

CITY OF MENIFEE

PROFESSIONAL SERVICES AGREEMENT

CITY OF MENIFEE CLASSIFICATION & COMPENSATION STUDY

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made and effective this 15 day of June, 2022 (“Effective Date”) by and between the CITY OF MENIFEE, a California municipal corporation, (“City”) and **KOFF & ASSOCIATES, A DIVISION OF GALLAGHER BENEFIT SERVICES, INC.**, a Delaware Corporation (“Consultant”). City and Consultant may sometimes herein be referred to individually as a “Party” and collectively as the “Parties.”

SECTION 1. SERVICES.

Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to City the services described in the Scope of Services, attached hereto as Exhibit A and incorporated herein by this reference (the “Services”). Consultant will perform subsequent task orders as requested by the Contract Administrator (as defined below), in accordance with the Scope of Services. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

1.1 Term of Services. The term of this Agreement shall begin on **June 15, 2022** and shall end on **June 30, 2023** unless the term of this Agreement is otherwise terminated or extended as provided for in Section 8. The time provided to Consultant to complete the Services required by this Agreement shall not affect City’s right to terminate this Agreement, as provided for in Section 8.

1.2 Standard of Performance. Consultant represents and warrants that Consultant is a provider of first class work and services and Consultant is experienced in performing the Services contemplated herein and, in light of such status and experience, Consultant shall perform the Services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the geographical area in which Consultant practices its profession and to the sole satisfaction of the Contract Administrator.

1.3 Assignment of Personnel. Consultant shall assign only competent personnel to perform the Services pursuant to Agreement. In the event that City, in its sole discretion, at any time during the term of this Agreement, desires the reassignment of any such persons, Consultant shall, immediately upon receiving notice from City of such desire of City, reassign such person or persons.

1.4 Time. Consultant shall devote such time to the performance of the Services pursuant to this Agreement as may be reasonably necessary to satisfy Consultant’s obligations hereunder.

1.5 Authorization to Perform Services. Consultant is not authorized to perform any of the Services or incur any costs whatsoever under the terms of this Agreement until receipt of authorization from the Contract Administrator.

1.6 Covid-19 Safety. If Consultant enters City property or meets in person with City employees during the performance of the Services, Consultant shall comply with all State, County, and local emergency orders, directives, protocols, and best practices related to the COVID-19 pandemic, including, but not limited to: (A) wearing facial coverings, (B) maintaining adequate physical distancing when possible, (C) regular hand washing, and (D) regular hand sanitizing.

SECTION 2. COMPENSATION.

City hereby agrees to pay Consultant a sum not to exceed **TWO HUNDRED TWENTY FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS AND ZERO CENTS (\$224,230.00)** notwithstanding any contrary indications that may be contained in Consultant's proposal, for the Services to be performed and reimbursable costs incurred under this Agreement. In the event of a conflict between this Agreement and Exhibit A, regarding the amount of compensation, this Agreement shall prevail. City shall pay Consultant for the Services rendered pursuant to this Agreement at the time and in the manner set forth herein. The payments specified below shall be the only payments from City to Consultant for the Services rendered pursuant to this Agreement. Consultant shall submit all invoices to City in the manner specified herein. Except as specifically authorized in advance by City, Consultant shall not bill City for duplicate services performed by more than one person.

2.1 Invoices. Consultant shall submit invoices monthly during the term of this Agreement, based on the cost for the Services performed and reimbursable costs incurred prior to the invoice date. Invoices shall contain the following information:

- a. Serial identifications of progress bills; i.e., Progress Bill No. 1 for the first invoice, etc.;
- b. The beginning and ending dates of the billing period;
- c. A "Task Summary" containing the original contract amount, the amount of prior billings, the total due this period, the balance available under this Agreement, and the percentage of completion;
- d. At City's option, for each item in each task, a copy of the applicable time entries or time sheets shall be submitted showing the name of the person performing the Services, the hours spent by each person, a brief description of the Services, and each reimbursable expense;
- e. The total number of hours of work performed under this Agreement by Consultant and each employee, agent, and subcontractor of Consultant performing the Services hereunder necessary to complete the Services described in Exhibit A;
- f. Receipts for expenses to be reimbursed;

g. The Consultant Representative's signature.

Invoices shall be submitted to:

City of Menifee
Attn: Accounts Payable
29844 Haun Road
Menifee, CA 92586

2.2 Monthly Payment. City shall make monthly payments, based on invoices received, for the Services satisfactorily performed, and for authorized reimbursable costs incurred. City shall have thirty (30) days from the receipt of an invoice that complies with all of the requirements above to pay Consultant.

2.3 Final Payment. City shall pay the last five percent (5%) of the total amount due pursuant to this Agreement within sixty (60) days after completion of the Services and submittal to City of a final invoice, if all of the Services required have been satisfactorily performed.

2.4 Total Payment. City shall not pay any additional sum for any expense or cost whatsoever incurred by Consultant in rendering the Services pursuant to this Agreement. City shall make no payment for any extra, further, or additional service pursuant to this Agreement.

In no event shall Consultant submit any invoice for an amount in excess of the maximum amount of compensation provided above either for a task or for the entirety of the Services performed pursuant to this Agreement, unless this Agreement is modified in writing prior to the submission of such an invoice.

2.5 Hourly Fees. Fees for the Services performed by Consultant on an hourly basis shall not exceed the amounts shown on the fee schedule included with Exhibit A.

2.6 Reimbursable Expenses. Reimbursable expenses are included within the maximum amount of this Agreement.

2.7 Payment of Taxes. Consultant is solely responsible for the payment of employment taxes incurred under this Agreement and any federal or state taxes.

2.8 Payment upon Termination. In the event that City or Consultant terminates this Agreement pursuant to Section 8, City shall compensate Consultant for all outstanding costs and reimbursable expenses incurred for Services satisfactorily completed and for reimbursable expenses as of the date of written notice of termination. Consultant shall maintain adequate logs and timesheets in order to verify costs and reimbursable expenses incurred to that date.

SECTION 3. FACILITIES AND EQUIPMENT.

