

**REPORT****DATE ISSUED:** November 13, 2008**REPORT NO:** HCR 08-122**ATTENTION:** Chair and Members of the Housing Commission  
For the Agenda of November 21, 2008**SUBJECT:** Classification and Compensation Study Contract**REQUESTED ACTION:**

That the Housing Commission approve the contract with Koff & Associates, Inc. to initiate the Housing Commission Classification and Compensation study in the amount of \$95,000.

**STAFF RECOMMENDATION:**

Approve the contract between the Housing Commission and Koff & Associates for an amount not to exceed \$95,000, and approve a budget revision to provide funding in the appropriate FY 2009 budget line item.

**BACKGROUND:**

The last Housing Commission classification and compensation study was conducted in 1998 by Rewards Strategy Group, Inc. Subsequent studies are generally required to maintain a competitive compensation and salary structure program. In an effort to assess the relevancy of the agency's current classification and compensation program, a new study is needed. The study will assist in identifying and addressing potential recruitment and retention issues; create a comprehensive and objective approach for classification analysis; assist in the creation of career development ladders and identify internal/external salary inequity issues. This study will support the goal in the Housing Commission's FY 2009 - 2011 Business Plan of becoming an "Employer of Choice" by maintaining a competitive position in the employment market.

On July 7, 2008, the Request For Proposal (RFP) process was initiated. A pre-bid conference for potential consultants was conducted on July 17, 2008. Proposals from interested consultants were due on August 29, 2008. A total of nine (9) consultants submitted proposals to the Housing Commission for this project. The proposals were reviewed by the Evaluation Panel on September 15, 2008 and evaluated based on qualifications, experience of firm and overall ability to meet scope of services requirements. Four (4) consultants were selected according to criteria in the RFP and based on group consensus by the Evaluation Panel. The four (4) firms were invited to do presentations for the Evaluation Panel on September 23, 2008. Subsequently, two (2) firms were selected as finalists and proceeded to the next phase of the selection process with the Executive Vice President & Chief Operating Officer and Director of Business Services. The final selection was made which resulted in the recommendation of Koff & Associates, Inc. Koff & Associates is a majority woman-owned public-sector human resources consulting firm that was founded in 1984, and has been assisting entities for the past 24 years, including cities, special districts, counties (including housing authorities), courts, non-profits (including affordable housing services) and for-profit organizations. The firm's areas of focus include compensation and classification studies, which comprise over 70% of its workload.

The study will require an overall review of each department; an analysis of existing job functions and positions within each department; a review of the position specifications for each position; a review of the Commission's pay plan; and a review of comparable positions in other jurisdictions and private industry, where appropriate. This analysis will provide the agency with comprehensive information in relationship to job titles and salary structure.

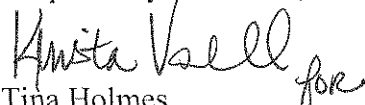
The classification and compensation study will be conducted in three (3) phases and in approximately a six-month period of time. The initial phase will focus on classification and job titles which will consist of obtaining position questionnaires from all Housing Commission staff. This phase will ensure that staff thoroughly participates in the initial data gathering phase. The second phase will focus on compensation analysis which will consist of obtaining salary and benefits information from local and comparator agencies. The last phase will focus on recommendations and implementation.

Koff & Associates will provide post implementation support to the Housing Commission to maintain consistency in future position development and salary setting processes.

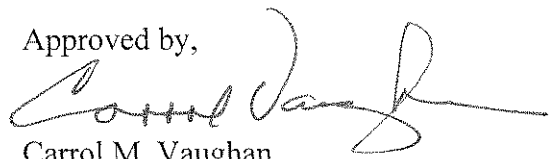
**FISCAL CONSIDERATIONS:**

This study will require a budget revision/amendment of \$95,000 which will cover the costs for this project. The last phase (recommendations/implementation) may have fiscal impact for FY10.

Respectfully submitted,

  
Tina Holmes  
Human Resources Officer

Approved by,

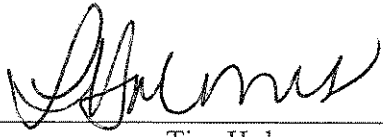
  
Carrol M. Vaughan  
Executive Vice President &  
Chief Operating Officer

Attachments:

1. Contract
2. Auditor Certificate

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at [www.sdhc.org](http://www.sdhc.org).

DRAFT APPROVAL

  
Tina Holmes

**San Diego Housing Commission**  
**AGREEMENT FOR**  
**Classification and Compensation Study**

**WITH**

**Koff and Associates, Inc.**

**(SERVICES, MATERIALS, SUPPLIES OR CONSULTING UNDER \$100,000)**

**THIS AGREEMENT**, entered into this 21<sup>st</sup> day of November 2008,

Between the COMMISSION:

San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, California 92101  
619.578.7711

And the CONTRACTOR:

Koff and Associates, Inc.  
6400 Hollis Street Suite 5  
Emeryville, CA 94608

Is as follows:

101. Specifications and Scope of Services – Contractor (Firm) shall provide the following services, supplies and/or materials to the Commission. The firm shall perform and complete the classification and compensation study within the agreed upon time frame. The following items must be specifically addressed:

- Review job titles and job specifications against private industry standards and similar public agencies.
- Review as to whether job titles and pay are consistent with industry standards and similar public agencies.
- Review supervisory classifications, levels, and span of control.
- Provide an implementation and migration plan for transitioning to the new compensation program.
- Provide post implementation support and consultation.

Additional description of work, if any, is contained in Attachment 101 and Exhibit A.

102. Time of Performance - All services required pursuant to this agreement shall commence effective November 21, 2008, and continue through November 21, 2009. The original term of this agreement may be extended on the same terms and conditions of this agreement for an

additional period not to exceed ninety (90) days, by a written notice from the Chief Executive Officer of the Commission to the firm, served before the expiration of the original term of the agreement. This ninety (90) day extension provision is in addition to options, if any, referenced in Attachment 102.

Option(s) to extend, if any, is/are contained in Attachment 102.

103. Compensation and Work Schedule - The total compensation for all services performed and/or materials and goods supplied pursuant to this agreement shall not exceed the sum of Eighty Nine Thousand Nine Hundred Fifty Dollars (\$89, 935.00). Firm acknowledges that the Commission is under no obligation to compensate firm for services rendered, goods and materials supplied, or expenses accrued under this agreement in excess of the maximum compensation specified above. Payment shall be made after submission of invoices and within thirty (30) days of submission, if approved by the Commission.

Additional compensation terms, if any, are contained in Attachment 103.

104. Contract Requirements. Firm agrees to comply with the applicable State and Federal requirements, covenants and conditions (hereinafter "requirements") listed on pages 4, 5, 6 and 7 of this agreement. Full copies of these are available in the offices of the Commission. If the source of funding for this agreement is, in whole or in part, from Federal funds, as referenced below, then all of the requirements referenced on pages 4, 5, 6 and 7 shall be applicable. If Federal funds are not used, then the Federal requirements referenced on pages 4, 5, 6 and 7 shall not be applicable, but the remaining requirements shall apply in the execution and performance of this agreement.

The source(s) of funds for this agreement is/are:  Federal  Non-Federal

105. Insurance Requirements - Firm shall obtain single limit general liability insurance and automobile liability insurance in the minimum amount checked and initialed below. If nothing is checked or indicated below, the limit shall be One Million Dollars (\$1,000,000).

- None required
- \$300,000.00
- \$1,000,000.00
- \$ \_\_\_\_\_

Initials \_\_\_\_\_

Initials \_\_\_\_\_

This coverage is in addition to Workers Compensation insurance and other insurance coverage required by law. The Housing Authority of the City of San Diego ("Authority"),

the Commission and the City of San Diego ("City") shall be named as certificate holders on all insurance policies and shall be named as additional insured on all general liability and automobile policies. The policies shall provide coverage on all policies and may not be canceled, amended, terminated or otherwise modified without thirty (30) days advance written notice to the Authority, the Commission and the City. Coverage shall remain in full force and effect during the entire term of the policy and for such term thereafter as the Commission shall determine.

If the box shown below marked "Errors and Omissions" is checked and initialed, then professional errors and omissions liability coverage is also required in the amount stated below:

Errors and Omissions \$1,000,000.00

Initials \_\_\_\_\_

106. Facsimile Approval by General Counsel. Approval of the form of this agreement and the attachments, if any, may be in the form of a facsimile approval by General Counsel for the Commission. The approval may be executed in counterpart and attached to the original agreement.

IN WITNESS WHEREOF, the parties have caused this agreement to be executed on the day and year first above written.

