

TO: BOARD OF DIRECTORS
FROM: EDWARD KREINS *EK*
DATE: JULY 21, 2006



SELECT PROPOSED PROJECT FOR CEQA REVIEW OF SOUTHLAND SHOP UPGRADE

ITEM

Select concept for design of Southland Shop Upgrade and authorize staff to initiate Environmental Review.

BACKGROUND

For the past two years, the Board has budgeted funds to upgrade the Southland WWTF Shop building to address employee health and sanitation issues and to provide for increased covered materials storage, vehicle storage, crew office space and crew meeting space and to rework the site to provide for improved circulation/parking and uncovered storage space. This year's budget (FY06-07) reserves \$250,000 for ... "the enlargement of the shop itself to address staff health requirements, staff space requirements and storage of materials and equipment plus a reconfiguration of the yard layout." The budget further indicates that staff will ... "develop a concept plan, secure Board selection of a proposed project, complete environmental review, secure permits, solicit contractor bids, retain a construction manager, retain a contractor and complete all works before the end of the fiscal year." Thus far, staff has worked with an architect (Kornreich Associates) to develop the five attached alternate plans for the shop upgrade and has worked with Garing, Taylor to develop detailed topographic mapping of the site.

The next step in the process is to complete the environmental review. Staff has determined that this project is not categorically exempt and an initial study must be circulated so that the Board can determine if a Mitigated Negative Declaration can be adopted or if a Draft Environmental Impact Report must be prepared. This item has been placed on this agenda so that the Board can select the proposed project and authorize environmental review of that project and the other alternatives so that an environmental determination can be made prior to permitting and final design. If the Board can agree on a proposed project at this meeting, staff will follow the standard Environmental Review Process (RFQ, Consultant Selection, Task Order Execution, Preparation of an Initial Study, Circulation of the Initial Study, response to comments, and Board Consideration of a Notice of Determination).

It is unlikely that staff will be able to start construction of the facility during this fiscal year given the time lag built into the permitting process.

The existing shop is 3,250 square feet (the unshaded portion of the respective designs). Each of the alternative designs would add showers, bathrooms, a kitchen, covered storage, garage space, office space and meeting space as follows:

Alternative 1 would add 3,710 square feet including 600 square feet of covered storage for materials as illustrated on the attached floor plan in the shaded area. Staff has included a site plan illustrating the location of the new facilities on the site with the additions shown in shading.

Alternative 2 would add 3,200 square feet including 600 square feet of covered storage for materials as illustrated on the attached floor plan in the shaded area.

Alternative 3 would add 3,200 square feet including 600 square feet of covered storage for materials as illustrated on the attached floor plan in the shaded area.

Alternative 4 would add 4,094 square feet including 685 square feet of covered storage for materials as illustrated on the attached floor plan in the shaded area.

Alternative 5 would add 3,995 square feet including 685 square feet of covered storage for materials as illustrated on the attached floor plan in the shaded area.

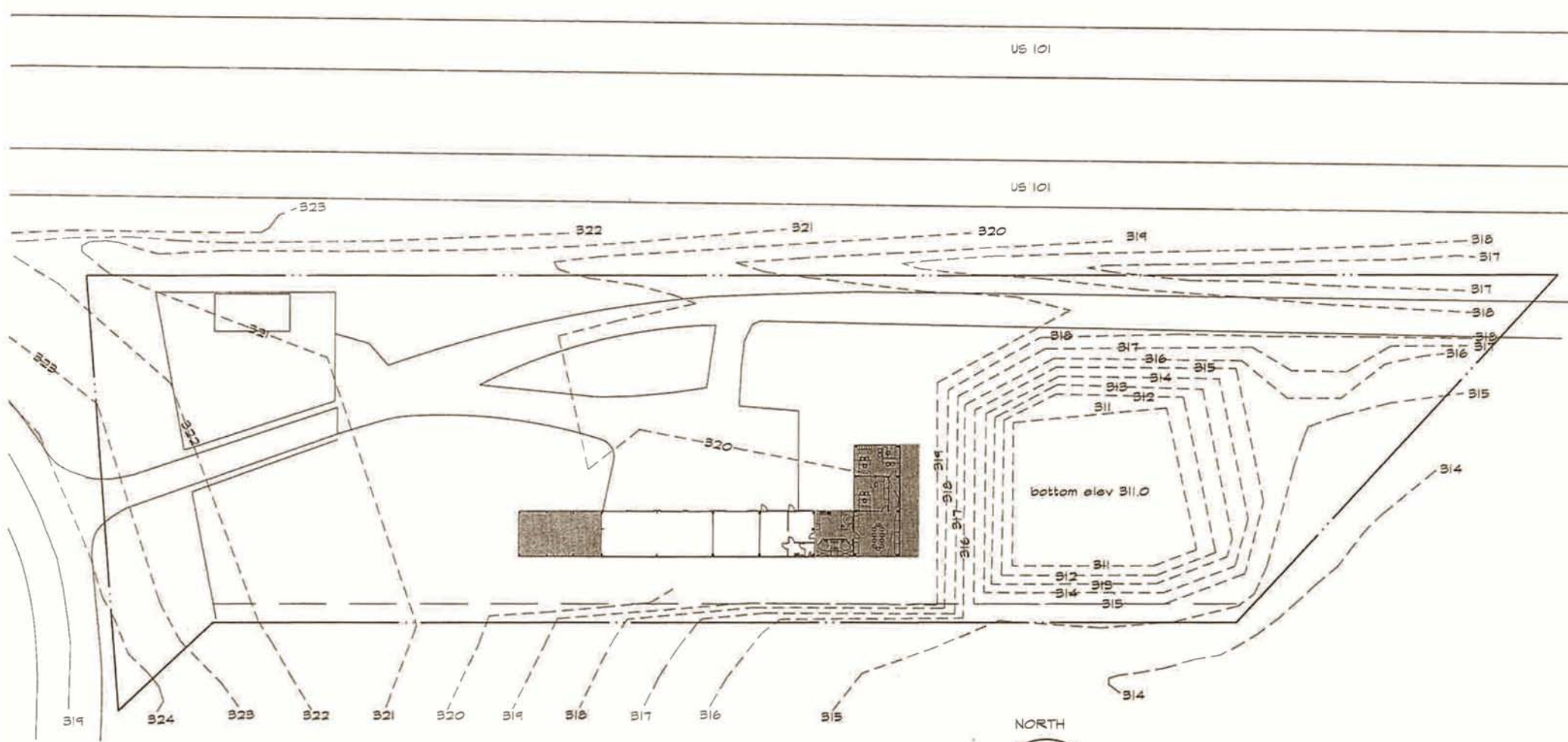
RECOMMENDATION

Staff recommends that your Honorable Board select Alternative 5. Staff believes that Alternative 5 best meets the long term needs of the utility operations and is the most functional of the five alternatives. In particular staff believes Alternative 5 meeting room is the most conducive to training functions and can be used by both Utility Functions and Board/Administrative, as need arises. Staff also likes the flexibility of the central crew quarters since it provides the maximum accommodation as crew size increases over time.