Except as otherwise provided, Consultant shall, at its sole cost and expense, provide all facilities and equipment necessary to perform the services required by this Agreement. City shall make available to Consultant only physical facilities such as desks, filing cabinets, and conference

space, as may be reasonably necessary for Consultant's use while consulting with City employees and reviewing records and the information in possession of City. The location, quantity, and time of furnishing those facilities shall be in the sole discretion of City. In no event shall City be required to furnish any facility that may involve incurring any direct expense, including but not limited to computer, long-distance telephone or other communication charges, vehicles, and reproduction facilities.

SECTION 4. INSURANCE REQUIREMENTS.

Before beginning any work under this Agreement, Consultant, at its own cost and expense, shall procure the types and amounts of insurance checked below and provide Certificates of Insurance, indicating that Consultant has obtained or currently maintains insurance that meets the requirements of this section and which is satisfactory, in all respects, to City. Consultant shall maintain the insurance policies required by this section throughout the term of this Agreement. The cost of such insurance shall be included in Consultant's compensation. Consultant shall not allow any subcontractor, consultant or other agent to commence work on any subcontract until Consultant has obtained all insurance required herein for the subcontractor(s) and provided evidence thereof to City. Verification of the required insurance shall be submitted and made part of this Agreement prior to execution. Consultant acknowledges with the exception of Workers' Compensation and Professional Liability Insurance, the insurance policy must cover inter-insured suits between City and other Insureds.

4.1 Workers' Compensation. Consultant shall, at its sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant pursuant to the provisions of the California Labor Code. Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than ONE MILLION DOLLARS (\$1,000,000.00) per accident, ONE MILLION DOLLARS (\$1,000,000.00) disease per employee, and ONE MILLION DOLLARS (\$1,000,000.00) disease per policy. In the alternative, Consultant may rely on a self-insurance program to meet those requirements, but only if the program of self-insurance complies fully with the provisions of the California Labor Code. Determination of whether a self-insurance program meets the standards of the California Labor Code shall be solely in the discretion of the Contract Administrator. The insurer, if insurance is provided, or Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against City and its officers, officials, employees, and authorized volunteers for loss arising from the Services performed under this Agreement.

4.2 Commercial General and Automobile Liability Insurance.

a. General requirements. Consultant, at its own cost and expense, shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000.00) per occurrence, combined single limit coverage, for risks associated with the Services contemplated by this Agreement, TWO MILLION DOLLARS (\$2,000,000.00) general aggregate, and TWO MILLION DOLLARS (\$2,000,000.00) products/completed operations aggregate. If a Commercial General Liability Insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the Services to be performed under this Agreement or the

general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from the Services contemplated under this Agreement, including the use of hired, owned, and non-owned automobiles.

b. Minimum scope of coverage. Commercial general coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001. Automobile coverage shall be at least as broad as Insurance Services Office Automobile Liability form CA 0001 Code 2, 8, and 9. No endorsement shall be attached limiting the coverage.

c. Additional requirements. Each of the following shall be included in the insurance coverage or added as a certified endorsement to the policy:

a. The insurance shall cover on an occurrence or an accident basis, and not on a claims-made basis.

b. Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to City and its officers, employees, agents, and volunteers.

4.3 Professional Liability Insurance.

a. General requirements. Consultant, at its own cost and expense, shall maintain for the period covered by this Agreement professional liability insurance for licensed professionals performing the Services pursuant to this Agreement in an amount not less than ONE MILLION DOLLARS (\$1,000,000) covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall be shown on the Certificate. If the deductible or self-insured retention exceeds TWENTY-FIVE THOUSAND DOLLARS (\$25,000), it must be approved by City.

b. Claims-made limitations. The following provisions shall apply if the professional liability coverage is written on a claims-made form:

a. The retroactive date of the policy must be shown and must be no later than the commencement of the Services.

b. Insurance must be maintained and evidence of insurance must be provided for at least two (2) years after the expiration or termination of this Agreement or completion of the Services, so long as commercially available at reasonable rates.

c. If coverage is canceled or not renewed and it is not replaced with another claims-made policy form with a retroactive date that precedes the Effective Date of this Agreement, Consultant must provide extended reporting coverage for a minimum of two (2) years after the expiration or termination of this Agreement or the completion of the Services. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting

period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the Services under this Agreement. City shall have the right to exercise, at Consultant's sole cost and expense, any extended reporting provisions of the policy, if Consultant cancels or does not renew the coverage.

4.4 All Policies Requirements.

a. Acceptability of insurers. All insurance required by this Section is to be placed with insurers with a Bests' rating of no less than A:VI and admitted in California.

b. Verification of coverage. Prior to beginning the Services under this Agreement, Consultant shall furnish City with Certificates of Insurance, additional insured endorsement or policy language granting additional insured status, including complete copies of all endorsements. All copies of policies and certified endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf. The Certificate of Insurance must include the following reference: **CITY OF MENIFEE CLASSIFICATION & COMPENSATION STUDY.** The name and address for Additional Insured endorsements, Certificates of Insurance and Notice of Cancellation is: City of Menifee, 29844 Haun Road, Menifee, CA 92586. City must be endorsed as an additional insured for liability arising out of ongoing and completed operations by or on behalf of Consultant.

c. Additional insured; primary insurance. City and its officers, employees, agents, and authorized volunteers shall be covered as additional insureds on the Commercial General Liability Policy only, with respect to each of the following: liability arising out of the Services performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant, as applicable; premises owned, occupied, or used by Consultant in the course of providing the Services pursuant to this Agreement. The coverage shall contain no special limitations on the scope of protection afforded to City or its officers, employees, agents, or authorized volunteers. The insurance provided to City as an additional insured must apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by City. Additional insured status shall continue for one (1) year after the expiration or termination of this Agreement or completion of the Services.

An endorsement must be attached to the Commercial General Liability policy only stating that coverage is primary insurance with respect to City and its officers, officials, employees, and volunteers, and that no insurance or self-insurance maintained by City shall be called upon to contribute to a loss under the coverage.

d. Deductibles and Self-insured Retentions. Consultant shall obtain the written approval of City for the self-insured retentions and deductibles before beginning any of the Services.