Commission:

Firm:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Charles B. Christensen  
General Counsel  
San Diego Housing Commission

## General Provisions

1. **Preference for Domestic Materials.** Wherever possible in the performance of this agreement, only unmanufactured materials produced in the United States, and only manufactured materials manufactured in the United States, manufactured substantially from materials produced in the United States shall be used in the performance of the agreement. Any person who fails to comply with such provision shall not be awarded any contract to which this article applies for a period of three (3) years from the date of the violation. (GOVT CODE - 4304).
2. **Preparation of Written Reports or Documents.** Provided that the total cost for work performed by firm exceeds Five Thousand Dollars (\$5,000) and requires preparation of any document or written report prepared for or under the direction of the Commission, which is prepared in whole or in part by firm or its agents, the document or written report shall contain the numbers and dollar amounts of all contracts and subcontracts relating to the preparation of such document or written report. The contract and subcontract numbers and dollar amounts shall be contained in a separate section of such document or written report. (GOVT CODE -7550).
3. **Equal Opportunity.** During the performance of this agreement, firm shall comply with all applicable local, State and Federal Equal Opportunity Programs, as well as any other applicable local, state and federal laws. Firm shall not discriminate against any person, employee or applicant for employment, or otherwise, because of race, color, religion, ancestry, gender, disability, national origin, or any other basis prohibited by law. Firm shall ensure that applicants for employment and employees are treated equally without regard to their race, color, religion, ancestry, gender, disability, national origin, or any other illegal classification. (GOVT CODE 12990).
4. **Notice of Regulations and Requirements Pertaining to Reporting.** Firm's performance under this agreement is subject to State and Federal regulations. Firm hereby agrees to comply with all applicable requirements pertaining to reports or documentation required under the terms of this agreement, if any.
5. **Contract Work Hours and Safety Standards Act.** In the event firm's performance of this agreement entails the use of laborers or mechanics, and the agreement is for more than the sum of \$2,500, and uses Federal funds, then firm shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40USC 327-339) as supplemented by Department of Labor regulations (29CFR Part 5).
6. **Patents and Copyrights.** The Commission hereby reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for government purposes any patents and/or copyrights in any work developed under this agreement. The Commission shall have exclusive ownership of, all proprietary interest in, and the right to full and exclusive possession of all information, materials, and documents discovered or produced by firm pursuant to the terms of the agreement, including, but not limited to, reports, memoranda or letters concerning the research and reporting tasks of the agreement.
7. **Access to and Retention of Records.** firm hereby grants access to "HUD", the United States Department of Housing and Urban Development, the Comptroller General of the United States, the City, the Authority, Commission, or their duly authorized representatives, to any books, documents, papers and records of the firm which are directly pertinent to this specific agreement for the purposes of audits, examinations, excerpts and transcriptions. Firm agrees to retain any such records and documents for three (3) years from the date of final payment under this agreement.
8. **Energy Conservation.** Provided this agreement uses Federal funds, firm hereby certifies compliance with the mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).
9. **Termination for Cause or Convenience.** Commission may terminate this contract in whole, or from time to time in part, for Commission's convenience or the failure of firm to fulfill the contract obligations (cause/default). Commission shall terminate by delivering to the CONTRACT a written notice of termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, firm shall: (1) immediately discontinue all services affected (unless the notice directs otherwise) and (2) deliver to Commission all information, reports, papers, and other materials accumulated or generated in performing the agreement, whether completed or in process. If the termination is for Commission's convenience, Commission shall be liable only for payment for services rendered before the effective date of termination. If the termination is due to the failure of firm to fulfill its obligations under the agreement, Commission may (1) require firm to deliver to it, in the manner and to the extent directed by the Commission, any work described in the notice of termination; (2) take over the work and prosecute the same to completion by firm or otherwise, and firm shall be liable for any additional cost incurred by Commission; and (3) withhold any payments to CONTRACTOR, for the purpose of set-off or partial payment, as the case may be, of amounts owed CONTRACTOR by COMMISSION. In the event of termination for cause or default, Commission shall be liable to firm for reasonable costs incurred by firm before the effective date of the termination. This agreement may be terminated without notice, by the Commission, upon the cessation of funding of the state, local or federal program, which funds this agreement.
10. **Status of firm.** This agreement calls for the performance of the services, work and/or supplying goods and/or materials by the firm as an independent firm. Firm will not be considered an employee of the Commission for any purpose.

11. **Conflict of Interest.** For the duration of this agreement, the firm will not act as a consultant or perform services of any kind for any person or entity which would conflict with the services to be provided herein, or place the firm in positions adverse, hostile or incompatible with the interests of the Commission, the Authority, or the City.

12. **Firm's Liability.** Firm shall be responsible for all injuries to persons and for all damages to real or personal property of the Commission or others, caused by or resulting from the negligence of itself, its employees, or its agents during the progress of or connected with the rendition of services hereunder. firm shall indemnify and hold harmless the Commission, Authority, City, and all officers and employees of each agency from and against any and all liability, claims, costs (including reasonable attorney's fees), damages, expenses and causes of action for damages to real or personal property, or personal injury to any person(s) resulting, in whole or in part, from the negligence of firm, its employees or its agents; or for any breach of any obligations, duties or covenants of firm under this agreement or transactions related to it.

13. **Subcontracting/Assignability.** No services or work covered by this agreement may be subcontracted, nor may any interest in this agreement be assigned or transferred (whether by assignment or notation) without the prior written approval of the Commission.

14. **Insurance.** firm shall maintain all insurance required by State and Federal law including, but not limited to, Worker's Compensation, public liability and property damage insurance, and automobile liability insurance as referenced in Section 105, hereof. The Commission shall be named as an additional insured on all policies and shall receive thirty (30) days advance notice prior to the cancellation of or amendment to any such policies. The Commission, Authority, and City, shall be named as certificate holders on all insurance policies and shall be named as additional insured on all general liability and automobile policies. The policies shall provide that coverage on all policies may not be canceled, amended, terminated or otherwise modified without thirty (30) days advance written notice to the Commission, Authority, and City. Coverage shall remain in full force and effect during the entire term of the policy and for such term thereafter as the Commission shall determine.

15. **agreement Governed by Law of State of California.** This agreement and its performance and all suits and special proceedings under this agreement shall be construed in accordance with the laws of the State of California and the United States of America.

16. **Interest of Member of Congress.** No member or delegate to the Congress of the United States of America or Resident Commissioner shall be admitted to any share, or part of this agreement, or to any benefit to arise there from, but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

17. **Interest of Current or Former Members, Officers, Employees.** No member, officer or employee of the Commission, no member of the governing body of the locality in which the work is situated, no member of the governing body in which the Commission was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, shall, during his or her tenure, or for one (1) year thereafter, have any interest, direct or indirect, in this agreement or the proceeds thereof. Any violation of this section shall result in unilateral and immediate termination of this agreement by the Commission.

18. **Drug-free Workplace.** Firm shall certify to the Commission that it will provide a drug-free workplace and will comply with all State and Federal requirements pertaining to maintenance of a drug-free workplace.

19. **HUD Section 3 agreement Clauses (if agreement funded with Federal funds and as applicable).**

(a) The work to be performed under this agreement is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

(b) The parties to this agreement agree to comply with HUD's regulations in 24 CFR parts 135, which implement Section 3. As evidenced by their execution of this agreement, the parties to this agreement certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

(c) The firm agrees to send to each labor organization or representative of workers with which the firm has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the firm's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

(d) The firm agrees to include the Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the sub contractor is in violation of the regulations in 24 CFR part 135. The firm will not subcontract with any sub-contractor where the firm has notice or knowledge that the sub-contractor has been found in violation of the regulations in 24 CFR parts 135.

(e) The firm will certify that any vacant employment positions, including training positions, that are filled (1) after the firm is selected but before the agreement is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the firm's obligations under 24 CFR part 135.

(f) Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this agreement for default, and debarment or suspension from future HUD assisted contracts.

(g) With respect to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this agreement. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment subcontracts shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this agreement that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).

**20. Lobbying Provisions.** firm hereby certifies to the Commission, under penalty of perjury, under the terms of applicable federal law, that at all applicable times before, during and after the term of the agreement, that:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative Contract, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative Contract;

(b) If any funds other than Federal appropriated funds have been paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal agreement, grant, loan or cooperative Contract, it will complete and submit Standard Form-LLE, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(c) firm will require that the above stated language be included in the award documents for all sub-awards at all tiers, including sub-contracts, sub-grants, loans, contracts, and cooperative Contracts concerning the subject matter of this agreement; and

(d) Further, firm and all sub-recipients, at all times, shall certify compliance with the provisions of 31 USC 1352 and any and all terms and conditions of the Byrd Anti-Lobbying Amendment, as amended from time to time.

**21. Entire Agreement.** This agreement represents the sole and entire agreement between the Commission and firm and supersedes all prior negotiations, representations, agreements, arrangements or understandings, either oral or written, between or among the parties hereto, relating to the subject matter of this agreement, which are not fully expressed herein. No waiver, alteration, or modification of any of the provisions of this agreement shall be binding unless in writing and signed by a duly authorized representative of both the Commission and firm.

**22. Attorneys' Fees and Costs.** The prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and reasonable attorney's fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("C.C.P.") Sections 1717, 1032, 1033 and 1033.5 and any other applicable provisions of California law, including, without limitation, the provisions of C.C.P. Section 998.

