



May 18, 2017

Classification & Compensation Study Proposal

Marina Coast Water District

Submitted by:

Koff & Associates

GEORG S. KRAMMER
Chief Executive Officer

2835 Seventh Street
Berkeley, CA 94710
www.KoffAssociates.com

gkrammer@koffassociates.com
Tel: 510.658.5633
Fax: 510.652.5633

Submitted Electronically

May 18, 2017

Ms. Jean Premutati
Human Resources/Customer Relations Manager
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 Customized Classification and Compensation Study at the Marina Coast Water District ("District"). We are most interested in assisting the District with this important study and feel that we are uniquely qualified to provide value to your organization based on our experience working with water districts, cities, counties, JPAs, and non-profit agencies throughout California, as well as our 2003 and 2012 studies performed for the District.

Koff & Associates is an experienced Human Resources consulting firm that has been providing human resources consulting services to special districts, cities, counties, courts, educational institutions, and other public agencies for thirty-three (33) 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. That extra effort has resulted in close to *100% implementation* of all of 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 Chief Executive Officer of the firm, I would assume the role of Project Director and be responsible for the successful completion of each project. I can be reached at our Berkeley address and the phone number listed on the cover page. My email is gkrammer@koffassociates.com.

This proposal will remain valid for at least ninety (90) days from the date of submittal. Please call if you have any questions or wish additional information. We look forward to the opportunity to again to provide professional services to the Marina Coast Water District.

Sincerely,



Georg S. Krammer
Chief Executive Officer



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A. INTRODUCTION

Overview and Experience of the Firm

Koff & Associates (“K&A”) is a public sector human resources consulting 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 classification, compensation, organizational, recruiting and other human resources needs for thirty-three (33) years.

We are a private corporation and our legal name is Kaneko & Krammer Corp. dba Koff & Associates. Our headquarters are in Berkeley, CA and we have satellite offices in Southern California, the Central Valley, and the Sacramento Region. We are a California State-certified Small Business Enterprise and a locally certified Very Small Local Business Enterprise (through County of Alameda). We are also a certified Small Local Business (SLB) through the County of Alameda, and a DBE (Disadvantaged 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 service as the management representative in meet & confer and negotiation meetings), working with Boards of Directors, Boards of Supervisors, Boards of Trustees, Merit Boards, City Councils, County Commissions, and Joint Power Authorities.

The firm’s areas of focus are classification and compensation studies (approximately 70% of our workload); organizational development/assessment studies; performance management and incentive compensation programs; development of strategic management tools; policy/procedure development and employee handbooks; training and development; executive search and staff recruitments; 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 of our 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 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 we have not had any formal appeals in 33 years, working with hundreds of public agency clients and completing hundreds of classification, compensation, organizational and other kinds of studies.