Staff requests that the Board select Alternate 5 as presented, revise Alternative 5 as desired, or select one of the other alternatives as the Preferred Project for Environmental Review and authorize staff to proceed with the Environmental Review of that Alternative and the remaining options.

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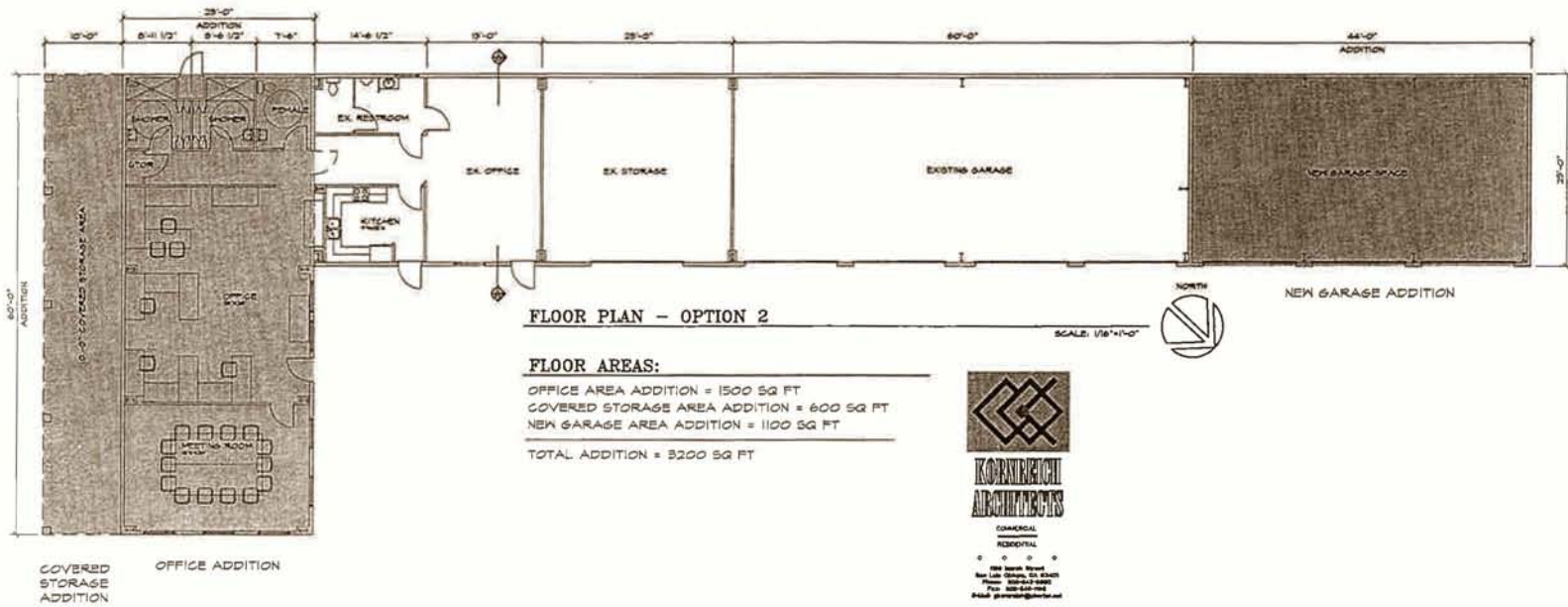