**23. Disputes.** Provided that any source of funds for this agreement is obtained from Federal sources, then this agreement shall be subject to the Contract Disputes Act of 1978, as amended, (41 U.S.C. 601-613), and except as expressly otherwise provided in the Act, all disputes arising under or relating to this agreement shall be resolved under the terms of this clause by litigation in State Court. If this agreement is solely funded from Non-Federal funds, then all disputes shall be resolved by litigation in San Diego County Superior Court, Downtown Branch, after first attempting resolution of the dispute through non-binding mediation.

**23. Procurement of Recovered Materials (if agreement funded with Federal funds and as applicable).** In accordance with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, firm shall procure items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest



percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. firm shall procure items designated in the EPA guidelines that contain the highest percentage of recovered materials practicable unless firm determines that such items: (1) are not reasonably available in a reasonable period of time; (2) fail to meet reasonable performance standards, which shall be determined on the basis of the guidelines of the National Institute of Standards and Technology, if applicable to the item; or (3) are only available at an unreasonable price. This clause shall apply to items purchased under this agreement where: (1) firm purchases in excess of \$10,000 of items for use under this agreement; or (2) during the preceding Federal fiscal year, firm: (i) purchased any amount of the items for use under a contract that was funded with Federal appropriations and was with a Federal agency or a State agency or agency of a political subdivision of a State; and (ii) purchased a total of in excess of \$10,000 of the item both under and outside that contract.

**24. Labor Provisions.** It is the responsibility of the firm and the firm shall be fully aware of and shall comply with each and every requirement of State, Federal and Local law concerning the provision of labor concerning this agreement, including but not limited to, the payment of applicable wage rates, if any.

**25. Notices.** Notices to the parties shall, unless otherwise requested in writing, be sent to the Commission and the firm at the addresses stated on page 1.

Commission:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Charles B. Christensen  
General Counsel  
San Diego Housing Commission

Firm:

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

ATTACHMENT SECTION 101

**SPECIFICATIONS AND SCOPE OF SERVICES**

When, and as directed by the Commission, the firm shall provide the following consulting services:

- Review and ensure adequate understanding of all current documentation, rules, regulations, policies, procedures, class descriptions, organizational charts, and related information so that the new plan can be operationally incorporated with a minimum of disruption;
- Conduct a start-up project team meeting to finalize study plans and timetables
- Conduct employee orientation session(s) with management and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- Work collaboratively and effectively with the agency and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- Document all steps in the process and provide documentation and training for management in both classification and compensation methodologies so that the agency can integrate, maintain, and administer the plans after the initial implementation.
- Provide effective ongoing communications throughout the duration of the project and continued support after implementation for up to one (1) year.

Commission:

Firm:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Charles B. Christensen  
General Counsel  
San Diego Housing Commission

**ATTACHMENT SECTION 102**

**TIME OF PERFORMANCE  
ADDITIONAL TERMS OF THE CONTRACT**

The Commission may, at its election, extend this agreement's term for two (2) additional one (1) year term(s), by giving written notice of the election to extend the agreement to the firm in advance of the expiration of the prior term of the agreement. The compensation to be paid the firm during the extended term, if any, shall be compensation set during the base year of the agreement.

Nothing contained in this Section 102 shall require the Commission to exercise any or all of the options to extend the term of the agreement. The options exist in favor of the Commission, at its sole option. All other terms and conditions of the agreement during the option period(s) shall be as set forth in the agreement and shall be un-amended by the exercise of any option granted herein. The options granted herein are in addition to the ninety (90) day option to extend set forth in Section 102 on Page 1. This continuation of the time for performance provision is in addition to the provisions set forth in Page 1 of this agreement and is expressly incorporated into the agreement.

Commission:

Firm:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Charles B. Christensen  
General Counsel  
San Diego Housing Commission

**ATTACHMENT SECTION 103**

**COMPENSATION AND WORK SCHEDULE**

Commission shall pay Firm for the services to be performed hereunder at an hourly rate. Firm shall submit an invoice to the Commission specifying the amount due for the services performed by the firm.

Invoices shall be directed to the following:

San Diego Housing Commission  
 Attn: Christine Liptak  
 1122 Broadway, Suite 300  
 San Diego, CA 92101

Invoices for payment shall contain written documentation from the firm certifying that the payment requested is for work performed in accordance with the provisions of the agreement. The invoice will:

- (1) Describe the services performed in detail
- (2) Indicate the hours worked to perform such services

Estimated Charges:

<b>PHASE I:</b>	<b>Classification Study</b>	<b>Hours/Cost</b>
A/B.	Document Review/Kick-off/Project Team/Orientation Meetings	20
C.	Review of Current Processes and Procedures and Organizational Structure/Selection of Comparator Agencies	20
D.	Position Description Questionnaire Review Individual Position Description Questionnaires (PDQ's) per employee (approx. 231)	52
	Employee/Supervisor/Dept. Head Interviews Representative sample per class plus 30% individual	115
E.	Classification Concept/Preliminary Allocation Development	24
F.	Class Description Development (approx. 65)	160
G.	Employee/Supervisory Review/Informal Appeal Process and Review	40
H.	Interim/Final Report Preparation	16
	<b>Total Professional Hours Phase I</b>	<b>447</b>
	Combined professional and clerical composite rate Phase I: <b>\$95/Hour</b>	<b>\$42,465</b>
<b>PHASE II:</b>	<b>Compensation Study</b>	
A.	Identify Comparator Agencies/Benchmark Positions/Benefits & Meetings	8
B.	Compensation Data Collection: 50 benchmarks, 12 comparator agencies	112
C.	Analysis and Preliminary Data Review	60
D.	Draft Findings/Additional Analysis/Project Team Meeting	32
E.	Internal Job Analysis/Internal Alignment	12
F.	Salary Structure Development and other Compensation Recommendations	8
	<b>Total Professional Hours Phase II</b>	<b>232</b>
	Combined professional and clerical composite rate Phase II: <b>\$95/Hour</b>	<b>\$22,040</b>

PHASE III:	Implementation and Support	
A.	Implementation Recommendations/Strategies/Training	30
B.	Interim/Final Report Development	16
D.	Final Presentation	8
E.	Anticipated additional meetings	16
F.	Post-Implementation Consultation and Support *	124
<b>Total Professional Hours Phase III</b>		<b>194</b>
Combined professional and clerical composite rate: <b>\$95/Hour</b>		<b>\$19,190</b>
<b>Total Professional Hours for all phases</b>		<b>873</b>
Combined professional and clerical composite rate: <b>\$95/Hour</b>		<b>\$82,935</b>
<b>EX[EMSES:</b>	Expenses include but are not limited to duplicating and binding documents and reports, phone, supplies, FAX, postage, mileage, hotels, air fare, per diem, etc.	<b>\$7,000</b>
<b>TOTAL FOR PROJECT:</b>		<b>\$89,935</b>
*Additional consulting will be honored at composite rate of \$95/hr. Consulting performed past the original contract will be honored at our composite rate of \$95/hr. plus a CPI adjustment agreed to by SDHC and K&A.		

Commission:

Firm:

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

By: \_\_\_\_\_

Date: \_\_\_\_\_

Charles B. Christensen  
General Counsel  
San Diego Housing Commission

**EXHIBIT A**

**PROPOSAL**

**For A**

**COMPREHENSIVE CLASSIFICATION  
AND TOTAL COMPENSATION STUDY**

**FOR THE**

**SAN DIEGO HOUSING COMMISSION**

**Submitted by:**

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

**510.658.KOFF (5633) - voice  
800.514.5195 - toll free  
510.652.5633 - fax**

**E-mail: [gkrammer@koffassociates.com](mailto:gkrammer@koffassociates.com)**

**Contact Person  
Georg Krammer  
Chief Executive Officer**

Ms. Lori J. Brierre  
San Diego Housing Commission  
1122 Broadway, Suite 300  
San Diego, CA 92101

Dear Ms. Brierre:

Thank you for including us in your Request for Proposal process. We are most interested in assisting the San Diego Housing Commission with this important study.

Koff & Associates is an experienced public-sector consulting firm that has been conducting similar studies for cities, counties (including housing authorities), special districts, courts, non-profit (including affordable housing services), and for-profit organizations for over 24 years. Koff & Associates, Inc. has achieved a reputation for working successfully with management, employees, and union representatives. We believe in a high level of dialogue and input from employees and management and our proposal speaks to that level of effort. That extra effort has resulted in close to *100% implementation* of all of our classification and compensation studies.

In addition, we have conducted compensation studies in the recent past that included the San Diego Housing Commission as a participating comparator agency and are therefore somewhat familiar with your classification and compensation structures and plans. We are also currently assisting the Housing Commission with its Human Resources Policies and Procedures and are therefore familiar with the Housing Commission's current regulations and its bargaining MOU.

