draft Class Description Review/Informal Appeal Process	By May 18

H.	Finalize Classification Plan/Draft Interim Report/Final Report	By May 25
	PHASE II: Compensation Study	
A.	Identify Comparator Agencies, Benchmark Classes and Benefits	By April 13
B.	Compensation Data Collection	By May 11
C.	Analysis and Preliminary Data Review	By May 11
D.	Draft Compensation Findings/Additional Analysis/Study Project Team Meeting	By May 18
E.	Internal Relationship Analysis/Internal Alignment	By May 25
F.	Salary Structure & Implementation Recommendation Development	By May 25
G.	Development of Draft Final and Final Report and Deliverables	By May 31
H.	Formal Appeal Process *	As Needed
I.	Final Presentation to the Board of Directors	As Scheduled

XI. PROPOSED PROJECT COST

We have found that, often times, our proposals address 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 the District's Study Project Team, Human Resources, employees, and management. The time we commit to working with the employees [Study Project Team meetings, orientations and briefings, meetings with employees via interviews, informal appeal process, etc.] results in a significantly greater buy-in throughout the process and no formal appeals at the end of the study.

In fact, our firm has never had a formal appeal to any of our studies in over twenty-eight years. It has been our experience that the money and time invested in stakeholder touch-points 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 classification and/or compensation 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. Every time our firm was hired after such a bad 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 employees, management, employee representation, and the governing body. Our success rate is also attributable to the fact that we have 28 years of experience working with employees of all types of backgrounds, educational levels, and work experiences and are accustomed to successfully communicate with and educate 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.

In these economic times, the tendency may be to select the firm with the lowest cost proposal but it has been our experience that ultimately the price can be much higher considering the additional time and lost goodwill that can result from utilizing a less involved process.

Our clients always provide us 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 and were available for discussion, as required. Although time consuming, we also drive the process to ensure that timelines are met and schedules are maintained.

We want to emphasize that we provide an all-inclusive lump-sum cost amount for the entire study and do not believe in under-pricing the effort or change orders along the way, unless the District requests an obvious and identifiable *additional* level of effort. However, we're also aware that budgets are often limited and that public agencies must be economically conservative.

For cost comparison purposes, our cost proposal includes two options (please see below). Of course, we are flexible to negotiate a combination of these two options or a different scope of work based on what the District's preferences are. We understand that this study is a significant effort that will take a substantial amount of time and consultant dollars. We hope to be able to negotiate a final scope of work that will satisfy the District and accomplish what needs to be done while being as economical as possible.

		Option 1	Option 2
	PHASE I: Classification Study	Hours	Hours
A.	Initial Document Review/Meetings with Study Project Team and HR/Management Staff	8	8
B.	Orientation Meetings with Employees and Distribution of PDQ	4	4
C.	Position Description Questionnaire Completion & Review <i>Option 1: One PDQ per classification plus 20% of employees submitting individual PDQs</i> <i>Option 2: One PDQ per employee</i>	8	10
D.	Employee/Supervisor/Management Interviews <i>Option 1: Brief phone interviews with no more than 50% of employees</i> <i>Option 2: In-person interviews with all employees onsite at the District</i>	6	16
E.	Classification Concept/Preliminary Allocation Development	5	5
F.	Limited Class Description Update (approx. 22 classifications)	24	24
G.	Draft Class Description Review/Informal Appeal Process	5	5
H.	Finalize Classification Plan/Draft Interim Report/Final Report	8	12

	Total Professional Hours	68	84
	Combined professional and clerical composite rate: \$105/Hour	\$7,140	\$8,820
	PHASE II: Compensation Study		
A.	Identify Comparator Agencies, Benchmark Classifications, and Benefits to Be Collected	8	8
B.	Compensation Data Collection <i>Option 1: 16 benchmarks, 10 comparator agencies, salaries only</i> <i>Option 2: 22 benchmarks, 12 comparator agencies, total comp</i>	35	50
C.	Analysis and Preliminary Data Review	15	25
D.	Draft Compensation Findings/Additional Analysis/ Study Project Team Meeting <i>Option 1: Conference call</i> <i>Option 2: In-person meeting onsite at the District</i>	8	12
E.	Internal Relationship Analysis/Internal Alignment	5	5
F.	Compensation Structure & Implementation Strategy Development	8	8
G.	Development of Draft Final and Final Report and Deliverables	12	12
H.	Formal Appeal Process *	0	0
I.	Final Presentation to the Project Team and Board of Directors	5	5
	Additional meetings with study Project Team, employees, and/or other stakeholders	5	5
	Total Professional Hours	101	130
	Combined professional and clerical composite rate: \$105/Hour	\$10,605	\$13,650
	Expenses:	\$850	\$1,200
	Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, hotels, air fare, car rentals, per diem, etc.		
	TOTAL LUMP SUM FOR PROJECT NOT TO EXCEED:	\$18,595	\$23,670
	*Additional consulting will be honored at composite rate (\$105)		

XII. INSURANCE REQUIREMENTS

We will submit support of this level of coverage and to endorse the District with our General Liability insurance coverage (only) upon award of contract if desired:

Workers' Compensation:	Statutory Limits
Automobile Insurance:	\$1 Million per accident
Errors and Omissions:	\$1Million per occurrence
General Liability:	\$1Million per occurrence

This proposal is valid for ninety (90) days.

Respectfully Submitted,

**By: KOFF & ASSOCIATES, INC.
State of California**



March 26, 2012

Georg S. Krammer
Chief Executive Officer

Date