During the term of this Agreement, Consultant may increase such deductibles or self-insured retentions with respect to City, its officers, employees, agents, and volunteers. The Contract Administrator may condition approval of an increase in deductible or self-insured retention levels with a requirement that Consultant procure a bond guaranteeing payment of losses

and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.

e. Subcontractors. Consultant shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

f. Variation. The Contract Administrator may, but is not required to, approve in writing a variation in the foregoing insurance requirements, upon a determination that the coverage, scope, limits, and forms of such insurance are either not commercially available, or that City's interests are otherwise fully protected.

4.5 Remedies. In addition to any other remedies at law or equity City may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, City may, at its sole option, exercise any of the following remedies, which are alternatives to other remedies City may have and are not the exclusive remedy for Consultant's breach:

- a. Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under this Agreement;
- b. Order Consultant to stop work under this Agreement or withhold any payment that becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof; and/or
- c. Terminate this Agreement.

SECTION 5. INDEMNIFICATION.

5.1 Indemnification for Professional Liability. Where the law establishes a professional standard of care for performance of the Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend (with counsel selected by City), and hold harmless City and any and all of its officers, employees, officials, volunteers, and agents from and against any and all claims, losses, costs, damages, expenses, liabilities, liens, actions, causes of action (whether in tort, contract, under statute, at law, in equity, or otherwise) charges, awards, assessments, fines, or penalties of any kind (including reasonable consultant and expert fees and expenses of investigation, costs of whatever kind and nature and, if Consultant fails to provide a defense for City, the legal costs of counsel retained by City) and any judgment (collectively, "Claims") to the extent same are caused in whole or in part by any negligent or wrongful act, error, or omission of Consultant, its officers, agents, employees, or subcontractors (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

5.2 Indemnification for Other than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, protect, defend (with counsel selected by City), and hold harmless City, and any and all of its officers, employees, officials, volunteers, and agents from and against any and all Claims, where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in

part, the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

5.3 Limitation of Indemnification. The provisions of this Section 5 do not apply to claims occurring as a result of City's sole or active gross negligence. The provisions of this Section 5 shall not release City from liability arising from gross negligence or willful acts or omissions of City or any and all of its officers, officials, employees, and agents acting in an official capacity. Consultant's liability to the City and any other party for any losses, injury or damages to persons or properties or work performed arising out of in connection with this Agreement and for any other claim, whether the claim arises in contract, tort, statute or otherwise, shall be limited to \$1,000,000 of the total fees due to Consultant from City for the particular Services giving rise to the claim. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, CONSULTANT SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, LOST PROFITS, OR PUNITIVE DAMAGES SUSTAINED OR INCURRED IN CONNECTION WITH THIS AGREEMENT, WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE.

SECTION 6. STATUS OF CONSULTANT.

6.1 Independent Contractor. At all times during the term of this Agreement, Consultant shall be an independent contractor and shall not be an employee of City. City shall have the right to control Consultant only insofar as the results of the Services rendered pursuant to this Agreement and assignment of personnel pursuant to Subparagraph 1.3; however, otherwise City shall not have the right to control the means by which Consultant accomplishes the Services rendered pursuant to this Agreement. The personnel performing the Services under this Agreement on behalf of Consultant shall at all times be under Consultant's exclusive direction and control. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents is in any manner officers, officials, employees, or agents of City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against City, or bind City in any manner. Except for the fees paid to Consultant as provided in this Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing the Services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing the Services hereunder. Notwithstanding any other City, state, or federal policy, rule, regulation, law, or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing services under this Agreement shall not qualify for or become entitled to any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in the California Public Employees Retirement System ("PERS") as an employee of City and entitlement to any contribution to be paid by City for employer contributions and/or employee contributions for PERS benefits.

SECTION 7. LEGAL REQUIREMENTS.

7.1 Governing Law. The laws of the State of California shall govern this Agreement.

7.2 Compliance with Applicable Laws. Consultant and any subcontractor shall comply with all applicable local, state, and federal laws and regulations applicable to the performance of the work hereunder. Consultant shall not hire or employ any person to perform work within City or allow any person to perform the Services required under this Agreement unless such person is properly documented and legally entitled to be employed within the United States. Any and all work subject to prevailing wages, as determined by the Director of Industrial Relations of the State of California, will be the minimum paid to all laborers, including Consultant's employee and subcontractors. It is understood that it is the responsibility of Consultant to determine the correct scale. The State Prevailing Wage Rates may be obtained from the California Department of Industrial Relations ("DIR") pursuant to California Public Utilities Code, Sections 465, 466, and 467 by calling 415-703-4774. Appropriate records demonstrating compliance with such requirement shall be maintained in a safe and secure location at all times, and readily available at City's request. Consultant shall indemnify, defend, and hold City and its elected and appointed boards, members, officials, officers, agents, representatives, employees, and volunteers harmless from and against any liability, loss, damage, cost or expenses (including but not limited to reasonable attorneys' fees, expert witness fees, court costs, and costs incurred related to any inquiries or proceedings) arising from or related to (i) the noncompliance by Consultant or any party performing the Services of any applicable local, state, and/or federal law, including, without limitation, any applicable federal and/or state labor laws (including, without limitation, the requirement to pay state prevailing wages and hire apprentices); (ii) the implementation of Section 1781 of the Labor Code, as the same may be amended from time to time, or any other similar law; and/or (iii) failure by Consultant or any party performing the Services to provide any required disclosure or identification as required by Labor Code Section 1781, as the same may be amended from time to time, or any other similar law. It is agreed by the Parties that, in connection with performance of the Services, including, without limitation, any and all public works (as defined by applicable law), Consultant shall bear all risks of payment or non-payment of prevailing wages under California law and/or the implementation of Labor Code Section 1781, as the same may be amended from time to time, and/or any other similar law. Consultant acknowledges and agrees that it shall be independently responsible for reviewing the applicable laws and regulations and effectuating compliance with such laws. Consultant shall require the same of all subcontractors.