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

As Chief Executive Officer of the firm, I would assume the role of Project Director and be responsible for the successful completion of this project. I can be reached at the Emeryville address and phone number listed below. My e-mail address is: [gkrammer@koffassociates.com](mailto:gkrammer@koffassociates.com).

Please call if you have any questions or wish additional information. We look forward to the opportunity of providing professional service to the Housing Commission.

Sincerely,

Georg S. Krammer  
Chief Executive Officer

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**PROPOSAL  
For A  
COMPREHENSIVE CLASSIFICATION  
AND TOTAL COMPENSATION STUDY  
FOR THE  
SAN DIEGO HOUSING COMMISSION**

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Attached – Sample Work Products

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## UNDERSTANDING OF THE PROJECT

The San Diego Housing Commission desires human resources consulting assistance to conduct a comprehensive classification and total compensation (salaries and benefits) study for all Housing Commission positions. The Housing Commission currently has two hundred thirty-one (231) employees and two hundred and forty-three (243) full-time authorized positions allocated to approximately sixty-five (65) classifications.

The study's purpose is to initially conduct an analysis of current processes and procedures and of the effectiveness of the organizational structure.

Subsequently, we will develop a classification structure that reflects the Housing Commission's overall classification strategy and includes the clear definition of terms and the development of career ladders for full-time classifications. We will develop updated and objective classification descriptions for all study positions that are legally compliant, internally aligned, reflective of contemporary standards, and accurately reflect current roles, responsibilities, duties, and qualifications. The final work product will be an integrated organizational structure that will allow for potential future agency growth, career growth, and effective customer service delivery. The process includes an orientation and briefing with employees, management, and union representation; the completion of a questionnaire by employees; interviews with at least a representative sample of employees in each classification; and interviews with respective supervisors, managers, and department heads to address any classification issues. All employees will be allocated to an appropriate classification and draft classification descriptions will be developed and sent back to the Housing Commission and incumbents for additional feedback and concurrence.

A second level of effort will be to conduct a comprehensive total compensation market survey (base salaries plus benefits) using a set of appropriate public and private sector comparator agencies. It is understood that the identification of appropriate comparator agencies, benchmark classifications, and benefits to be collected will be an iterative process that will include all stakeholders. We have found this open discussion philosophy to be critical to our success for organizational buy-in. Once the external data development is completed, we will make specific recommendations for internal equity for non-benchmarked positions and/or positions that didn't have a large enough sampling of similar levels of responsibility elsewhere.

As a third and final phase, the compensation study will contain specific recommendations regarding a salary schedule and the integration of all study classifications into a clearly designed, internally equitable format that is flexible for career opportunity and future growth. Our study will make recommendations regarding a salary structure that takes the agency's compensation preferences into consideration and regarding the appropriate placement of each classification on that salary schedule. Recommendations will also be made regarding pay-for-performance programs, including various compensation options to recognize employees who are strong performance and to address issues of employees "topping out" within the current pay structure.

The study includes a significant number of meetings with management, employee representation, and staff, as well as the governing body. We have expertise in labor/ management relations and understand the importance of active participation by all stakeholders to ensure a successful outcome. The meetings and "stakeholder touch-points" that we recommend ensure understanding of the project parameters, enhance accurate intake and output of information and improve a collaborative and interactive approach that will result in greater buy-in for the study recommendations. This interactive approach, although time-consuming, has resulted in almost 100% implementation success of Koff & Associates' studies.

Our services will also include training sessions for key staff regarding classification and compensation concepts and methods and providing one (1) year of post-implementation consultation and support.

## EXHIBIT A

### STUDY OBJECTIVES

The objectives of the study are:

#### Classification Objectives

- To analyze current processes and procedures and the effectiveness of the organizational structure;
- To analyze and update the classification descriptions and structure through a comprehensive process of job analysis, 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 allocate each study position to the correct classification with appropriate FLSA designation and provide for growth and flexibility of assignment, where feasible;
- To recommend each study position for reclassification or title change, create new classifications (if applicable), eliminate outdated classifications (if applicable), and band together classifications assigned to similar functional areas (as appropriate);
- To provide a classification structure that ensures regulatory compliance as well as adequate career paths that will foster career service within the agency;
- 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 and after the study so that the plan can be implemented and maintained in a competent and fair manner.

#### Compensation Objectives

- To review and make recommendations regarding comparator agencies, benchmark classifications, and benefit elements to be collected prior to beginning the compensation portion of the study;
- To collect accurate salary and benefits data from the approved group of comparator agencies and to ensure that this information is analyzed in a manner that is clear and comprehensible to your governing body, management, union representation, and staff;
- To carefully analyze the scope and level of duties and responsibilities, requirements for successful work performance, and other factors for survey classes according to generally accepted compensation philosophy;
- To develop a compensation plan that will assist the agency to recruit, motivate, and retain competent staff;
- To recommend appropriate internal salary relationships and allocate classes to ranges in a comprehensive salary range plan;
- To develop alternative compensation options and pay-for-performance programs; and

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## EXHIBIT A

- To ensure sufficient documentation and training throughout and after the study so that the plan can be implemented and maintained in a competent and fair manner.

### Overall Objectives

- To review and understand all current documentation, rules, regulations, policies, procedures, class descriptions, organizational charts, and related information so that the new plan can be operationally incorporated with a minimum of disruption;
- To conduct a start-up project team meeting to finalize study plans and timetables; conduct employee orientation session(s) with management and staff in order to educate and explain the scope of the study and describe what are and are not reasonable study expectations and goals;
- To work collaboratively and effectively with the agency and its stakeholders while at the same time maintaining control and objectivity in the conduct of the study;
- To document all steps in the process and provide documentation and training for management in both classification and compensation methodologies so that the agency can integrate, maintain, and administer the plans after the initial implementation; and
- To provide effective ongoing communications throughout the duration of the project and continued support after implementation for up to one (1) year.

### QUALIFICATIONS OF THE FIRM

**Koff & Associates, Inc.** is a majority woman-owned public sector human resources consulting firm that was founded in 1984 and has been assisting cities, special districts, and counties for the past twenty-four (24) years. We are familiar with the various organizational structures, agency missions, operational and budgetary requirements, and staffing expectations.

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

*Specific client references are provided below.*

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

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

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## EXHIBIT A

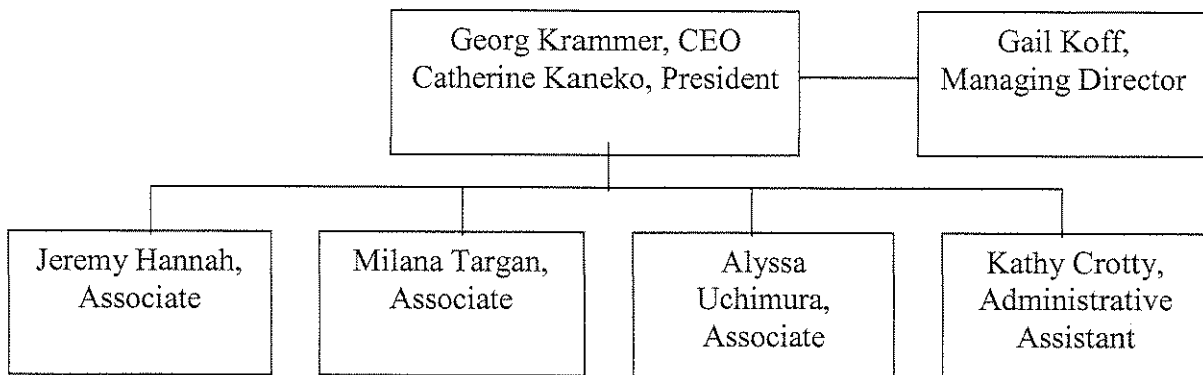
The firm's growing list of clients is indicative of its reputation throughout California as being a quality organization that can be relied upon for producing comprehensive, sound and cost-effective recommendations and solutions. Koff & Associates, Inc. has a reputation for being "hands-on" with an ability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

Koff & Associates, Inc. relies on our stellar reputation and on the recommendations and referrals of current clients to attract new clients. Our work speaks for itself and our primary goal is to provide professional and technical consulting assistance with integrity, honesty and a commitment to excellence. We invite you to contact anyone on the Client List as a referral.

### PROJECT TEAM

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

#### Organizational/Project Chart



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

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

Georg brings over eleven (11) years of management-level human resources experience to K&A with an emphasis in classification and compensation design; market salary studies; executive and staff recruitment; performance management; organizational development; and employee relations, in the public sector, large corporations and small, minority-owned businesses.

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

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Georg is our resident Project Manager for classification and compensation studies and will be assigned as the Project Director for this study to ensure close coordination of client needs throughout the project. Georg will be involved with all steps of the process, will attend all meetings with employees, management, and the Housing Commission, and will be the primary point of contact for the entire study.