B. REFERENCES

Agency & Project	Contact
<p>Castaic Lake Water Agency</p> <p>Compensation Study, completed 2015.</p> <p>Water Resources Organizational Study, completed 2015.</p> <p>General Manager Compensation Study, completed 2016.</p> <p>Grants Function Organizational Study, completed 2016.</p>	<p>Ms. Aristeia Mantis HR/Risk Mgmt. Supervisor (661) 297-1600, X 235 27234 Bouquet Canyon Road Santa Clarita, CA 91350 amantis@clwa.org</p>
<p>Castro Valley Sanitary District</p> <p>Compensation studies completed in 2015, 2012, 2007, and 2004.</p> <p>Solid Waste function study done in 2006.</p> <p>Classification study in 2003.</p> <p>We have also done several recruitments for CVSD.</p>	<p>Mr. Roland Williams General Manager (510) 537-0757 21040 Marshall Street Castro Valley, CA 94546 roland@cvsan.org</p>
<p>Cucamonga Valley Water District</p> <p>Total Compensation Study completed in 2014.</p> <p>The District has approximately 110 employees.</p>	<p>Ms. Roberta Perez Human Resources Administrator (909) 987-2591; Ext. 7410 10440 Ashford Street Rancho Cucamonga, CA 91730 robertap@cvwdwater.com</p>
<p>East Valley Water District</p> <p>Comprehensive Classification and Compensation Study completed in 2015.</p>	<p>Ms. Kerrie Bryan Human Resources/Risk and Safety Manager (909) 806-4087 31111 Greenspot Road Highland, CA 92346 kbryan@eastvalley.org</p>
<p>Marina Coast Water District</p> <p>Classification and Total Compensation Study for the entire District completed in August 2012.</p>	<p>Ms. Jean Premutati Management Services Administrator (831) 883-5927 11 Reservation Road Marina, CA 93933-2099 jpremutati@mcwd.org</p>
<p>Mid-Peninsula Water District</p> <p>Total Compensation Studies, completed 2010, 2014, and 2016.</p> <p>Several Classification and Compensation Studies completed between 2006 and 2010.</p>	<p>Ms. Tammy Rudock General Manager (650) 591-8941 3 Dairy Lane Belmont, CA 94002 tammyr@midpeninsulawater.org</p>