SITE PLAN W/ FLOOR PLAN OPTION 1

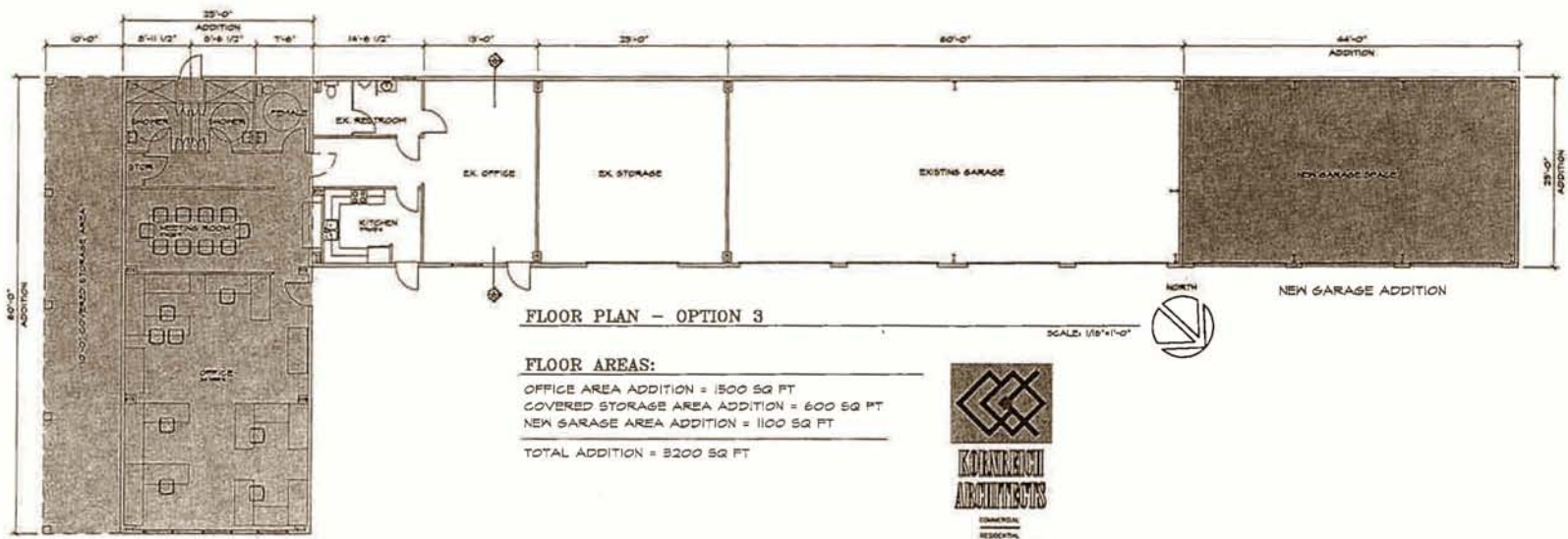
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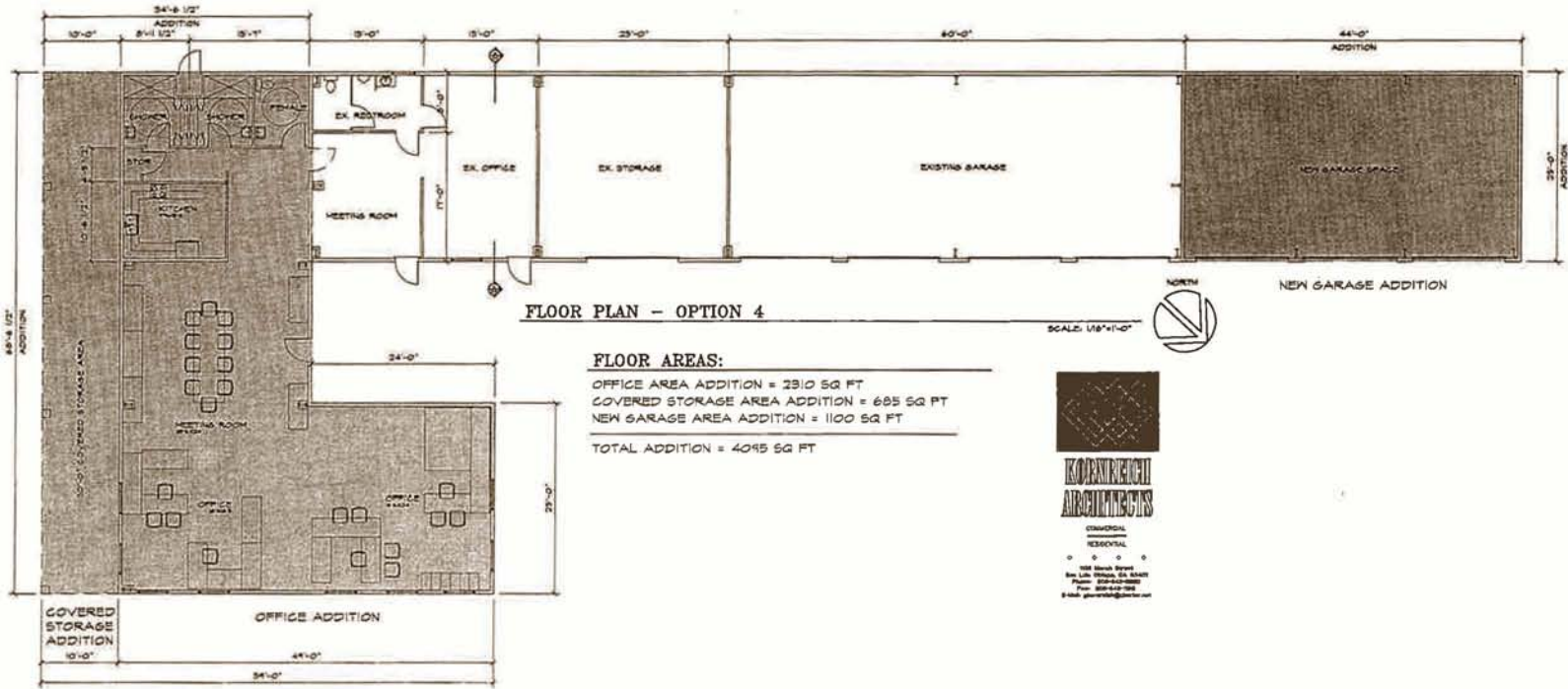
FLOOR PLAN - OPTION 3

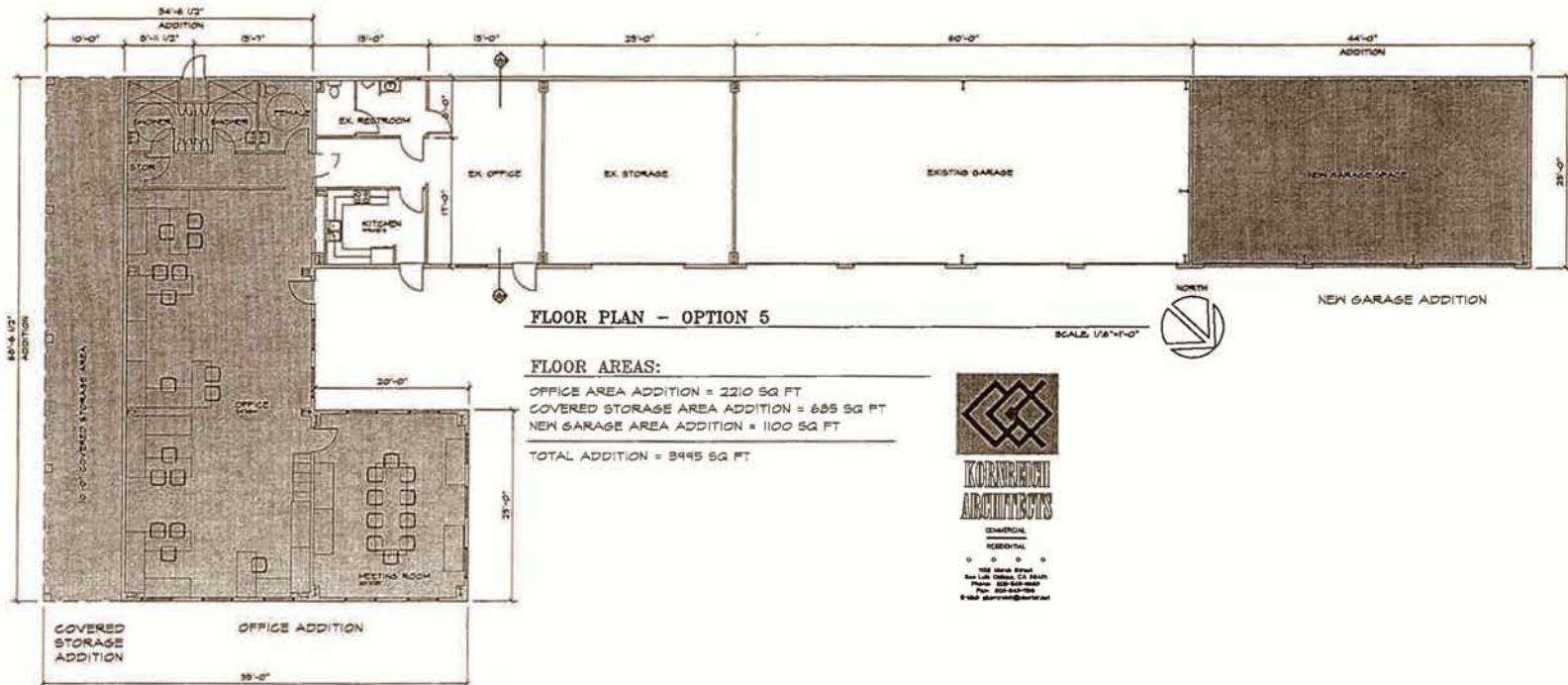
FLOOR AREAS:
 OFFICE AREA ADDITION = 1500 SQ FT
 COVERED STORAGE AREA ADDITION = 600 SQ FT
 NEW GARAGE AREA ADDITION = 1100 SQ FT
 TOTAL ADDITION = 3200 SQ FT