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

Catherine brings over sixteen (16) years of management level human resources experience to Koff & Associates, Inc., both as a human resources director and as a management consultant in the hi-tech industry as well as the public sector. She has extensive experience in compensation including equity plans, survey design and reporting, recruitment in both the public and private sector; staffing; classification and job analysis; compensation and job evaluation techniques, employee relations, retention strategies, infrastructure development; coaching; policy and procedure development; mergers and acquisitions; change management and employee training.

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

Catherine's experience provides a broad knowledge of human resource management within diverse organizations. Her background provides her a strong ability to understand the big picture, identify problems and solutions, and effectively implement them. Her skill set complements our current consultant base with additional levels of service areas.

### **Gail Koff Managing Director**

Gail Koff, Principal of Koff & Associates, Inc. for 21 years and now the Managing Director, has over thirty (30) years of human resource management experience, 27 years of which have been serving the needs of public agencies. Gail's prior experience, after receiving her degree from Boston University, includes serving as the Personnel Director for one of California's largest sanitary districts, Central Contra Costa Sanitary District as well as the Personnel Director for the California College of Arts and Crafts.

She has spent the last twenty one (21) years in her own firm providing consulting assistance to cities, counties and special districts (housing, transit, water, wastewater, hospital, school, community service, air quality management, fire, etc.). She specializes in strategic development; labor/management issues; classification and job analysis; compensation design and pay for performance strategies; executive search; employee handbooks and policy direction; performance management; and organizational efficiency issues.

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

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

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### **Milana Targan** **Firm Associate**

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

Milana's experience includes working for a human resources consulting firm with a specialty in affirmative action as well as working for the California Public Utility Commission conducting job analysis, classification development, market salary analysis and human resource management program design. Since joining K&A, Milana is actively engaged in classification and total compensation studies and manages many of our executive search and recruitment activities.

Milana has extensive classification and compensation experience and has worked on numerous projects since she joined the firm.

### **Jeremy Hannah** **Firm Associate**

Jeremy earned his bachelor's degree in Psychology with a minor in General Management from California State Polytechnic University, Pomona and completed his Master of Science in Industrial/Organizational Psychology from San Francisco State University. After working for five (5) years in management in private organizations, Jeremy moved into the public sector to work for the California Public Utilities Commission performing job analysis, designing selection examinations, conducting employee opinion surveys, developing human resource selection examinations, and developing human resource management processes.

Jeremy has extensive class description development and data gathering and analysis experience and has completed numerous studies since joining the firm.

### **Alyssa Uchimura** **Firm Associate**

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

### **Kathy Crotty** **Administrative Assistant**

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

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## EXHIBIT A

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

**Marin County Housing Authority**  
Agency Classification/Compensation Study,  
completed May 2005.

**Contact: Ms. Marilyn Carreras**  
Chief Financial Officer  
(415) 491-2563  
4020 Civic Center Drive.  
San Rafael, CA 94903

**LINC Housing Corporation**  
Total compensation study, completed  
in October 2007.

**Contact: Ms. Kelly Saunders**  
Director of Operations and HR  
(562) 684-1130  
110 Pine Avenue, Suite 500  
Long Beach, CA 90802

**San Diego County Water Authority**  
Several total compensation studies over the  
course of the last three years.

**Contact: Mr. Malcolm Glover**  
Director of HR / Retired  
Contact information can be provided  
upon request.

**County of Tehama**  
Class and total compensation study,  
completed end of 2007.

**Contact: Ms. Michelle Schafer**  
Director of Support Services  
(530) 225-5348  
1450 Court St., Room 348  
Red Bluff, CA 96001

**City of Malibu**  
City-wide classification and compensation  
study completed in July 2006.

**Contact: Ms. Reva Feldman**  
Administrative Services Director  
(310) 456-2489 x224  
23815 Stuart Ranch Rd.  
Malibu, CA 90265

**City of Tulare**  
Comprehensive classification and total  
compensation study, recently completed.

**Contact: Ms. Margee Fallert**  
Administrative Services Director  
(559) 684-4203  
411 East Kern Avenue  
Tulare, CA 93274

**City of San Ramon**  
Retained for four separate engagements to  
conduct classification and compensation studies  
over a 12-year period; completed most recent  
class/comp study in January 2007.

**Contact: Mr. Herb Moniz**  
City Manager  
(925) 973-2532  
2228 Camino Ramon  
San Ramon, CA 94583

**City of Mission Viejo**  
City-wide classification and compensation  
study completed in 2006, and HR audit  
recently completed with ongoing assistance  
for implementation.

**Contact: Mr. Irwin Bornstein**  
Assistant City Manager  
(949) 470-3059  
200 Civic Center  
Mission Viejo, CA 92691

**We'd also like to mention that we're currently conducting a classification and compensation study for the City of Poway.**

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Additionally, we are in the midst of or have completed similar types of studies for the following agencies:

### Cities

City of Alameda  
City of Atherton  
City of Auburn  
City of Bellflower  
City of Brisbane  
City of Calistoga  
City of Capitola  
City of Citrus Heights  
City of Coachella  
City of Delano  
City of El Cerrito  
City of Emeryville  
City of Eureka  
City of Fortuna  
City of Foster City  
City of Fremont  
City of Galt  
City of Greenfield  
City of Hayward  
City of Hercules  
City of Indian Wells  
City of Lynwood  
City of Malibu  
City of Mill Valley  
City of Mission Viejo  
City of Napa  
City of National City  
City of Newman  
City of Orange  
City of Orinda  
City of Pacific Grove  
City of Paso Robles  
City of Perris  
City of Piedmont  
City of Pinole  
City of Pleasanton  
City of Poway  
City of Red Bluff  
City of Richmond  
City of Rio Vista  
City of Rocklin  
City of Sacramento  
City of San Juan Bautista  
City of San Luis Obispo  
City of San Ramon  
City of Santa Rosa  
City of Soledad

### Special Districts

Alameda County Transportation Authority  
Alameda County Water District  
Amador Water Agency  
Bay Area Water Supply & Conservation Agency  
Brookside Hospital  
Butte Air Quality Management District  
Calaveras County Water District  
Carmel Area Wastewater District  
Carpinteria Sanitary District  
Castro Valley Sanitary District  
Central Contra Costa Sanitary District  
Central Contra Costa Solid Waste Authority  
Central Marin Sanitation Agency  
Children's Hospital  
Coastside Water District  
Contra Costa County Retirement Association  
Contra Costa Transportation Authority  
Delta Diablo Sanitation District  
Dublin-San Ramon Services District  
East Bay Municipal Utility District  
East Palo Alto Sanitary District  
Fairfield-Suisun Sanitary District  
Feather River AQMD  
Goleta Sanitary District  
Greater LA County Vector Control District  
Groveland CSD  
Health Plan of San Mateo  
Ironhouse Sanitary District  
Lake Arrowhead CSD  
Las Gallinas Valley Sanitary District  
Madera Irrigation District  
Mammoth Community Water District  
Marina Coast Water District  
Mendocino Coast District Hospital  
Metropolitan Transit Commission  
Mid-Peninsula Water District  
Monterey Regional Waste Management District  
Napa Sanitation District  
Nipomo Community Services District  
Novato Sanitary District  
Ojai Valley Sanitary District  
Palos Verdes Library District  
Peninsula Traffic Congestion Relief Alliance  
Placentia Library District  
Port of Oakland  
Ross Valley Sanitary District  
San Diego County Water Authority

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City of South San Francisco  
City of Stockton  
City of Sunnyvale  
City of Tigard  
City of Tracy  
City of Tulare  
City of Twentynine Palms  
City of Walnut Creek  
Town of Apple Valley  
Town of Danville

### Counties

County of Alameda Housing Authority  
County of Butte  
County of Contra Costa  
County of Los Angeles  
County of Marin  
County of Marin Housing Authority  
County of Placer  
County of San Mateo  
County of Tehama

### Education

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

San Ramon Valley Fire District  
Sanitary District No. 5 of Marin County  
Santa Clara Valley Water District  
Sausalito–Marin City Sanitary District  
Solano County Water Agency  
Solano Transportation Authority  
South Coast Air Quality Management District  
South Coast Water District  
South Tahoe PUD  
Southeastern Economic Development Corp.  
State Water Contractors  
Stege Sanitary District  
Tiburon Sanitary District  
Trinity PUD  
Truckee Donner PUD  
Truckee Sanitary District  
West Bay Sanitary District  
West County Wastewater District  
Western Contra Costa County Transit Authority

### Courts

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

## WORK PLAN AND METHODOLOGY

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

We have found that, often times, our proposals address a very high level of time commitment, which sometimes results in a higher proposal cost. We believe that our methodology and implementation success rate is attributable to the significantly greater level of contact we have with the agency's governing body, union representation, employees, and management. The time we commit to working with the employees [Project Team meetings, orientation, employees via personal interviews, informal appeal process, etc.] results in a significantly greater buy-in throughout the process and very few, if any, formal appeals, at the end of the process.

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

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

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- 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 studies, even though elements of both studies 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 agency; thereby ensuring that the data developed from comparator agencies and classes is accurate.