Classification and Compensation Study Proposal

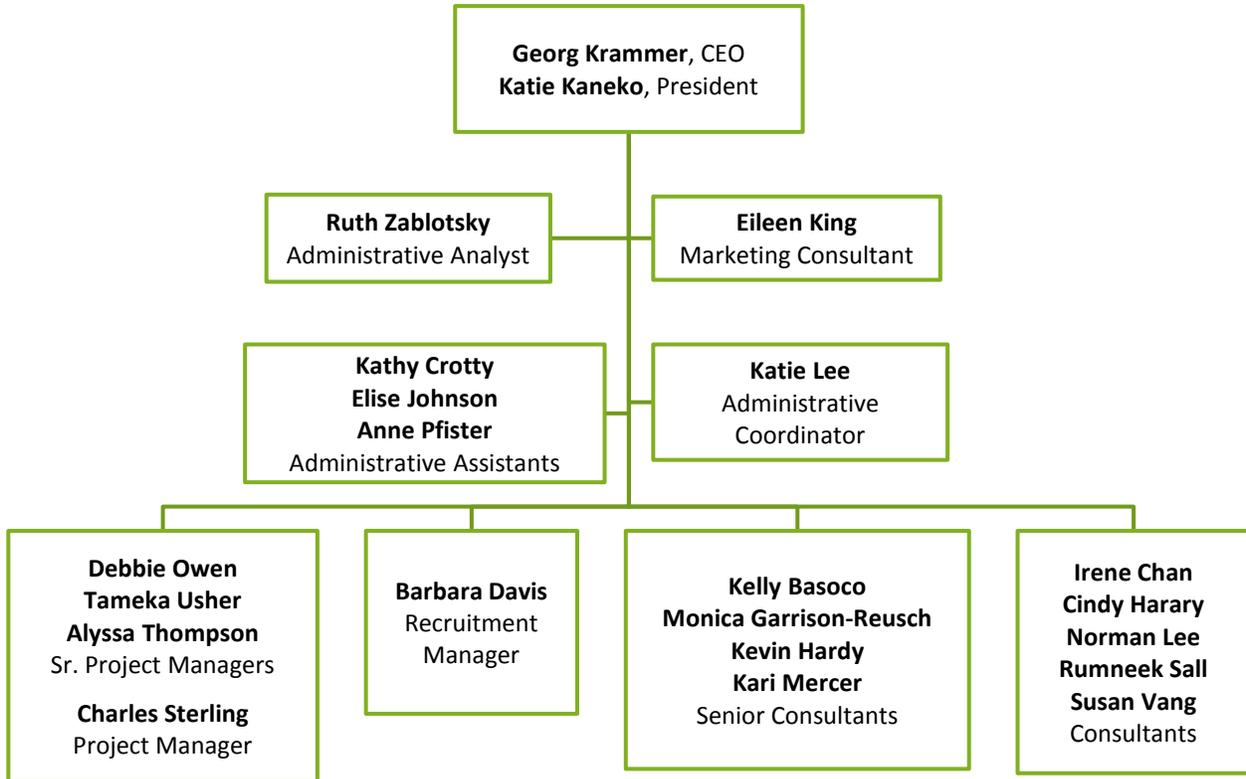
Marina Coast Water District

<p>Santa Clara Valley Water District</p> <p>Ongoing: District-wide Classification and Compensation Projects.</p> <p>Executive Compensation Studies: 2013 and 2015.</p>	<p>Ms. Angelica Cruz Workforce Development & Employment Services Manager (408) 630-3115 5750 Almaden Expressway San Jose, CA 95118 acruz@valleywater.org</p> <p>and,</p> <p>Mr. Michael Baratz Labor Relations Officer (408) 630-2361 MBaratz@valleywater.org</p>
<p>South Coast Water District</p> <p>Compensation Study, completed 2016.</p> <p>Classification and Total Compensation study for the District in 2008, with an update of the study in 2009.</p> <p>Ongoing HR support since 2008.</p>	<p>Mr. Andy Brunhart General Manager (949) 499-4555 34152 Del Obispo St. Dana Point, CA 92629 abrunhart@scwd.org</p>
<p>Trabuco Canyon Water District</p> <p>Compensation Study, completed 2017.</p>	<p>Mr. Hector Ruiz General Manager (949) 858-0277, Ext.117 32003 Dove Canyon Dr. Trabuco Canyon, CA 92679 HRuiz@tcwd.ca.gov</p>



C. QUALIFICATIONS

Our entire team consists of twenty-two (22) employees as shown below in our organizational chart.



No subcontractors will be assigned to this study.

All members of our team have worked on multiple 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 District.

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

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

Georg brings close to twenty (20) years of management-level human resources experience to Koff & Associates with an emphasis in classification and compensation design; organizational development; 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 2003 and has been the firm's Chief Executive Officer since 2005.

Georg will serve as the Project Director for this study; he will coordinate all of K&A's efforts, will attend all meetings with the District, and will be responsible for all work products and deliverables.

Debbie Owen, CCP
Senior Project Manager

Debbie has over twenty (20) years of experience providing classification and compensation consulting 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 consulting career, Debbie worked as a Compensation and Benefits Specialist in the private sector for five (5) 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.

Debbie also served as a Co-Trainer for her previous employer for their two-day course on Classification and Compensation, one of several courses offered in their HR Academy (a series of 6 HR program trainings in Classification and Compensation, Recruitment/Selection, Job Analysis, etc.).

Since joining K&A, Debbie has worked on the following projects, either as Co-Project Director with Georg Krammer or as Sr. Project Manager: El Dorado County; County of Trinity; Bernalillo County, New Mexico; City of Campbell; City of Redwood City; City of National City; Contra Costa County Employee Retirement System; El Dorado Hills Community Services District; Sweetwater Authority; Livermore Area Recreation and Parks District; Alameda-Contra Costa Transit; Truckee Sanitary District; Trabuco Canyon Water District; Western Municipal Water District.



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Debbie will provide consultant support for this project, including classification analysis, interviews with employees and management, compensation analysis, internal job analysis, development of recommendations, and implementation strategies.

Susan Vang, B.S.
Consultant

Susan has over four (4) years of human resources consulting experience in classification and compensation, recruitment and selection, and employment testing for the public sector.

Prior to K&A, Susan was a team member at another consulting firm providing technical support on a variety of classification and compensation projects including City of El Segundo, County of Sonoma, County of Lake, and County of Madera. In addition, Susan worked on the Merit System Services (MSS) contract with the California Department of Human Resources, providing recruitment and selection support to twenty-seven (27) California County Departments of Social Services and Child Support Services.