COVERED STORAGE ADDITION OFFICE ADDITION

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TO: BOARD OF DIRECTORS
FROM: EDWARD KREINS 
DATE: JULY 21, 2006

AGENDA ITEM
E-3
JULY 26, 2006

CREATE STANDING PARKS COMMITTEE AND ESTABLISH MISSION

ITEM

Create Standing Parks Committee and direct committee to develop recommendations regarding future parks facilities.

BACKGROUND

President Vierheilig has requested that the Board create a new Standing Committee (in addition to the existing Ad Hoc Committee) to develop recommendations regarding future parks facilities. This proposed Standing Committee could develop a listing of potential park sites; evaluate funding sources to buy/develop those sites; interact with potential user groups; and report back on the timing for activation of the latent powers set forth in the Government Code.

Should the Board create such a committee, the President would then appoint up to two members of the Board to serve on that committee.

RECOMMENDATION

Staff recommends that your Honorable Board create the proposed Standing Committee, direct that committee to develop recommendations regarding future park facilities, and direct staff to provide support for that committee.

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TO: BOARD OF DIRECTORS
FROM: EDWARD KREINS *EK*
DATE: JULY 21, 2006



AWARD SALARY AND BENEFITS SURVEY

ITEM

Award Salary and Benefits Survey

BACKGROUND

During the budget process for Fiscal Year 2006-2007, the Finance Committee recommended that a professional Salary and Benefits Survey be included in the budget. Staff prepared and circulated a Request for Statement of Qualifications (SOQ) to ten firms and six firms responded. Copies of all six submittals are available for review at the office.

A staff review team comprised of General Manager, Edward Kreins, Projects Assistant, Bruce Buel and Assistant Administrator, Lisa Bognuda evaluated the SOQ's and ranked Koff & Associates, Inc. as first choice. Attached is staff's ranking sheet. Although Koff & Associates, Inc.'s cost quote is not the least expensive, staff believes that it represents the best value.

Staff contacted six of the references listed by Koff & Associates, Inc. and received all positive feedback.

During the budget process, staff budgeted \$5,000 for this survey. Due to the lack of previous experience with this type of professional service, staff's budget was underestimated. Based upon Koff & Associates, Inc. work plan and methodology, staff believes NCSO would receive a valuable report and implementation strategy for the future.

RECOMMENDATION

Staff recommends that Your Honorable Board authorize the General Manager to execute an agreement with Koff & Associates, Inc. to perform Salary and Benefits Survey on a time and materials basis with a not to exceed expense of \$12,900 and approve a budget adjustment of \$7,900 to be funded from operating reserves.

ATTACHMENT

Request for Statement of Qualifications for a Salary and Benefits Survey
Staff Ranking Sheet
Koff & Associates, Inc. proposal

NIPOMO COMMUNITY



SERVICES DISTRICT

BOARD MEMBERS

LARRY VIERHEILIG, PRESIDENT
MICHAEL WINN, VICE PRESIDENT
JUDITH WIRSING, DIRECTOR
CLIFFORD TROTTER, DIRECTOR
ED EBY, DIRECTOR

STAFF

EDWARD KREINS, INTERIM GENERAL MANAGER
LISA BOGNUDA, ASSISTANT ADMINISTRATOR
JON SEITZ, GENERAL COUNSEL

Celebrating 41 Years of Service 1965-2006

148 SOUTH WILSON STREET POST OFFICE BOX 326 NIPOMO, CA 93444 - 0326
(805) 929-1133 FAX (805) 929-1932 Website address NipomoCSD.com

June 20, 2006

Contact
Firm
Address
City/State

SUBJECT: REQUEST FOR STATEMENT OF QUALIFICATIONS (SOQ) FOR A SALARY AND BENEFITS SURVEY

Nipomo Community Services District (NCSD) is requesting Statement of Qualifications for a salary and benefits survey. The District would like to have its current employee salary and benefits package compared and contrasted to other local agencies of similar size, services and budget as well as recommendations for each employee classification.

Phase I of the Project – Consultant to propose at least six agencies that will be used for comparison. Consultant shall provide a list to NCSD for review and approval within two weeks of the Notice to Proceed.

Phase II of the Project – Upon written approval of the list of agencies to be considered, Consultant shall complete survey, study and recommendations within six weeks.

NCSD covers approximately seven square miles with a population of 12,000. NCSD currently employ 12 full time employees (6 office staff and 6 field staff). The District's primary services are water and wastewater. NCSD operates two separate water and wastewater divisions (Town Division and Blacklake Division).

	TOWN	BLACKLAKE	TOTAL
Number of Customers	3976	586	4562
Ground water wells	8	2	10
Wastewater Plant	1	1	2
Sewer Lift Stations	9	3	12

The District also provides limited drainage, limited street lighting, limited street landscaping maintenance and operates the solid waste franchise.

NCSD's 2006-2007 O & M budget is \$3.37M and its capital improvements budget is \$5.19M.

**STATEMENT OF QUALIFICATIONS
SALARY AND BENEFIT SURVEY
June 20, 2006**

STATEMENT OF QUALIFICATIONS (SOQ) REQUIREMENTS

Seven copies of the SOQ package must be received by NCSD in a sealed envelope by 4:00 p.m. on Friday, July 14, 2006, to be considered. The exterior of the envelope must identify the SOQ as "Salary and Benefit Survey SOQ". Faxes, E-Mails, proposals not enclosed in a sealed/labeled envelope and proposals received after 4:00 p.m. on Friday, July 14, 2006, will be returned to the submitter. The main Statement of Qualifications shall include as a minimum the following:

1. Introduction
 - Present your understanding of the services requested;
 - Discuss any proposed scope amendments.
2. Typical Scope of Services and Timeline
 - Describe your general approach to the assignment;
 - Describe your general timeline for execution
 - Describe similar assignments provided to California Local Governmental Agencies;
 - Provide a list of references.
3. Typical Personnel
 - Identify and define the experience of the consulting team leader and provide resume;
 - Identify any additional team members and provide resumes.
4. Cost Estimate
 - Provide a cost estimate to complete the project
(Attendance and presentation will be required at a Kick-Off Meeting, a Study Session and a Regular Board Meeting)
 - Provide a listing of hourly rates and charges for the firm's services.