Given these parameters, our approach would be as follows:

### PHASE I: CLASSIFICATION STUDY

<b>A. INITIAL DOCUMENTATION REVIEW/MEETING WITH CLASSIFICATION AND COMPENSATION STUDY TEAM/HOUSING COMMISSION</b>
---

This phase includes identifying the key client project team, contract administrator, and reporting relationships. Our team will meet with the Classification and Compensation Study Team to create the specific work plan and work schedule; reaffirm the primary objectives; determine deadline dates; determine who will be responsible for coordinating/scheduling communications with employees, management, and union representation; and develop a timetable for conducting the same. Also included will be the gathering of written documentation including identifying the incumbents and assembling the current class descriptions, organizational charts, Memoranda of Understanding, Personnel Policies, and any other relevant documentation.

Agency 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 and agree to a class description as well as compensation format and discuss comparator agencies for salary survey purposes. We will respond to any questions.

<b>B. ORIENTATION MEETING WITH EMPLOYEES AND DISTRIBUTION OF POSITION DESCRIPTION QUESTIONNAIRE</b>
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We will facilitate up to five (5) orientation meetings with employees (within the same timeframe, for cost containment purposes) and distribute the Position Description Questionnaire (PDQ) to start the classification portion of the study. While these meetings may not be mandatory, they are highly recommended, as they form the beginning of the educational process that continues throughout the study. 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 hints for completing the questionnaire will be given. The PDQ's shall be handed out with the incumbent's current class description attached to the questionnaire so employees can use this as a tool for completing the questionnaire.

We recommend giving employees in the same classification the option of collaborating on completing a PDQ together, if the employees so choose. At the same time, we will invite employees to complete an individual PDQ if they prefer and if they want to be interviewed separately. Our proposal speaks to two levels of effort: 1) One PDQ per classification plus individual PDQ's from employees with classification issues and 2) individual PDQ's from all employees.

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

### C. REVIEW OF CURRENT PROCESSES AND PROCEDURES AND EFFECTIVENESS OF THE ORGANIZATIONAL STRUCTURE/COMPARATOR AGENCY SELECTION

Before interviewing staff, creating a classification concept and developing class descriptions, a review of current processes and procedures and of the organizational structure of Housing Commission departments will be conducted at this early juncture.

Due to the fact that K&A is currently assisting the Housing Commission with the update and overhaul of its human resources policies and procedures for non-represented employees, we have a thorough understanding of current processes and procedures, including the Memorandum of Understanding between the Housing Commission and represented employees and the Housing Commission's Administrative Regulations. During this process, we have made many recommendations to the Housing Commission regarding current processes and procedures, which will be reviewed during our initial meeting(s) with Housing Commission staff and as part of our recommendations for this first step of the project.

Regarding the analysis of the Housing Commission's current organizational structure, we will collect organization charts from each of the comparator agencies identified (please see Phase II: Total Compensation Study below regarding process of identifying appropriate comparator agencies); review the Housing Commission's current organizational structure; and have meetings with managers to discuss workload, organizational structure, and recommendations for change. This will provide an opportunity for us to review with management how other similar agencies organize their departments as well as to work with management to discuss internal issues, analyze, and make recommendations for increased efficiencies. This iterative dialogue will allow each department to objectively evaluate its current operational design and allow for creative decision-making regarding alternative viable options. Our consensus-driven approach results in decisions being formulated, articulated, and driven by the Department Manager with insight and experience provided by our consulting team based on industry best practices and drawing upon our experience working with many public agencies throughout the State of California.

Completing this process early on allows us to enter the interviewing process and description development with a clear focus regarding the Housing Commission's future organizational structure. Additionally, we will have a better understanding of workload and other issues that may be raised during the classification interview process.

### D. POSITION DESCRIPTION QUESTIONNAIRE REVIEW AND EMPLOYEE/SUPERVISORY/ MANAGEMENT INTERVIEWS

Upon receipt of the PDQs, they will be reviewed and analyzed along with other documentation. Interviews will be scheduled with employees. Because this is a critical step in the information-gathering and educational process, we recommend scheduling interviews with a representative sample of employees in each classification.

We will offer employees the option to be interviewed in a group 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

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the consultant. Our proposal speaks to two levels of effort: 1) One interview per classification plus individual interviews with employees who may have classification issues and 2) individual interviews with all employees.

Interviews will then be held with supervisory and management staff, who will clarify their own responsibilities as well as confirming 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.

### **E. CLASSIFICATION CONCEPT DEVELOPMENT/ALLOCATION LIST/MEETINGS**

Prior to developing detailed class descriptions and allocation lists, a classification plan concept document will be submitted for Housing Commission review and approval. This document will list broad class concepts and highlight where significant changes may be recommended, such as expanding or collapsing class series in the same functional area and/or separating or banding together classifications assigned to different functional areas.

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

After we have completed this process, a meeting or conference phone call will be arranged to review the Classification Plan structure with the Classification and Compensation Study Team.

### **F. 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 agency. We have attached samples of our standard classification format (including ADA statements); however, we can customize this model with one preferred by the Housing Commission.

At this stage, FLSA status of each classification will also be determined.

### **G. EMPLOYEE REVIEW PROCESS**

A draft copy of the revised/new class description with allocation recommendation will be submitted to each employee, union representation, and management. Our experience has been that this is one of the most critical phases of the project (but also one of the most time-consuming). A proactive and effective communication process at this crossroad often avoids a formal appeal, adversarial meeting, or a major conflict at the conclusion of the study.

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

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Significant employee comments will be reviewed with management prior to making any significant changes to the initial proposed class plan. These discussions may be email, telephone, or additional interviews, depending upon the extent of the response.

Allocation and/or class description changes will be made as required.

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

Volume I (Draft Interim Report of the Classification Plan) will be completed and submitted to the Housing Commission for review/comment/recommendations. The contents of the report will include methodology, findings, analysis, and recommendations. The recommended allocation list, classification title changes, job family and career growth issues, and other factors will all be included. Classification concepts and guidelines for continued maintenance of the Plan will be detailed. A complete set of the classifications will also be enclosed in the Classification Final Report.

At least two (2) training sessions will be provided to key staff for the implementation and maintenance of the recommended classification plan and classification concepts.

## PHASE II: TOTAL COMPENSATION STUDY

### A. DETERMINE COMPARATOR AGENCIES, BENCHMARK CLASSIFICATIONS, AND BENEFITS DATA TO BE COLLECTED/MEETINGS

During the initial meeting with the Classification and Compensation Study Team, we will discuss the compensation study factors that need to be agreed upon. We will discuss possible comparator agencies, benchmark classifications, and benefits data that will be included in the study.

#### 1. Determination of Comparator Agencies

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

Our recommended methodology is that we involve the Housing Commission, as well as union representation, employees, and management, in the decision-making process of agreeing as to which agencies are included, **PRIOR** to beginning the study. Our experience has shown that this is the most successful approach. The factors that we review when selecting and recommending appropriate comparator agencies include:

- **Organizational type and structure** – While various public agencies and private sector organizations may provide overlapping services and employ some staff having similar duties and responsibilities, the role of each agency is somewhat unique, particularly in regard to its relationship to the citizens it serves and level of service expectation. During this iterative process, previous comparator agencies that have been utilized and the advantages/ disadvantages of including them/others will be discussed.
- **Similarity of population served, agency demographics, agency staff and operational and capital improvement budgets** – These elements provide guidelines in relation to resources required (staff and funding) and available for the provision of agency services.

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- **Scope of services provided** – While having an agency that provides all of the services at the same level of citizen expectation is ideal for comparators, as long as the *majority* of services are provided in a similar manner, sufficient data should be available for analysis.
- **Labor market** – The reality of today’s labor market is that many agencies are in competition for the same pool of qualified employees. No longer do individuals necessarily live in the community they serve. Therefore, the geographic labor market area (where the agency may be recruiting from or losing employees to) will be taken into consideration when selecting potential comparator organizations.
- **Cost of living** – The price of housing and other cost-of-living related issues are some of the biggest factors in determining labor markets. We will review overall cost of living of various geographic areas, median house prices, and median household incomes to determine the appropriateness of various potential comparator agencies.

The RFP and Addendum to the RFP specifically ask for inclusion of private sector and public sector organizations in the compensation survey and we are very experienced in that area based on more public agencies requesting this type of information. We can also share with the Housing Commission our experience with combining public and private sector compensation data and the advantages and disadvantages of it.

We typically recommend using twelve (12) comparator agencies for all classifications in an organization, but we are flexible to use a different model if the Housing Commission so wishes and our proposal speaks to two different levels of effort for cost comparison purposes.

### 2. Determination of Benchmark Classes

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

“Benchmark classes” are normally chosen to reflect a broad spectrum of class levels. In addition, those that are selected normally include classes that are most likely to be found in other similar agencies, and therefore provide a sufficient valid sample for analysis.

Internal relationships will be determined between the benchmarked and un-benchmarked classifications and internal equity alignments will be made for salary recommendation purposes.