7.3 Licenses and Permits. Consultant represents and warrants to City that Consultant and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. Consultant represents and warrants to City that Consultant and its employees, agents, and subcontractors shall, at their sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are legally required to practice their respective professions. In addition to the foregoing, Consultant and any subcontractors shall obtain and maintain during the term of this Agreement valid Business Licenses from City.

SECTION 8. TERMINATION AND MODIFICATION.

8.1 Termination. City may cancel this Agreement at any time and without cause upon ten (10) days advance written notification to Consultant.

8.2 Termination by Consultant. Consultant may cancel this Agreement upon 30 days' written notice to City.

8.3 Consequences of Termination. In the event of termination, Consultant shall be entitled to compensation for the Services performed up to the date of termination; City, however, may condition payment of such compensation upon Consultant delivering to City any or all documents, photographs, computer software, video and audio tapes, and other materials provided to Consultant or prepared by or for Consultant or City in connection with this Agreement.

8.4 Extension. City may, in its sole and exclusive discretion, extend the end date of this Agreement beyond that provided for in Subsection 1.1. Any such extension shall require a written amendment to this Agreement, as provided for herein. Consultant understands and agrees that, if City grants such an extension, City shall have no obligation to provide Consultant with compensation beyond the maximum amount provided for in this Agreement. Similarly, unless authorized by the Contract Administrator, City shall have no obligation to reimburse Consultant for any otherwise reimbursable expenses incurred during the extension period.

8.5 Amendments. The Parties may amend this Agreement only by a writing signed by all the Parties.

8.6 Assignment and Subcontracting. City and Consultant recognize and agree that this Agreement contemplates personal performance by Consultant and is based upon a determination of Consultant's unique personal competence, experience, and specialized personal knowledge. Moreover, a substantial inducement to City for entering into this Agreement was and is the professional reputation and competence of Consultant. Consultant may not assign this Agreement or any interest therein without the prior written approval of the Contract Administrator. Consultant shall not subcontract any portion of the performance contemplated and provided for herein, other than to the subcontractors noted in Consultant's proposal, without prior written approval of the Contract Administrator. In the event that key personnel leave Consultant's employ, Consultant shall notify City immediately.

8.7 Survival. All obligations arising prior to the expiration or termination of this Agreement and all provisions of this Agreement allocating liability between City and Consultant shall survive the expiration or termination of this Agreement.

8.8 Options upon Breach by Consultant. If Consultant materially breaches any of the terms of this Agreement, City's remedies shall include, but not be limited to, any or all of the following:

- a. Immediately terminate this Agreement;
- b. Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Consultant pursuant to this Agreement;
- c. Retain a different consultant to complete the Services described in Exhibit A; and/or

d. Charge Consultant the difference between the cost to complete the Services described in Exhibit A that is unfinished at the time of breach and the amount that City would have paid Consultant pursuant to Section 2 if Consultant had completed the Services.

SECTION 9. KEEPING AND STATUS OF RECORDS.

9.1 Records Created as Part of Consultant's Performance. All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form that Consultant prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of City. Consultant hereby agrees to deliver those documents to City upon the expiration or termination of this Agreement. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for City and are not necessarily suitable for any future or other use. Any use of such documents for other projects by City shall be without liability to Consultant. City and Consultant agree that, until final approval by City, all data, plans, specifications, reports, and other documents are confidential and will not be released to third parties without prior written consent of both Parties unless required by law.

9.2 Licensing of Intellectual Property. Consultant will retain sole and exclusive ownership of all right, title and interest in and to its intellectual property and derivatives thereof which no data or confidential information of City was used to create and which was developed entirely using Consultant's own resources. To the extent Consultant's intellectual property is necessary for City to use the services provided, Consultant will grant to City a non-exclusive, royalty-free license to Consultant's intellectual property solely for City's use of such services.

SECTION 10.

10.1 Consultant's Books and Records. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for the Services or expenditures and disbursements charged to City under this Agreement for the duration of the agreement, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible.

10.2 Inspection and Audit of Records. Any records or documents that are included as part of this Agreement requires Consultant to maintain shall be made available for inspection, audit, and/or copying at any time during regular business hours, upon oral or written request of City. Under California Government Code Section 8546.7, if the amount of public funds expended under this Agreement exceeds TEN THOUSAND DOLLARS (\$10,000.00), this Agreement shall be subject to the examination and audit of the State Auditor, at the request of City or as part of any audit of City, for a period of three (3) years after final payment under this Agreement.

SECTION 11. MISCELLANEOUS PROVISIONS.

11.1 Attorneys' Fees. If either Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees and expenses including costs, in addition to any other relief to which that Party may be entitled; provided, however, that the attorneys' fees awarded pursuant to this Section shall not exceed the hourly rate paid by City for legal services multiplied by the reasonable number of hours spent by the prevailing Party in the conduct of the litigation. The court may set such fees in the same action or in a separate action brought for that purpose.

11.2 Applicable Law; Venue. The internal laws of the State of California shall govern the interpretation and enforcement of this Agreement. In the event that either Party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in Riverside County.

11.3 Severability. If any provision of this Agreement is held invalid, the remainder of this Agreement shall not be affected thereby and all other parts of this Agreement shall nevertheless be in full force and effect.

11.4 Section Headings and Subheadings. The section headings and subheadings contained in this Agreement are included for convenience only and shall not limit or otherwise affect the terms of this Agreement.

11.5 No Implied Waiver of Breach. The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.

11.6 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and shall apply to and bind the successors and assigns of the Parties.

11.7 Consultant Representative. All matters under this Agreement shall be handled for Consultant by Georg S. Krammer ("Consultant's Representative"). The Consultant's Representative shall have full authority to represent and act on behalf of Consultant for all purposes under this Agreement. The Consultant's Representative shall supervise and direct the Services, using his best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

11.8 City Contract Administration. This Agreement shall be administered by a City employee, Natalie Jacobs, Human Resources Analyst ("Contract Administrator"). All correspondence shall be directed to or through the Contract Administrator or his designee. The Contract Administrator shall have the power to act on behalf of City for all purposes under this Agreement. Unless otherwise provided in this Agreement, Consultant shall not accept direction or orders from any person other than the Contract Administrator or his designee.