SELECTION PROCESS

NCSD will screen proposals from July 14 to July 20, 2006. The Board is tentatively scheduled to select the firm at its July 26, 2006, meeting.

SOQ EVALUATION

Proposals will be evaluated on the following:

- Responsiveness to Request for Qualifications
- Work product timeliness
- Team qualifications and expertise
- Prior experience in providing similar services to California Local Government
- Cost

**STATEMENT OF QUALIFICATIONS
SALARY AND BENEFIT SURVEY
June 20, 2006**

NOTES

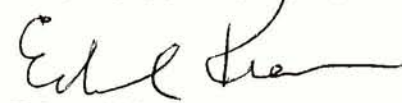
The consultant will be expected to execute a standard consultant services agreement (attached).

NCSD reserves the right to reject all submittals and/or re-open submittals at its discretion. NCSD reserves the right to negotiate with lesser ranked firms if the negotiation with the top ranked firm is unsuccessful. The submitter retains no interest in the SOQ once received by NCSD.

For more information on the project or this Request for SOQ, contact NCSD Projects Manager, Bruce Buel at (805) 929-1133 or bbuel@nipomocsd.com.

Sincerely,

NIPOMO COMMUNITY SERVICES DISTRICT



Edward Kreins
Interim General Manager

Enclosure

- Standard Consultant Agreement

**NIPOMO COMMUNITY SERVICES DISTRICT
SALARY AND BENEFITS SURVEY**

BRUCE	POINT RANGE	KOFF & ASSOC	J.H. SMITH	SMITH MOORE	RENEE SLOAN	LB HURST	NASH
RFP Responsiveness	0 to 25	20	15	10	20	20	0
Work Product Time	0 to 25	25	25	15	20	15	0
Qualifications/Experience	0 to 25	25	15	10	20	20	20
Cost	0 to 25	5	20	25	15	0	5
Total	0 to 100	75	75	60	75	55	25

LISA	POINT RANGE	KOFF & ASSOC	J.H. SMITH	SMITH MOORE	RENEE SLOAN	LB HURST	NASH
RFP Responsiveness	0 to 25	25	18	10	23	23	10
Work Product Time	0 to 25	25	25	25	25	15	20
Qualifications/Experience	0 to 25	25	15	5	15	20	22
Cost	0 to 25	15	22	25	20	5	15
Total	0 to 100	90	80	65	83	63	67

EDWARD	POINT RANGE	KOFF & ASSOC	J.H. SMITH	SMITH MOORE	RENEE SLOAN	LB HURST	NASH
RFP Responsiveness	0 to 25	25	10	5	15	20	5
Work Product Time	0 to 25	20	20	5	20	5	5
Qualifications/Experience	0 to 25	20	10	5	10	25	20
Cost	0 to 25	15	25	20	15	0	15
Total	0 to 100	80	65	35	60	50	45

AGGREGATE	POINT RANGE	KOFF & ASSOC	J.H. SMITH	SMITH MOORE	RENEE SLOAN	LB HURST	NASH
RFP Responsiveness	0 to 25	70	43	25	58	63	15
Work Product Time	0 to 25	70	70	45	65	35	25
Qualifications/Experience	0 to 25	70	40	20	45	65	62
Cost	0 to 25	35	67	70	50	5	35
Total	0 to 100	245	220	160	218	168	137

Proposed cost		\$12,900	\$6,125-\$7,875	\$5,000 + undetermined expenses	\$9,000	\$18,500	\$12,700
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**STATEMENT OF QUALIFICATIONS
For A
COMPENSATION MARKET SURVEY
For The
NIPOMO COMMUNITY SERVICES DISTRICT**

Submitted by:

**KOFF & ASSOCIATES, INC.
6400 Hollis Avenue, Suite 5
Emeryville, CA 94608**

**510.658-KOFF – voice
800-514-5195 – Toll Free
510.652-KOFF – fax**

E-mail: gkrammer@koffassociates.com

**Contact Person
Georg Krammer
Chief Executive Officer**



KOFF & ASSOCIATES, INC.
Human Resource Consulting Since 1984

July 3, 2006

Mr. Edward Kreins
Interim General Manager
Nipomo Community Services District
148 South Wilson Street
Nipomo, CA 93444-0326

RE: Request for Statement of Qualifications: Market Compensation Study

Dear Mr. Kreins:

Thank you for including us in your Request for Proposal process. We are most interested in assisting your District with this important study.

We are experienced public-sector consultants who have been conducting similar studies for cities, counties, courts and special districts (water, wastewater, education, fire, community service, air quality management, housing, transportation, solid waste, hospital, library, PUD, and higher education districts) for over 22 years. We have an expertise working with special districts and represent many water and wastewater agencies throughout California. We are active associate members of the California Association of Sanitation Agencies (CASA), the Association of California Water Agencies (ACWA) and the California Special Districts Association (CSDA). We provide services to membership agencies at each of these associations as well as occasionally provide educational programming assistance for their meetings and conferences in the areas of compensation, classification and performance management.

Koff & Associates has achieved a reputation for working successfully with Councils, Boards, management, employees and union representatives. We believe in a high level of dialogue and input from all 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, Inc. is a small firm that accepts only as much work as our staff can handle. This assures a high level of quality control, excellent communication between clients and our office, commitment to meeting timelines and budget, and a consistent high-caliber work product. We encourage you to contact our references.

As Chief Executive Officer of the firm, I would assume the role of Project Director and be responsible for the successful completion of this project. I can be reached at the Emeryville address and phone number listed below. My e-mail 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 service to the Nipomo Community Services District.

Sincerely,

Georg S. Krammer
Chief Executive Officer



**PROPOSAL
For A
TOTAL COMPENSATION MARKET SURVEY
For The
NIPOMO COMMUNITY SERVICES DISTRICT**

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Attached – Sample Work Products



UNDERSTANDING OF THE PROJECT

The Nipomo Community Services District desires consultant assistance to conduct a total market salary survey for twelve (12) full time positions allocated to 14 classifications within the District's organizational structure.