We typically recommend using about 60% of all classifications as benchmarks but are flexible to use a different model. Our proposal speaks to two different levels of effort to demonstrate difference in cost.

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

Benefit data elements for a total compensation study normally include at least the following, (which are generally available to all staff in a specific job classification). Shown below are descriptions of those benefits that we normally collect (which can be modified to include any other information the Housing Commission desires):

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- **Monthly Salary** – The top of the normal, published salary range. All figures are presented on a monthly basis. We normalize the salary data to reflect working hours and/or “spiking” of PERS benefits.
- **Employee Retirement** – This includes two figures: the amount of the employee’s State (PERS) or other public or private retirement contribution that is contributed by the agency and the amount of the agency’s Social Security contribution. Many agencies have enhanced their PERS/alternative retirement program and we collect and document these costs also.
- **Insurance** – This component typically includes Health, Dental, Vision, Life, Long-Term Disability, Short-Term Disability, Employee Assistance Program (EAP), and other insurance coverage.
- **Leave** – Other than sick leave, which is usage-based, leave is the amount of days off for which the organization is obligated. All days will be translated into direct salary costs.
  - **Holidays** – The number of holidays (including floating) available to the employee on an annual basis.
  - **Vacation** – The number of vacation days available to all employees after five (5) years of employment.
  - **Administrative/Personal Leave** – Administrative leave is normally the number of days available to management staff to compensate for the lack of payment for overtime. Personal leave may be available to other groups of employees to augment vacation or other time off.
- **Automobile** – This category includes either the provision of an auto allowance or the provision of an auto for official and/or personal use.
- **Deferred Compensation** – This is any deferred compensation provided to all members of a classification, either as an employer matching contribution or as a straight dollar or percentage contribution.
- **Variable Pay** – This category includes other forms of pay that are budgeted and considered as part of the employee’s total compensation (in varying degrees), such as any types of performance incentive programs or other performance-based compensation. This will be an important component as the Housing Commission is looking to the consultant to make recommendations for alternative compensation and pay-for-performance incentive plans. We will gather information regarding what types of programs each of the comparator agencies offer and will make recommendations based on market data and based on our expertise in developing and implementing pay-for-performance programs for other public agencies and private industry organizations.
- **Other** – This category includes any other benefits that are available to all employees within a classification and not already specifically detailed.

### B. DATA COLLECTION

*Our firm does not collect market salary data by merely sending out a written questionnaire. We find that such questionnaires are often delegated to the individual in the department with the least experience in the organization and given a low priority. We conduct all of the data collection and analysis ourselves to ensure validity of the data and quality control. This approach also ensures that we*

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*compare job description to job description and not just job titles, therefore ensuring true "matches" of at least 70%, which is the percentage we use to determine whether to include a comparator classification or not.*

Typically, we collect classification descriptions, organization charts, salary schedules, personnel policies, MOUs, benefits summaries, and other information via Website, in person, by telephone, or by an on-sight interview. With this prior knowledge and our experience in the public and private industry human resources field, our professional staff makes preliminary "matches" and then schedules an appointment by telephone, and sometimes in person, with a knowledgeable individual to answer specific questions. We find that the information collected using these methods has a very high validity rate and is generally substantiated before employees, union representation, as well as governing bodies.

### C. ANALYSIS AND PRELIMINARY DATA REVIEW

Data will be entered into spreadsheet format designed for ease of interpretation and use. The information will be presented in a format that will identify the comparator positions used for each classification comparison. Information will be calculated based upon both average and median figures, allowing the agency to make informed compensation decisions. Benefit data will be collected and displayed in an easy-to-read format. The Housing Commission will receive three sets of spreadsheets per classification, one with base pay, one with the benefits detail, and one with total compensation statistical data. Often, we provide additional reports on specific benefits programs that cannot easily be quantified in dollars but are of interest to the client agency.

### D. DRAFT COMPENSATION FINDINGS AND MEETING WITH CLASSIFICATION AND COMPENSATION STUDY TEAM

We distribute our draft findings to the Housing Commission.

After the Housing Commission's preliminary review, K&A will meet with the Classification and Compensation Study Team as well as representatives from the various stakeholders to clarify data, to receive requests for reanalysis of certain comparators (through supervisors and management), and to answer questions and address concerns. This provides an opportunity for the 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.

### E. INTERNAL JOB ANALYSIS

To determine internal equity for both market driven and non-benchmarked positions, considerable attention will be given to this phase of the project. It is necessary to develop an internal position hierarchy based on the "whole position" classification methodology. Objective factors include:

1. Education
2. Experience
3. Problem Solving/Ingenuity
4. Attention/Stress (Concentration/Time Pressure & Interruptions)
5. Independence of Action/Responsibility
6. Contacts with Others/Internal/External
7. Supervision Received and/or Given to Others

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8. Consequences of Action/Decisions Made on the Job
9. Working Conditions
10. Physical/Mental Demands

By reviewing the above factors, we will make recommendations regarding vertical salary differentials between classes in a class series, as well as across the organization.

We will develop appropriate internal relationship guidelines and train Housing Commission key staff on implementing and maintaining these guidelines.

<b>F. REVIEW THE SALARY STRUCTURE/RECOMMENDATIONS/MEETINGS</b>
--

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 bands, salary differentials, steps within ranges, and/or alternative compensation plans) within which the classes are allocated, based upon the Housing Commission's preferred compensation model. At this juncture, we will review the Housing Commission's current compensation plan and structure and make appropriate recommendations for possible changes, as well as for implementation strategies. This will include identifying and grouping the various external and internal pay inequities that have been identified.

At this juncture, we will provide alternatives for rewarding "high performance" employees who have reached the maximum approved salary, based on the recommended pay scale and the defined maximum pay level. We will also recommend any additional pay initiatives, including but not limited to, longevity, shift differential, and other benefits programs.

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

### **PHASE III: IMPLEMENTATION AND SUPPORT**

<b>A. IMPLEMENTATION RECOMMENDATIONS, STRATEGIES, AND TRAINING</b>
--

Once our recommended classification and compensation plans, as well as pay-for-performance incentive programs and other related compensation recommendations have been reviewed, discussed, and agreed to, we will move into the implementation phase of the project.

We will devise and recommend an implementation and migration plan for transitioning to the recommended compensation program. This will include how to move from the current compensation programs to our recommended plans, and ultimately to a pay-for-performance rewards and recognition process. We will provide the Housing Commission with estimates on the fiscal impact of the various compensation plans.

In addition, we will provide the Housing Commission with at least two (2) training sessions for implementation and maintenance of the selected system(s).

<b>B. PREPARATION OF DRAFT FINAL AND FINAL REPORT AND DELIVERABLES</b>
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Volume II (Draft Interim Report of the Total Compensation Study) will be completed and submitted to the Housing Commission for review/comment/recommendations. The report will provide detailed compensation findings and documentation and recommendations. The report will include a set of all

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market data spreadsheets, a proposed Salary Range/Plan document, any alternative pay-for-performance and benefits plans, as well as the implementation issues surrounding our recommendations. A detailed methodology for continued implementation and maintenance of the Plan is included.

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

Once all of the Housing Commission's questions/concerns are addressed and discussed, a Final Classification and Total Compensation Report will be created and submitted in bound format.

### C. PARTICIPATION IN A FORMAL APPEAL PROCESS

Should the Housing Commission have a formal appeal process regarding the allocation to salary range, this proposal does not cover time regarding a formal appeal process (the informal appeal process is identified in G [classification] and D [compensation] above). Should our on-site participation be desired, our stated composite hourly rate will be honored. As mentioned above, however, our internal process usually addresses most of the appeal issues.

### D. PRESENTATION TO THE CLASSIFICATION AND COMPENSATION TEAM AND HOUSING COMMISSION

Our proposal includes multiple meetings and weekly progress updates to the Classification and Compensation Study Committee. Regarding the involvement of the Housing Commission, we recommend one initial overview of study methodologies at the beginning of the project, one interim study session (to discuss the initial findings of the total compensation study), and one final presentation to Housing Commission of our Final Report.

Presentations to the Classification and Compensation Study Committee will be given as required throughout the project.

### E. POST-IMPLEMENTATION CONSULTATION AND SUPPORT

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

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

Should the Housing Commission 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 or creating new class descriptions, we would honor our composite hourly rate for actual hours spent at the Housing Commission. However, from experience, we expect that most follow-up support will be conducted via telephone and email and this is absolutely included in our total lump sum fee for this project.

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### DELIVERABLES

#### Volume I

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

#### Volume II

- A summary of and detailed total compensation findings in spreadsheet format with recommendations for an overall compensation salary step and range plan, as well as alternative pay-for-performance pay plans and appropriate benefits programs;
- Internal relationships and market compensation data will be outlined for each class so that future equity relationships between classes can be continued;
- Implementation recommendations for achieving compensation goals within a reasonable timeframe and the economic and political limitations of the Housing Commission; and
- Provision of recommended implementation and maintenance of the updated compensation plan.