11.9 Notices. Any written notice to Consultant shall be sent to:

KOFF & ASSOCIATES, A DIVISION OF GALLAGHER BENEFIT SERVICES, INC.

Attn: Georg S. Krammer
2835 SEVENTH STREET
BERKELEY, CA 94710

Any written notice to City shall be sent to the Contract Administrator at:

City of Menifee
29844 Haun Road
Menifee, CA 92586
Attn: Natalie Jacobs, Human Resources Analyst

with a copy to:

City Clerk
City of Menifee
29844 Haun Road
Menifee, CA 92586

11.10 Professional Seal. Where applicable in the determination of the Contract Administrator, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation. The stamp/seal shall be in a block entitled "Seal and Signature of Registered Professional with report/design responsibility," as in the following example.

Seal and Signature of Registered Professional with report/design responsibility.

11.11 Rights and Remedies. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the Parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

11.12 Integration. This Agreement, including the scope of services attached hereto and incorporated herein as Exhibit A, represents the entire and integrated agreement between City and Consultant and supersedes all prior negotiations, representations, or agreements, either written or oral. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

11.13 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

11.14 Execution of Contract. The persons executing this Agreement on behalf of each of the Parties hereto represent and warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) that entering into this Agreement does not violate any provision of any other Agreement to which said Party is bound.

11.15 Nondiscrimination. Consultant covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that in the performance of this Agreement there shall be no discrimination against or segregation of, any person or group of persons on account of any impermissible classification including, but not limited to, race, color, creed, religion, sex, marital status, sexual orientation, national origin, or ancestry.

11.16 No Third Party Beneficiaries. With the exception of the specific provisions set forth in this Agreement, there are no intended third-party beneficiaries under this Agreement and no such other third parties shall have any rights or obligations hereunder.

11.17 Nonliability of City Officers and Employees. No officer, official, employee, agent, representative, or volunteer of City shall be personally liable to Consultant, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

11.18 No Undue Influence. Consultant declares and warrants that no undue influence or pressure is used against or in concert with any officer or employee of City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of City shall receive compensation, directly or indirectly, from Consultant, or from any officer, employee, or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement.

11.19 No Benefit to Arise to City Employees. No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or has responsibilities with respect to this Agreement during his/her tenure or for one (1) year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for the Services to be performed under this Agreement.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties hereto have executed and entered into this Agreement as of the Effective Date.

CITY OF MENIFEE

DocuSigned by:


A96907ED91464C0
Armando G. Villa, City Manager

Attest:


DocuSigned by:

E7870041604C481
Stephanie Roseen, Acting City Clerk

Approved as to Form:

DocuSigned by:

D48E8686180C4BB
Jeffrey T. Melching, City Attorney

**KOFF & ASSOCIATES, A DIVISION OF
GALLAGHER BENEFIT SERVICES,
INC.**

DocuSigned by:

949D9E7481754E6...
Georg S. Krammer, Managing Director

[Note: 2 officer's signatures required if
Consultant is a corporation, unless provided
with a certificate of secretary in-lieu]

EXHIBIT A

SCOPE OF SERVICES

Services shall include Comprehensive Classification & Compensation Study, Employee Satisfaction/Engagement Survey in the amount not to exceed **TWO HUNDRED TWENTY FOUR THOUSAND TWO HUNDRED THIRTY DOLLARS AND ZERO CENTS (\$224,230.00)** as further detailed in the following page(s).



Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

PROJECT APPROACH & WORK PLAN

The City desires human resources assistance to in conducting 4 citywide tasks:

Task 1: Classification Review

Provide a documented focus framework for a comprehensive citywide classification study to serve as the major resource used in the implementation and completion of the project. This shall include strategies, methodologies in reviewing and revising classifications specifications and goals. A communication plan with employees and major stakeholders throughout review. Conduct job analysis through description questionnaires. Conduct interviews with all employees in single position classifications, representative sample for multiple position classifications. Determine exempt and non-exempt designations. Suggest new classifications. Update classification plan for approximately 125 classifications.

Task 2: Compensation Study

The Compensation study should include: strategies, methodologies, goals, objectives, and timeline for completing the study. Provide a compensation evaluation method/system. Provide a labor market compensation study including comparator agencies and market survey which will be based on base salaries only. Complete an internal base salary relationship analysis, including the development of internal relationship guidelines. Develop external competitive and internal equitable salary recommendations for each classification included within the study.

Task 3: Overall Organization Structure / Size Analysis

Provide a documented analysis reviewing the overall organization structure and size including meeting with individual department directors to review structure, assigned workload to staff ratio analysis, including comparison to nearby jurisdictions and written and oral presentation of final analysis.

Task 4: Employee Satisfaction Survey

The City seeks to distribute and compile results for an employee satisfaction survey.

The City currently employs approximately 219 full-time employees within 95 classifications and 55 part-time employees within 5 classifications. Additionally, the City currently has 13 Executive classifications, all of which serve at the will and pleasure of the City Manager.

DEPARTMENT	# OF FTE'S (Filled & Vacant)
City Manager's Office	8
City Clerk's Office	5
Building & Safety	15
Community Development	15
Human Resources/Risk Management/Emergency Management	7
Finance Department	15
Economic Development Department	4
Information Technology (IT)	12
Community Services (including Facilities)	20 FTE, 23.15 Parttime
Fire	2
Public Works/Engineering (including CIP and Fleet)	44
Menifee Police Department	102
Code Enforcement	8

There are five existing bargaining units including General, Professional, Mid-Managers, Police Management Association and Police Officers Association.

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

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

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

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

A third level of effort will include studying the City's staffing levels, span of control, ratios of number of employees to supervisors, and other aspects of its organizational structure and operations. We will then survey other, similar, cities with similar operations, infrastructure, service delivery, and programs and determine whether the City's staffing levels follow best practices.