The scope of work includes a total compensation market survey (salary and benefits) using a core of at least 6 similar agencies within the District's labor market area. Our study will then make specific recommendations for internal equity for any non-benchmarked positions should they not be surveyed and/or if external data collection did not include a large enough sampling from which to draw conclusions. An Interim Report and Final Report will include all findings and analysis.

Our final product will also include a recommended Compensation Plan that will contain specific recommendations regarding a salary schedule and the integration of all classifications into a clearly designed, internally equitable format that is flexible for career opportunity and future growth. The study process also includes three meetings; an initial kick-off meeting; a study session; and a regular board meeting to make our presentation regarding findings and recommendations. These meetings 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, Inc. studies.

In addition to a complete record of study processes and recommendations, our proposal also provides documentation for management in internal compensation methodologies so that the District can integrate and maintain the Plan after the initial implementation.

Compensation Objectives

- To review and understand all current documentation, rules, regulations, policies, procedures, class descriptions, organizational charts, Memoranda of Understanding and related information so that the new plan can be operationally incorporated with a minimum of disruption;
- To collaboratively identify and then independently collect accurate salary and benefit data from the approved group of comparator agencies and to ensure that this information is analyzed and explained in a manner that is clear and comprehensible to your employees, management staff and governing Board;
- 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 philosophy and best practices;

Overall Objectives

- To document all steps in the process so that the compensation plans may be maintained in the future; and
- To provide ongoing communications throughout the duration of the project.

QUALIFICATIONS OF THE FIRM

Koff & Associates, Inc. is a public sector human resources consulting firm that was founded in 1984 and has been assisting cities, counties, and special districts for the past twenty-two (22) years. We are familiar with various public sector organizational structures, agency missions, operational and maintenance requirements and staffing expectations. We have a particular expertise working with special districts, and water and wastewater agencies in particular. The first few years of our firm's existence was providing consulting assistance exclusively to these two industries in a variety of human resource management areas.

We have extensive experience working in both non-union and union environments (including serving as the management representative in meet & confer and negotiation meetings), working with City Councils, Boards of Supervisors, Merit Boards, Joint Power Authorities and Boards of Directors. We have excellent rapport with all public sector unions and, if requested, can provide specific business agent references. Specific client references are provided below.

The firm's areas of focus are compensation and classification studies; policy/procedure development and employee handbooks; executive search and staff recruitments; performance management issues; 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. *For the past several years, the firm's significant workload (almost 70%) has been in the areas of classification studies and extensive total compensation reviews (samples of work products are included for your review).*

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 budget.

The firm's growing list of clients is indicative of its reputation throughout California 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. We invite you to contact anyone on the Client List as a referral.

PROJECT TEAM

Professional qualifications of staff that will be included in this study are:

Gail Koff **Managing Director**

Gail Koff, Principal and Founder of Koff & Associates, Inc. for 21 years and now its' Managing Director, has over thirty (30) years of human resource management experience, 27 years 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 the last twenty one (21) years building her own firm and in providing consulting assistance to cities, counties and special districts (housing, transit, water, wastewater, hospital, school, community service, air quality management, fire, etc.). 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, management and employee groups. She works closely with the staff throughout the entire process to ensure success. Gail is actively engaged throughout the study's progress to ensure quality control, timeliness and meeting client expectations.

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

Catherine brings over thirteen (13) 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, 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's Degree 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 will be the Project Director for this study to ensure close coordination of client needs throughout the project.

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

Georg brings over eight (8) years of management-level human resources experience to K&A with an emphasis in classification design; market salary studies; executive and staff recruitment; performance management; organizational development; and employee relations, both in large corporations, small, minority-owned businesses and public sector agencies.

After obtaining a Master's Degree 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 MBA from the University of San Francisco. After starting his human resources career in Wells Fargo Bank's college recruiting department, he moved on to human resources management positions in the banking and high-tech consulting industries. With his experience as a well-rounded senior HR generalist and his education in business and teaching, Georg's contribution to K&A's variety of projects greatly complements our consulting team.

Since joining K&A, Georg has worked on multiple classification and compensation projects for over 30 clients in the public sector and has taken an active leadership role in many of our classification and total compensation studies.

**Milana Targan
Firm Associate**

Milana brings her public sector experience in classification and compensation to Koff & Associates, Inc.

With a bachelor's degree from USF and a Master of Science in Industrial/Organizational Psychology from San Francisco State University, Milana has had extensive experience in job analysis, classification development, compensation data gathering and analysis and completing special projects relating to a variety of human resources issues. Her experience also includes conducting specific job analysis for the purpose of developing validated test questions for public sector entrance and promotional examinations.

She has worked for an affirmative action consulting practice as well as the California Public Utility Commission conducting job analysis, classification development, market salary analysis and human resource management program design.

Jeremy Hannah

Jeremy, the newest member of our firm, earned his bachelor's degree in Psychology with a minor in General Management from California State Polytechnic University, Pomona and will be completing his Master of Science in Industrial/Organizational Psychology in May 2006. After working for five (5) years in management in private organizations, Jeremy moved into the public sector to work for the California Public Utilities Commission performing job analysis, designing selection examinations, conducting employee opinion surveys, and developing human resource selection examinations, conducting employee opinion surveys, and developing human resource management processes. He has extensive data gathering and analysis experience making him a welcome addition to the Koff & Associates team.

REFERENCES (a list of references from our most current studies)

Truckee Sanitary District

Classification & total compensation study
Have worked with Mr. Selfridge in two
Agencies for 12 years.

Contact: Mr. Tom Selfridge

General Manager/Chief Engineer
(530)550-3122

Central Marin Sanitation Agency

Have served as the District's off-site HR
Director for 18+ years conducting class/comp
Studies, executive/staff search, employee
Handbook development, general HR issues

Contact: Mr. Jason Dow

General Manager
(415) 459-1455 X 145

Ross Valley Sanitary District

Have served as the District's off-site HR
Director for 20 years conducting class/comp
Studies, executive/staff search, management
Representative for labor relations issues,
Employee policy and handbook development,
General employee relations issues.

Contact: Mr. Barry Hogue

District Manager
(415) 461-1122

City of Pinole

Citywide classification study.
Compensation study awarded
non-competitively following successful
completion of the class study.