Since joining K&A, Susan has worked on studies for the following clients: City of Los Altos Police Officers Association, City of Piedmont, Foothill-DeAnza Community College District, CASA (California Association of Sanitation Agencies), and Santa Clara Valley Water District.

A Northern California native, Susan earned her B.S. degree in molecular environmental biology from the University of California, Berkeley.



D. SCOPE OF SERVICES, APPROACH, METHODOLOGY

The Marina Coast Water District (“District”) desires human resources consulting assistance to conduct an objective analysis of the current classification and compensation practices of the District.

At the current time, the District has thirty-six (36) employees in twenty-five (25) classifications. The existing classification and compensation system consists of three (3) salary schedules in the following groups:

1. Union represented hourly employees,
2. Represented hourly employees, and,
3. Exempt represented and non-represented employees.

The Classification Study will examine approximately nine or ten (9 or 10) of the District’s current classifications; 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; The Compensation Study will evaluate the current employee benefit and compensation plan for all of the District’s twenty-five (25) classifications against local, regional, and statewide markets and comparable employers; it will also provide recommendations for adjustments.

The specific classifications to be reviewed in the Classification Study are:

1. Capital Project Manager
2. Human Resources/Customer Relations Manager
3. Accountant I/II
4. Accounting Tech I/II
5. Water Conservation Specialist III
6. Water Conservation Specialist I/II
7. Application Systems Analyst
8. Operations and Maintenance Superintendent
9. Operations and Maintenance Supervisor

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, and other stakeholders, as appropriate; the completion of a position description questionnaire by employees; interviews with all employees in the aforementioned 9 classifications; 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 District and incumbents for additional feedback and concurrence.

A second level of effort will be to review the District’s compensation structure for all District 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 District'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 District's compensation preferences into consideration as well as the appropriate placement of each classification on the District's salary schedule.

The study includes a significant number of meetings with the Study Project Team, Human Resources, employees, and the District's Board of Directors ("Board"), 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 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.

Objectives

Classification Study Objectives

- To analyze and update the District'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 District;
- To clearly state definitions of job classifications, the typical job functions, and minimum required and preferred qualifications such as education, prior work experience, knowledge, skills, abilities, licenses, certifications, and physical demands;
- 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 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 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 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, the Board of Directors, and employees;
- 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 and practices and develop compensation recommendations that will assist the District 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 District'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 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, procedures, budgets, 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 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 meets all legal requirements, is totally non-discriminatory, and 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



District 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.

Scope / Work Plan / Deliverables

This section of the proposal identifies the actual work plan. We believe that our detailed explanation of methodology and work tasks/deliverables 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 District, thereby ensuring that the data developed from the labor market and the District’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 for Initial Documentation Review

This phase includes identifying the District’s Study Project Team, 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 the Board; 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, budgets, memoranda of understanding (“MOU”), personnel policies, previous classification and compensation studies, 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 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, confirm benchmark classifications and benefits to be surveyed for compensation survey purposes. We will respond to any questions that may arise from the various stakeholders.

Deliverable B. Orientation Meetings with Employees and Distribution of PDQ

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.

We will facilitate orientation meetings with employees (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 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.

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.

Deliverable C. Collection and Review of Position Description Questionnaires

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. 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 all employees in each studied classification.

Interviews will then be held with supervisory and management staff (division managers, department heads, etc.), who will 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 or department as well as across the organization.
- 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 District 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 classification methodology include:

1. Education, Training, and Certifications/Licenses
2. Required 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. Equipment Used
10. Working Conditions
11. Physical/Mental Demands

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

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. 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 District.

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.

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 certification requirements. We will address relevance and hierarchical consistency.

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 of the studied 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 Informal Appeals Support

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 intersection point has always avoided formal appeals, adversarial meetings, or major conflicts at the conclusion of our studies.

Each employee whose position was studied 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, or recommend changes to, the information provided.