Finally, the scope of work also includes designing, conducting, and compiling the results of an employee engagement survey.

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

The majority of our clients are unionized and our larger city and county clients typically have multiple unions. Due to the multitude of stakeholder groups who are affected by any compensation study K&A conducts, our team understands the importance of accurate and validated data that withstands any scrutiny, effective and ongoing communication throughout each effort, and collaboration with the various stakeholder groups to ensure organizational buy-in to our findings and recommendations. We have developed a unique methodology of stakeholder "touchpoints" and collaboration that has made us highly successful and effective and has earned our team respect, agreement, and understanding from all

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

stakeholders. In addition, we adjust and customize our methodology based on each individual client's unique needs and circumstances.

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

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

Study Objectives

Classification Objectives:

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

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

Compensation Objectives:

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

Staffing Level Analysis Objectives:

- To carefully analyze the scope and level of duties and responsibilities, processes and assignments, requirements for successful work performance (including required competencies), and other factors of the City's assignments/positions/ classifications;
- To identify organizational and workload issues during interviews with employees/focus groups including consideration of technology and automation potential and improvements as well as the addition of other operational tools;
- To analyze organizational charts, budgets, operational functions and other City reports to determine if services are being delivered efficiently and effectively both to internal as well as external customers;
- To collect information from each of the comparator agencies regarding organizational structure, position allocations, work assignments, resources used, and operational and staffing data;
- To identify best management practices that are reflective of industry knowledge and the approved group of comparator agencies;
- To recommend strategies to incorporate industry and market best practices into staffing plans that will enhance organizational effectiveness and improve customer service; and
- To identify opportunities to leverage departmental efforts to improve overall synergy throughout the City.

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

Overall Objectives:

- To review and understand all current documentation, rules, regulations, policies, budgets, procedures, class descriptions, organizational charts, memoranda of understanding, personnel policies, wage and salary schedules, and related information so that our recommendations can be operationally incorporated with a minimum of disruption;
- To conduct start-up Study Project Team meetings with management, study project staff, and other stakeholders to discuss any specific concerns with respect to the development of classification, compensation and organizational recommendations; finalize study plans and timetables; conduct orientation sessions with management, union leadership, and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the City and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To develop a classification and compensation structure, and organizational structure that meets all legal requirements, that is totally non-discriminatory, and that easily accommodates organizational change, growth, and operational needs;
- To document all steps in the process and provide documentation and training for Human Resources and other staff, as appropriate, in classification and compensation analysis methodologies so that the City can integrate, maintain, administer, and defend any recommended changes after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation.

Methodology / Work Plan / Deliverables

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

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

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

The workload and staffing analysis will be woven into the classification and compensation workplan and conducted concurrently as there are natural synergies between these project phases.

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Given these parameters, our approach is as follows:

PHASE I: CLASSIFICATION STUDY

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

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

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

Included in this task will be the gathering of written documentation, identifying current incumbents, and assembling current class descriptions, organizational charts, salary schedules, budgets, memoranda of understanding ("MOU"), personnel policies, previous classification and compensation studies, operational and staffing information, and any other relevant documentation to gain a general understanding of City operations.

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

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

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



Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

The communications and engagement plan will be enable us to respond to questions or concerns in a timely and professional manner. Our typical communication model includes at least weekly or biweekly written status updates to keep the City informed on where we are for every element of the project. We have found that most communication can be managed through email and teleconferences. Of course, we are happy to travel onsite to City offices and locations as the current COVID-19 situation allows.

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

Deliverable B. Orientation Meetings with Employees

We will facilitate several orientation meetings with employees over the course of several days and distribute our Position Description Questionnaire (“PDQ”) to start the classification portion of the study. While these meetings are not mandatory, they form the beginning of the educational process that continues throughout the study. We will discuss the importance of the employees’ involvement in the study and their participation in PDQ completion and job analysis interviews. Project processes will be explained, expectations will be clarified, and elements that are not a part of the study will also be covered. Questions will be answered and a detailed explanation and examples for completing the PDQ will be given.

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

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

We suggest developing pre-populated PDQs to make it easier for incumbents to complete them. PDQs will be structured to include prepopulated tasks and knowledge and abilities statements which can be modified by employees. We generally prepare these pre-populated PDQ’s with duty statements from the client’s current classification descriptions, but we can also use tasks from our library of classification descriptions as needed, especially if the District’s/City’s classification descriptions have not been updated in a number of years. We have been very successful using pre-populated PDQs for public safety classifications for other cities we’ve worked with, partly due to the fact that public safety classifications often follow a consistent pattern and structure across most cities, so this approach seems to work very well. Pre-populated PDQs will also include suggested language that is compliant with AB 846 that we have used for other city clients.

In the past, we have typically conducted these orientation sessions in person, onsite, and at various client locations. We’re happy to do so, of course, as the current circumstance around the pandemic permits (i.e., in terms of guidance from state and local government officials). In case we are required to continue conducting business virtually for a period of time, we can provide the City with many technological options to ensure a smooth process, as we have with many of our clients during the last year. Examples include:

- Scheduling app: Purchasing a scheduling web application for employee orientation sessions where up to 100 people can attend a session; employees can choose a session date and time and receive

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

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

Our clients have received these operational changes very positively. We continue to ask our clients for feedback so we can implement continuous improvements. We recognize not all clients have the same technology as we do, which means we must provide viable technology options. While we provide multiple options, the expertise of our associates in asking relevant and probing questions of each study participant to better understand each employee's work is critical to the job evaluation interview process (see more information regarding employee interviews below). Our client-centric approach and methodology does not change with the venue.

Deliverable C. Collection and Review of PDQs

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

For the City's approximately 12 new classifications, we would typically ask a supervisor to complete at least some sections of our PDQ.

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

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

Deliverable D. Interviews with Employees, Supervisors, and Management

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

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

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

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

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

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

In addition, interviews with department heads, division managers, and other supervisors will focus on workload and staffing needs in each work unit to identify potential challenges and pain points that will be incorporated into our analysis.