Contact: Ms. Belinda Espinosa

City Manager
(510) 724-8933

Additionally, we have completed similar types of studies for the following agencies:

Cities

City of Alameda
City of Atherton
City of Brisbane
City of Mission Viejo
City of Paso Robles
City of Calistoga
City of Citrus Heights
City of El Cerrito
City of Emeryville

City of Foster City
City of Fremont
City of Galt
City of Greenfield
City of Orinda
City of Napa
City of National City
City of Pacific Grove
City of Piedmont
City of Pinole
City of Red Bluff
City of Rio Vista
City of San Luis Obispo
City of San Ramon
City of Soledad
City of South San Francisco
City of Sunnyvale
City of Walnut Creek

Counties

County of Alameda Housing Authority
County of Contra Costa
County of Los Angeles
County of Marin
County of Marin Housing Authority
County of San Mateo
Contra Costa County Retirement Association

Courts

Superior Court, Amador County
Superior Court, Calaveras County
Superior Court, San Mateo County
Superior Court, San Benito
Superior Court, Tuolumne County

Education

Fremont Unified School District
Huntington Beach School District
UCLA
California State University System

Special Districts

Alameda Corridor-East
Construction Authority
Alameda County Housing Authority

Alameda County Transportation
Authority
Alameda County Water District
Brookside Hospital
Calaveras County Water District
Carpinteria Sanitary District
Castro Valley Sanitary District
Central Contra Costa Sanitary
District
Central Marin Sanitation Agency
Contra Costa Transit Authority
Delta Diablo Sanitation District
Dublin–San Ramon Services District
East Bay Municipal Utility District
East Palo Alto Sanitary District
Fairfield-Suisun Sanitary District
Feather River AQMD
Goleta Sanitary District
Groveland Community Services
District
Ironhouse Sanitary District
Las Gallinas Valley Sanitary District
Mammoth Community Water District
Marina Coast Water District
Mendocino Coast District Hospital
Metropolitan Transit Commission
Napa Sanitation District
Novato Sanitary District
Ojai Valley Sanitary District
Placentia Library District
Port of Oakland
Ross Valley Sanitary District
Sanitary District No. 5 of Marin
County
San Ramon Valley Fire District

Truckee Sanitary District

West Bay Sanitary District
West County Wastewater District

Santa Clara Valley Water District
Sausalito–Marin City Sanitary
District
South Coast Air Quality Management
District
Stege Sanitary District

WORK PLAN AND METHODOLOGY

This section of the proposal identifies the actual work scope. Although the request was for a Statement of Qualifications, a detailed identification of our methodology should assist the District in identifying the work plan that will be utilized by each prospective consulting firm.

We believe that our detailed explanation of approach and work tasks clearly identifies our approach and comprehensiveness.

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 Board members, employees, management and bargaining unit representatives. The time we commit to working with the employees [Project Team meetings, orientation, bargaining unit representatives, appeal process, etc.] results in a significantly greater buy-in throughout the process and very few, if any, formal appeals, at the end of the 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.

Our approach would be as follows:

A. INITIAL KICK-OFF /MEETING WITH PROJECT TEAM/BOARD OF DIRECTORS

This phase includes identifying the key client project team, contract administrator and reporting relationships. We will meet with the client team to create the specific work plan and work schedule; reaffirm the primary objectives, determine deadline dates; determine who will be responsible for coordinating/scheduling communications with employees and supervisors; and develop a timetable for conducting the same. Also included will be the gathering of written documentation, including assembling the current class descriptions, organizational charts, MOU, Personnel Policies and other relevant documentation that has been previously collected. We will also respond to any questions. **We must assume that your classification descriptions are up-to-date and accurate as they form the base from which we conduct all of our analysis.**

B. DETERMINE COMPARATOR AGENCIES AND BENCHMARK CLASSIFICATIONS/MEETINGS

During the initial meeting with the Project Team, we will discuss the compensation study factors that need to be agreed upon. We will discuss the identified comparator agencies, recommended benchmark classifications and benefit data that will be included in the study.

Our firm will complete its initial analysis of this section *before* the first Project Team Meeting so that we will already have a list of agencies and benchmark classifications from which to review with the Project Team and make that initial meeting much more productive. We understand that our recommendations need to be submitted within two weeks of the Notice to Proceed.

1. Determination of Comparator Agencies

The selection of comparator agencies data is considered a critical step in the study process. Although the proposal speaks to 6 agencies, we will try to identify up to 12 comparator agencies for inclusion in the study. Our experience with conducting these studies is that, due to different organizational structure, many times we cannot find a good match at several agencies. Therefore, having a larger list of agencies increases our opportunity to find good, solid market matches.

Our analysis usually includes the following when selecting agencies for comparison:

- *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 agency is somewhat unique, particularly in regard to its relationship to its citizens and level of service expectation. During this iterative process, we look to comparing cities to cities, counties to counties, special districts to other special districts.
- *Similarity of population served*, agency staff and operational and capital improvement budgets, housing costs, etc. – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of agency services.
- *Scope of services provided* – While having an agency 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 agency may be recruiting from or losing employees to) is a significant determinant when selecting potential comparator organizations.

Finally, not only do we want to have management and labor to agree on the comparator agencies, but we would also like to get agreement from your governing

Board. It has been our experience that agreement by all parties, prior to starting the data gathering, ensures a greater chance of market data acceptance and implementation at the conclusion of the study.

2. Determination of Benchmark Classes

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. Reviewing your classifications (and the lack of job families) indicate that most, if not all, of your classifications will be benchmarked.

3. Determination of Salary and Benefits Data to Be Collected

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). Our total compensation excel spreadsheets breakdown each of the benefits described below quantitatively so that each benefit is broken down into a monthly cost. Shown below are descriptions of those benefits that we normally collect (which can be modified to include any other information you desire):

- **Monthly Salary** – The top 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 PERS benefit.
- **Employee Retirement** – This includes two figures: the amount of the employee’s State (PERS) or other public retirement contribution that is contributed by the agency and the amount of the agency’s Social Security contribution. Many agencies have enhanced their PERS/alternative retirement program and we collect and document these costs also.
- **Insurance** – Health, Dental, Life, Long-Term Disability, Short-Term Disability, Vision, Employee Assistance Program (EAP), etc.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the agency is obligated. All days will be translated into direct salary costs.
 - **Holidays** – The number of holidays (including floating) available to the employee on an annual basis.
 - **Vacation** – The number of vacation days available to all employees after five years of employment.
 - **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.
- **Variable Pay** – This category includes other forms of pay that are budgeted and considered as part of the employee's total compensation (in varying degrees).
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed. Benefits that were identified in the R.F.P. such as bereavement leave and transportation allowance would be captured in this section.