We will ask employees to 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 learning the reasons specific recommendations were made.

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:



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- 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; and,
 - Classification concepts and guidelines as well as distinguishing characteristics and other pertinent information for implementation and continued maintenance of the recommendations will be detailed.

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: 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 appropriate comparator agencies that will be included in the external market survey, which will be the foundation of ensuring that the agencies' salaries for the studied classifications are competitively aligned with the external labor market. We will also 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 District wants to include 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. We typically use the following factors to identify appropriate comparators and will receive approval before proceeding with the total compensation survey.

Our recommended methodology is that we involve the Board, management, Human Resources, and employee representation 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 District's current/previous list of comparators and the advantages/disadvantages of including them or others will be discussed.



- **Similarity of population served, District demographics, District 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.
- **Labor market** – The reality of today’s labor market is that many agencies are in competition for the same pool of qualified employees. Individuals often do not 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 but are flexible and can easily use a different approach based on the District’s preferences. In the 2012 study, K&A surveyed ten (10) comparator agencies.

2. Determination of Benchmark Classifications

In the same collaborative manner as described in Step 1 above, we will work with the District’s stakeholders to confirm the 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% (15-16) of all classifications as benchmarks but we are happy to use a different model. Due to the small number of classifications in this study, we will most likely survey the majority of them. The exception may be those classification series that have more than one level for which we would typically only survey the journey-level and internally align the other levels of the class series. We are happy to discuss our methodology with the District if we are selected to perform this project.

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** – With healthcare costs rising and retiree healthcare and liabilities increasing for many public agencies, we also collect this information.
- **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.
- **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

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.

Our analysis will include written documentation of our assessment methodology and assessment for each position surveyed.

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, or 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 allows us to substantiate the data for employees, management, and governing bodies.



Deliverable C. Analysis and Preliminary Review of Data

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 maximum/control point; number of observations; and percent of the District's salary range is above/below the market values.

In addition, we will include any type of statistical representation and analysis that the District desires such as 60th, 70th, or any other percentiles.

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

We 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 management, employees, and Human Resources) 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 (if recommended), as well as across departments. This analysis will be integrated with the results of the compensation survey and the District'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 District'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 District's preferred compensation model. In addition, we will develop externally competitive benefit comparisons for all classifications. 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. 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 District goals, objectives, and budget considerations. We will develop recommendations covering special compensation issues such as salaries above the maximum; seniority; promotions; maintenance of the salary schedules; etc.

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:

- A set of all market data spreadsheets;
- A proposed Salary Range document;
- A procedure to address employees whose base pay exceeds the maximum of their newly assigned pay range;
- A compression analysis;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the District in implementing, managing and maintaining the compensation system.

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.

Deliverable H. Formal Appeals Support

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. 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.



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 Board, and the General Manager, we recommend at least one initial meeting to 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 Board and General Manager, based on the District's preferences.

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.

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 District 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 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 "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, and other stakeholders, as appropriate:

- Initial study kick-off and employee/management orientation meetings;
- Position description questionnaire 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;
- 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.

E. TIME REQUIREMENTS

Our professional experience is that classification and compensation studies of this scope and for this size organization take approximately four (4) months to complete, allowing for adequate position description questionnaire completion, interview time, classification description review and/or development, compensation data collection and analysis, review steps by the District, the development of final reports, any appeals, and presentations. The following is a suggested timeline (which can be modified based on the District’s needs):

Deliverable	PHASE I: Classification Study	Week #
A.	Meetings with Study Project Team and Management Staff for Initial Documentation Review	Week 1
B.	Orientation Meetings with Employees and Distribution of Position Description Questionnaire	Week 1
C.	Collection and Review of Position Description Questionnaires	Week 4
D.	Interviews with Employees, Supervisors, and Management	Week 5
E.	Classification Concept & Preliminary Allocation	Week 6
F.	Draft Class Description Development	Week 9
G.	Facilitation of Draft Class Description Review and Informal Appeals Support	Week 11
H.	Classification Plan and Draft of Interim Report and Final Report	Week 12