Deliverable E. Classification Concept and Preliminary Allocation

Prior to developing detailed class descriptions, our job evaluation will result in a classification concept and employee allocation document that will be submitted to the City for review and approval. We will compare changes in business need and operations, as well as any reorganizations, with the established classification system and job families as well as review internal relationships between classifications to define the reasons for, and effects of, the proposed changes.

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

1. Decision making/judgment
2. Difficulty and complexity of work
3. Supervisory responsibilities
4. Non-supervisory responsibilities

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

5. Minimum qualifications
6. Working conditions/risk factors
7. Contacts

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

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

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

This job analysis will also inform us as to who does what in the City, what the work processes are, how work is organized, and what the organizational structure looks like, including reporting hierarchy and number of positions in each functional area of assignment. This information is critical for conducting the staffing review.

Deliverable F. Draft Class Description Development

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

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

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

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

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

At this juncture, we will also recommend screening criteria and selection methods, and identify relevant employment tests that may be considered for validation; K&A does not provide this specific service but we will be happy to recommend agencies that do.

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

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

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

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

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

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

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

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

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

PHASE II: BASE COMPENSATION STUDY AND STAFFING REVIEW

Deliverable A. List of Comparator Agencies, Benchmark Classifications

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

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

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

1. Determination of Comparator Agencies

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

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

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

2835 Seventh Street, Berkeley, California 94710 | 510.658.5633 | www.KoffAssociates.com



Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

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

2. Determination of Benchmark Classifications

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

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

In addition, we will collect staffing, organizational, and operational data from each comparator agency to gain an understanding of how other agencies staff their various functions and what staffing ratios look like in comparison to the infrastructure, services, and programs they support, as well as reviewing staff to management ratios and other best management practices.

Deliverable B. Data from Comparators and Preliminary Analysis of Data

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

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

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

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

2835 Seventh Street, Berkeley, California 94710 | 510.658.5633 | www.KoffAssociates.com



Classification and Compensation Study Proposal No. 2022-11B
City of Menifee

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

Staffing data will be analyzed by functional area and compared to the data gathered from each agency in order to identify trends and any staffing shortfalls, overruns, and best practices regarding insourcing and outsourcing of work.

Deliverable C. Draft Compensation Findings/Additional Analysis/Study Project Team Meetings

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

We will also share staffing information and our initial analysis to obtain input from City subject matter experts, especially when it comes to nuances of where the City's operations are unique compared to other agencies. We have learned over our many years of experience that every agency is unique and provides some specialized services and programs and/or manages and operates infrastructure that is unique compared to other agencies. All of those nuances will be taken into consideration when analyzing the data and therefore, feedback from the City will be critical.

Deliverable D. Analysis of Internal Relationships and Alignment

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

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

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

Deliverable E. Compensation Structure and Implementation Plan & Staffing Plan Development

Depending on data developed as a result of the internal analysis, we will review and make recommendations regarding internal alignment and the salary structure (set of salary ranges, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the City's preferred compensation model. We will also assist the City in developing a compensation

2835 Seventh Street, Berkeley, California 94710 | 510.658.5633 | www.KoffAssociates.com



Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

philosophy and practices relative to the surveyed public jurisdictions, if desired. Finally, we will develop a proposed implementation plan based on the study results and recommendations.

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

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

The process for developing a staffing plan will be similar, i.e., we will analyze market data and feedback received from City subject matter experts and will devise a staffing plan that makes recommendations regarding where City may be overstaffed, understaffed, where there are opportunities to create synergies in City's operations and work assignments, and where there may be opportunities to perform the work more efficiently and cost effectively by either outsourcing work or bringing currently contracted work inhouse.

Deliverable F. Final Report and Guidelines for Implementation

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

- An executive summary of the compensation study and staffing analysis results;
- A set of all market data spreadsheets;
- A proposed Salary Range Placement document;
- Methods used to determine appropriate salary ranges, methods for logical progression of movement within the salary scale for each classification, and other practices;
- A procedure to address employees whose base pay exceeds the maximum of their newly assigned pay range;
- Implementation issues and cost projections surrounding our recommendations; and
- A guide for rules, policies and procedures for the City in implementing, managing and maintaining the compensation system, as appropriate.

If the City prefers, we can of course develop two separate reports, one for the compensation study and one for the staffing study.

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

Deliverable G. Formal Appeals Process

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

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Deliverable H. Final Presentation

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

Koff & Associates proposed approach has been used successfully in working our large diverse clients for over 38 years. Proof of this can be seen in the list of references we provide in the References section of this proposal.

EMPLOYEE ENGAGEMENT

K&A approaches the need for employee engagement by addressing the needs of the City and create an implementation plan that ensures:

- employee engagement efforts meet the objectives and timeline of the City,
- develop and implement an employee engagement survey to assess staff understanding of the City's mission, goals and workplan,
- and develop an actionable assessment based on the survey that management can use to enhance employee engagement, work processes, and overall City morale.

K&A is well suited to develop and implement an employee engagement survey with the goal of assessing staff understanding of their engagement in fulfilling the City's functions; obtaining staff feedback on current engagements; assessing staff readiness for any upcoming City changes; and other engagement questions. Identifying current levels of engagement and addressing issues and opportunities that can enhance engagement could be included in an action plan.

K&A typically utilizes an online survey tool to assess what works and what doesn't work in the organization, which we suggest having completed anonymously by all City employees.

K&A will work with City staff to design an employee engagement survey that ensures all desired topics are covered. Often the surveys we design include questions along the following topics (we note there are many other variations and questions that can be included based on the City's needs):

- Clarity around job responsibilities, reporting relationships, assignments, areas of focus, etc.
- Workload distribution, adequacy of staffing levels, duplication of work, efficiencies, etc.
- Communication, including among staff, among management, and between staff and management and between different departments and work units.
- Teamwork, cooperation, collaboration, the sharing of information, sensitive concerns, etc.
- Trust between staff and supervisors, level of staff's comfort to bring ideas and issues to management; level of respect staff perceives from management; resolution of interpersonal conflicts; etc.
- Clarity around organizational and departmental goals; level of staff involvement in setting goals; awareness of the agency's mission and strategic initiatives; etc.
- Availability of resources, technical, financial and others; training and development; etc.