C. 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.

Typically, we collect this information in person by a prior appointment or we request salary schedules, organization charts, MOU's and other information for review. With this prior knowledge and our experience in the public sector human resources field, we can make preliminary "matches" and then schedule an appointment in person or by telephone, with a knowledgeable individual to answer specific questions.

Our professional staff completes all of the analysis in our offices; we do not expect the other agencies to perform this vital function. We find that the information collected using these methods has a very high validity rate and is generally substantiated before employee and bargaining units as well as governing bodies.

D. 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 agency to make informed compensation decisions. Benefit data will be collected and 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.

E. DRAFT FINDINGS/ PROJECT TEAM MEETING/REANALYSIS/BOARD STUDY SESSION

We distribute our draft findings to the District.

After the agency's preliminary review, K&A will meet with the Project Team as well as representatives from the various stakeholders to clarify data, to receive requests for reanalysis of certain comparators (through the employee's supervisor) and to answer questions and address concerns. This provides an opportunity for the Project Team and employees to review and question any of our recommended benchmark comparator matches. Copies of our spreadsheets are distributed for employee/management review.

Challenges regarding our initial analysis and recommendations are reviewed and reanalyzed by our firm. We will reconfirm our original analysis and/or make corrections as appropriate.

The Study Session with the Board, to discuss our initial findings and discuss potential compensation philosophy issues, should also be calendared at this time to allow us the opportunity to coordinate these two important meetings into one cost-efficient travel trip.

F. INTERNAL JOB ANALYSIS

To determine internal equity for non-benchmarked positions (assuming that some classifications may not have adequate comparators at other agencies), 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. Objective factors include:

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

G. REVIEW THE SALARY STRUCTURE

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 ranges) within which the classes are allocated, based upon the District's preferred compensation model.

Draft recommendations will be discussed with the management team prior to developing an Interim Report.

H. PREPARATION OF DRAFT INTERIM AND FINAL REPORT AND DELIVERABLES

A Draft Interim Report of the Total Compensation Market Study will be completed and submitted to the District for review/comment/recommendations. The report will provide detailed compensation findings and documentation and recommendations. The report will include a set of all spreadsheets, a proposed Salary Chart, a proposed internal relationship spreadsheet as well as the implementation issues surrounding our recommendations. A detailed methodology for continued implementation and maintenance of the Plan is included.

All elements detailed in the "Deliverables" section (below) will be included.

Once all of the District's questions/concerns are addressed and discussed, a Final Total Compensation Report will be created and submitted in bound format. Our Final Report includes all of the elements necessary to implement and maintain a comprehensive Compensation Plan Strategy.

I. PARTICIPATION IN A CITY FORMAL APPEAL PROCESS

Should the District have a formal appeal process regarding the allocation to salary range, this proposal does not cover time regarding a formal appeal process (the informal appeal process, that usually addresses individual issues, is identified in Task E 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 most of the appeal issues.

J. PRESENTATION TO THE DISTRICT BOARD OF DIRECTORS

Our proposal includes one study session and one final presentation to the District Board. Our proposal also includes an initial kick-off meeting with management and a Project Team review session that will be coordinated with the study session time frame.

DELIVERABLES

- A summary of and detailed total compensation findings and analysis, as well as recommendations for an overall comprehensive Compensation Plan that includes a salary step and range plan;
- Internal relationships and market compensation data will be graphically outlined for each classification so that future equity relationships between classes can be continued; and
- Implementation recommendations for achieving compensation goals within a reasonable time frame and the economic and political limitations of the District.

Throughout the Study

- Extensive communication with the Project Team, District Management, District Board and others;
- Five bound and one camera-ready, unbound original report; and
- Reports, analysis and other relevant data on email or disc in WORD and EXCEL format.

EXPECTATIONS OF DISTRICT SUPPORT

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

- Timely provision of written documentation, such as current class specifications, MOU's, organizational charts, budget documents, requests for audits, past studies, etc.;
- Assistance in scheduling Project Team, management, employee and other meetings; and
- Meeting agreed to time lines to meet the September 1 Final Report date.

PROJECT SCHEDULE

Our experience is that studies of this nature and for this size organization, realistically, take approximately two to two and one-half months to complete, allowing for adequate data gathering and analysis; review steps by the District; the development of final reports, appeals; and presentations. The six weeks assigned for the survey development, findings, review and presentations will only be achievable if the District meets a very tight (and almost unrealistic) review process at Step E and Step H.

Task #	Task Identified	Timeline
A/B	Initial Project Team Meeting (PTM)/Ident of Factors	2 weeks after Contract Signed
C/D	Data Collection/Analysis	2 weeks after approval of agencies
E	Draft Findings Submitted/Reviewed/Project Team Mtg/ Board Study Session/Reanalysis of Information	4 weeks after approval of agencies
F	Internal Job Analysis	4 weeks after AOA
G	Review Salary Structure	4 weeks after AOA
H	Interim Report Submitted/Reviewed by District	5 weeks after AOA
I.	Final Report Submitted	6 weeks after AOA
I	Formal Appeals Hearing	-
J	Presentation to Board of Directors	As Scheduled

INSURANCE REQUIREMENTS

We will submit support of this level of coverage upon award of contract if desired:

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

Project Costs

	Project Phase	Hours Committed
A	Document Review/ Project Team Meeting	14
B	Determining Agencies/Classifications/Benefits	8
C	Data Collection	30
D	Analysis/Qualitative/Quantitative Spreadsheet Development	15
E	Draft Findings/Additional Analysis/Project Meeting/Study Session	18
F/G	Internal Job Analysis/Salary Structure Development	4
H	Interim/Final Report Development	15
I	Formal Appeal Process*	-0-
J	Implementation Strategy Develop/ Presentation to City Council	8
	Anticipated additional meetings management/bargaining groups	<u>8</u>
	Total Professional Hours	120

Combined professional and support staff composite rate: **\$11,400**
(\$95/Hour)

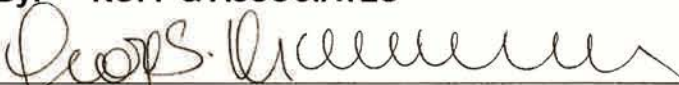
Expenses: **\$ 1,500.**

Expenses include but are not limited to: duplicating and binding reports, phone, supplies, FAX, UPS, postage, mileage, airfare, hotel, per diem, etc.

TOTAL LUMP SUM FOR STUDY: \$12,900.

*Additional professional consulting will be honored at composite rate of \$95/hr.

Respectfully Submitted,
By: KOFF & ASSOCIATES



Georg S. Krammer
Chief Executive Officer

July 3, 2006

Date