	PHASE II: Total Compensation Study	
A.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	Week 4
B.	Data from Comparators	Week 12
C.	Analysis and Preliminary Review of Data	Week 13



D.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	Week 14
E.	Analysis of Internal Relationships and Alignment	Week 15
F.	Compensation Structure and Implementation Plan	Week 15
G.	Final Report and Guidelines for Implementation	Week 16
H.	Formal Appeals Support *	As Needed
I.	Final Presentation	As Scheduled

F. 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 management, governing body, and staff. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, informal appeal process, 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 never had a formal appeal to any of our studies in our 33 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 33 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 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.

For Phase I, the limited Classification Study, our cost table which follows is an estimate; we will charge on an hourly basis and of course, we will charge only for actual hours worked.

For Phase II, the Total Compensation Study, which covers all District classifications, we provide two cost options based on number of benchmarks and number of comparator agencies.



Classification and Compensation Study Proposal

Marina Coast Water District

Deliverables	Phase I: Classification Study	Hours
A.	Meetings with Study Project Team and Management Staff for Initial Documentation Review	8
B.	Orientation Meetings with Employees and Distribution of PDQs	8
C.	Collection and Review of PDQs	5
D.	Interviews with Employees, Supervisors, and Management	14
E.	Classification Concept & Preliminary Allocation	5
F.	Draft Class Description Development	25
G.	Facilitation of Draft Class Description Review and Informal Appeals Support	5
H.	Classification Plan and Draft of Interim Report and Final Report	10
	Total Professional Hours	80
	Combined professional and clerical composite rate: \$125/Hour	\$10,000

	Phase II: Total Compensation Study	Hours	Hours
A.	List of Comparator Agencies, Benchmark Classifications, and Benefits to be Collected	12	12
B.	Data from Comparators <i>Option 1: Assumes 20 benchmarks, 10 comparators</i> <i>Option 2: Assumes all 25 classifications, 12 comparators</i>	45	65
C.	Analysis and Preliminary Review of Data <i>Option 1: Assumes 20 benchmarks, 10 comparators</i> <i>Option 2: Assumes all 25 classifications, 12 comparators</i>	20	30
D.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	12	16
E.	Analysis of Internal Relationships and Alignment	8	8
F.	Compensation Structure and Implementation Plan	16	16
G.	Final Report and Guidelines for Implementation	12	12
H.	Formal Appeals Support *	0	0
I.	Final Presentation	8	8
	Anticipated hours for additional unscheduled meetings and phone calls	5	5
	Total Professional Hours	138	172
	Combined professional and clerical composite rate: \$125/Hour	\$17,250	\$21,500
	Expenses are included in our combined composite rate:	N/A	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, fax, supplies, postage, travel expenses, per diem, etc.</i>		
	TOTAL NOT-TO-EXCEED COST FOR PROJECT:	\$27,250	\$31,500



Classification and Compensation Study Proposal

Marina Coast Water District

	*Additional consulting will be honored at composite rate (\$125/Hour)		

Miscellaneous: Insurance

We will submit and support the levels of coverage and endorse the District with our General Liability coverage upon award of a contract for the project.

Workers' Compensation:	Statutory Limits
Commercial General Liability:	\$2,000,000 per occurrence
Professional Liability (Errors & Omissions):	\$1,000,000 per occurrence
Automobile Insurance:	\$1,000,000 per occurrence

Our insurance broker is Ms. Eileen Hollander, Sr. Account Manager/Commercial Lines, Integro Insurance Brokers, 2300 Contra Costa Blvd., Suite 375, Pleasant Hill, CA 94523.



Signature Page

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

This proposal is valid for ninety (90) days.

Respectfully submitted,

By: KOFF & ASSOCIATES
State of California

Georg S. Krammer
Chief Executive Officer

May 18, 2017