❖ Expectations of City Support:

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

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

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

❖ Communication with the City:

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

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

❖ Post-Implementation Consultation and Support:

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

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

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



❖ Stakeholder Engagement:

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

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

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

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



COST PROPOSAL

We have often found our process requires a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with employees, employee representation, management, and the governing body. The time we commit to working with the employees (orientations and briefings, meetings with employees via personal interviews, sharing of compensation survey data, 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 only had a handful of formal appeals to any of our studies in our 38 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 38 years of experience working with employees of all types of backgrounds, educational levels, and work experiences, and we are accustomed to successfully communicating with and educating them throughout the process. It is imperative that all employees eventually buy into the study results and recommendations, whether they have been through a process like this before or whether this is the first time for them.

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

For purposes for this cost proposal, we assume that, due to COVID-19, all meetings and presentations will be conducted virtually and not onsite travel will occur. We have several technological solutions that can easily facilitate the entire process. Of course, if the travel situation should change, we are more than happy to travel onsite to City offices, as needed, and adjust our cost proposal accordingly.

Due to COVID-19, K&A and all of our clients have become accustomed to conducting all of our organizational, classification, and compensation studies virtually. From the experience of the last year-and-a-half, we have learned that studies can be conducted successfully by using virtual and remote technologies. We have also learned that this represents a significant cost savings for our clients, both in terms of consultant travel time and travel expenses, as well as less disruption and reduced non-productivity for the client's workforce. We have several technological solutions that can easily facilitate the entire process (see proposal narrative above). Conducting meetings and orientations virtually means that the client's employees do not have to spend time traveling from one location to another and will not be pulled away from their workstations for lengthy periods of time. They can simply click on a link or call in from a phone to participate. This approach also represents significantly less logistical planning on part of the client in order to reserve meeting rooms and making space available for large employee groups, as



Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

well as multiple consultants coming onsite to conduct interviews within a condensed period of time. Conducting orientations and interviews virtually provides us with much more flexibility in scheduling and accommodating multiple different shifts and schedules among a large workforce.

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

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

Deliverables	Phase 1: Classification Study	Option 1: Hours	Option 2: Hours
	95 Classifications, 219 Full-time Employees 5 Classifications, 55 Part-time Employees 13 Executive Classifications, 13 Executive Employees 12 New Classifications		
A.	Meetings with Study Project Team and Management Staff and Initial Documentation Review	24	24
B.	Orientation Meetings with Employees and Distribution of PDQ	24	24
C.	Collection and Review of PDQs <i>Option 1: Assumes 1 individual or group PDQ for each of the 125 plus 20% of approximately 287 full-time and part-time employees submitting individual PDQs (for a total of approximately 185 PDQs)</i> <i>Option 2: Assumes 1 individual or group PDQ for each of the 125 classifications plus 30% of approximately 287 full-time and part-time employees submitting individual PDQs (for a total of approximately 215 PDQs)</i>	65	75
D.	Interviews with Employees, Supervisors, and Management <i>Option 1: Assumes 1 individual or group interview per each of the 125 classifications plus 20% of approximately 287 full-time and part-time employees requesting individual interviews (for a total of approximately 185 interviews); plus additional interview time to delve into staffing/workload issues</i> <i>Option 2: Assumes 1 individual or group interview per each of the 125 classifications plus 30% of approximately 287 full-time and part-time employees requesting individual interviews (for a total of approximately 215 interviews); plus additional interview time to delve into staffing/workload issues</i>	150	170
E.	Classification Concept & Preliminary Allocation	75	85
F.	Draft Class Description Development (up to 125 classifications)	315	315
G.	Facilitation of Draft Class Description Review and Employee Feedback Process	95	95

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Classification and Compensation Study Proposal No. 2022-11B

City of Menifee

H.	Classification Plan and Draft of Interim Report and Final Report	16	16
	Total Professional Hours – Classification	764	804
	Combined professional and clerical composite rate: \$170/Hour	\$129,880	\$136,680
Deliverables	PHASE II: Base Compensation Study & Staffing Review	Option 1: Hours	Option 2: Hours
A.	List of Comparator Agencies, Benchmark Classifications	20	20
B.	Data from Comparators and Preliminary Analysis of Data <i>Option 1: up to 75 benchmarks (60% of classes); 10 comparators; and base salaries only, no benefits; plus staffing and organizational structure data collection</i> <i>Option 2: up to 82 benchmarks (65% of classes); 12 comparators; and base salaries only, no benefits; plus staffing and organizational structure data collection</i>	200	255
C.	Draft Compensation Findings/Additional Analysis/Study Project Team Meetings	35	45
D.	Analysis of Internal Relationships and Alignment	16	16
E.	Compensation Structure and Implementation Plan	24	24
F.	Final Report and Guidelines for Implementation	36	40
G.	Formal Appeals Process *	0	0
H.	Final Presentation	10	10
	<i>Anticipated hours for additional unscheduled meetings and phone calls</i>	16	20
	Total Professional Hours – Compensation	357	430
	Combined professional and clerical composite rate: \$170/Hour	\$60,690	\$73,100
	Expenses are included in the composite hourly rate:	N/A	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage, parking, meals, etc.</i>		
	TOTAL PROJECT COST NOT TO EXCEED:	\$190,570	\$209,780
	<i>*Additional consulting will be honored at composite rate (\$170/hr)</i>		

Deliverables	Employee Engagement	Hours
	Conduct Employee Engagement Survey	85
	Total Professional Hours – Compensation	85
	Combined professional and clerical composite rate: \$170/Hour	\$14,450
	Expenses are included in the composite hourly rate:	N/A
	<i>Expenses include but are not limited to duplicating documents, binding reports, phone, supplies, postage, parking, meals, etc.</i>	
	TOTAL PROJECT COST NOT TO EXCEED:	\$14,450
	<i>*Additional consulting will be honored at composite rate (\$170/hr)</i>	

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