#### Throughout the Study

- Extensive communication with the Classification and Compensation Study Team, Housing Commission Management, the Housing Commission, bargaining groups, employees, and others; and
- At least, five (5) copies of the Final Report and an electronic version of all of the classifications and market salary data and spreadsheets created on email or disc in WORD and EXCEL format.

### EXPECTATIONS OF HOUSING COMMISSION SUPPORT

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

- Timely provision of written documentation, such as current class specifications, MOU's, organizational charts, budget documents, requests for audits, past salary studies, etc.;
- Assistance in the notification and scheduling of orientation and other meetings and the provision of adequate interview space;

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- Assistance in the compilation of current descriptions with the Position Description Questionnaire; collecting and forwarding questionnaires; and in ensuring that materials are complete and returned in a timely manner;
- Assistance in scheduling Project Team, bargaining unit, management, employee audit, and other meetings; and
- Meeting agreed to timelines.

### OVERALL RISKS FOR THE STUDY

Our experience has been that the most significant risk regarding a classification and compensation study is if employees, union representation, and other stakeholders (i.e., management, the governing body, etc.) of the study lose faith in the integrity of the process. Our methodology, as outlined in detail above, has been carefully thought-out, developed, and crafted over the years to address that risk.

We believe in the utmost transparency as well as the educational aspect of the process. In addition to a reputation that our firm has created over 24 years and having successfully completed multiple similar studies, we pride ourselves in being very hands-on and user-friendly from the get-go. We understand that with classification and compensation, we're often dealing with employees' very personal matters, their sense of purpose, and their livelihoods, which usually means that employees will be anxious about the process and we will need to "hold their hands" as we go through the process. We believe in a lot of personal contact with the various stakeholders of the process and have designed a methodology that is all-inclusive of the stakeholders in collecting all pertinent information and gathering everyone's feedback at each step of the process. At the same time, we understand that we are ultimately responsible to your governing body and are hired to make independent and unbiased recommendations, incorporating everything that we've observed, as well as drawing upon our many years of experience in the public sector.

Our goal is to have all stakeholders participate in the study from the beginning. Starting with the project team and employee orientation meetings, we want everyone involved so that they all hear the same information and have the same opportunities to ask questions and voice concerns.

Effective and efficient communications are the backbone of any classification and compensation study and we have become experts in being empathetic to employees' issues and concerns but have also learned where to draw the line regarding our flexibility to incorporate employee input. It is important to know when to say "no" and it is even more important to do so with respect and with good reason, and letting the employee know why a certain decision was made. Often times, this is part of the educational process that employees go through as we work with them.

We are pleased that the Housing Commission is going to have a Classification and Compensation Study Team involved in the project. With our leadership and your assistance, we are confident that the three phases of this study will be successful.

### PROJECT SCHEDULE

Addendum #3 to the RFP indicates that the Housing Commission desires a start date for the study on or around November 1, 2008 and completion of the study by April 30, 2009, allowing for a six-month completion timeframe.

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We feel that this is a very realistic timeframe, as our professional experience is that classification and total compensation studies for this size organization, take approximately six (6) months to complete, allowing for adequate Position Description Questionnaire completion, interview time, classification description development, compensation data collection and analysis, review steps by the Housing Commission, the development of final reports, any appeals, and presentations.

### PROJECT SCHEDULE

#### Classification Study – Phase I

Initial Start-up/Orientation Meetings	by October 24, 2008 (preferably, 10/20-22)
Questionnaires Returned to Our Office	by November 14 (preferably, by 11/13)
Review of Procedures and Org. Structure	by November 21
Employee/Management Interviews	by November 21
Classification Concept Development	by November 26
Review by Housing Commission	by December 5
Class Description Development	by January 2, 2009
Employee/Management Review/Follow-up	by January 16
Preparation of Final Class Descriptions	by January 23

#### Compensation Study – Phase II

Comparators/Benchmarks/Benefits	During initial meeting
Compensation Data Collection/Analysis	by February 6, 2009
Housing Commission Review	by February 20
K&A Reanalysis/Feedback	by February 27
Internal Position Evaluation/Review	by March 6
Development of Salary Schedules and Alternative Compensation and Benefits	by March 13

#### Implementation and Support – Phase III

Implementation Strategy Development	by March 20, 2009
Interim Final Report	by April 3
Final Reports	by April 17
Final Presentation	by April 24
Ongoing Post-Implementation Support	Ongoing for up to 1 year

### PROPOSED PROJECT COSTS

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

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PHASE I:	Classification Study	Hours/Cost
A/B.	Document Review/Kick-off/Project Team/Orientation Meetings	20
C.	Review of Current Processes and Procedures and Organizational Structure/Selection of Comparator Agencies	20
D.	Position Description Questionnaire Review Individual Position Description Questionnaires (PDQ's) per employee (approx. 231)	52
	Employee/Supervisor/Dept. Head Interviews Representative sample per class plus 30% individual	115
E.	Classification Concept/Preliminary Allocation Development	24
F.	Class Description Development (approx. 65)	160
G.	Employee/Supervisory Review/Informal Appeal Process and Review	40
H.	Interim/Final Report Preparation	16
	<b>Total Professional Hours Phase I</b>	<b>447</b>
	Combined professional and clerical composite rate Phase I: \$95/Hour	<b>\$42,465</b>
PHASE II:	Compensation Study	
A.	Identify Comparator Agencies/Benchmark Positions/Benefits & Meetings	8
B.	Compensation Data Collection: 50 benchmarks, 12 comparator agencies	112
C.	Analysis and Preliminary Data Review	60
D.	Draft Findings/Additional Analysis/Project Team Meeting	32
E.	Internal Job Analysis/Internal Alignment	12
F.	Salary Structure Development and other Compensation Recommendations	8
	<b>Total Professional Hours Phase II</b>	<b>232</b>
	Combined professional and clerical composite rate Phase II: \$95/Hour	<b>\$22,040</b>
PHASE III:	Implementation and Support	
A.	Implementation Recommendations/Strategies/Training	30
B.	Interim/Final Report Development	16
D.	Final Presentation	8
E.	Anticipated additional meetings	16
F.	Post-Implementation Consultation and Support *	124
	<b>Total Professional Hours Phase III</b>	<b>194</b>
	Combined professional and clerical composite rate: \$95/Hour	<b>\$19,190</b>
	<b>Total Professional Hours for all phases</b>	<b>873</b>
	Combined professional and clerical composite rate: \$95/Hour	<b>\$82,935</b>
<b>EX EMSES:</b>	Expenses include but are not limited to duplicating and binding documents and reports, phone, supplies, FAX, postage, mileage, hotels, air fare, per diem, etc.	<b>\$7,000</b>
	<b>TOTAL FOR PROJECT:</b>	<b>\$89,935</b>
	*Additional consulting will be honored at composite rate of \$95/hr. Consulting performed past the original contract will be honored at our composite rate of \$95/hr. plus a CPI adjustment agreed to by SDHC and K&A.	

### PAYMENT

**Our invoicing method is that we bill on a monthly basis in arrears for any progress made in the previous month, based on the various steps of the project and associated hours as identified above.**

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Each invoice will identify the phase of the study or any portion thereof that was completed in the previous month and we expect progress payments vs. one lump-sum payment at the end of the project. Because we are a small firm, we hope that the Housing Commission will be amenable to this payment method.

**INSURANCE REQUIREMENTS**

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

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

**This proposal is valid for 90 days.**

**Respectfully Submitted,**

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

August 25, 2008

Georg S. Krammer  
Chief Executive Officer

Date

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**SAN DIEGO HOUSING COMMISSION**

*Tina Holmes*

**PART I: REQUEST FOR ISSUANCE OF AUDITORS CERTIFICATE / CONTRACT**

**Check appropriate box:**

AC with Contract

Contract Only

Vendor: KOFF & ASSOCIATES Vendor #: 0000015470  
 Describe Activity: Consulting Services Short Name: KOFF&ASSOC

Fund Required	Dept/ORG Required	Program AC #	Sub Class	Project #	Account Number	Budget Year	Amount (required)
088	302				41200	FY09	19,927
080	302				41200	FY09	23,336
261	302				41200	FY09	23,336
036	302				41200	FY09	23,336
Total Contract Amount:							\$ 89,935
Contract Contingency:							\$
Total Request:							\$ 89,935

**Documents Needed:**

- ALL REQUESTS: Copy of budget page - highlighting funds being requested
- Request UNDER \$100,000: Copy of contract or loan documents
- Request OVER \$100,000: Copy of contract or loan documents PLUS copy of Board Report and Minutes

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Contract (Fully Executed) | <b>Insurance Certificates</b>                  | <b>EO Documents</b>   |
| <input checked="" type="checkbox"/> W-9            | <input type="checkbox"/> General Liability     | <input type="checkbox"/> EO Certification for Contractors     |
|  | <input type="checkbox"/> Automobile            | <input checked="" type="checkbox"/> Certificate of Compliance |
|  | <input type="checkbox"/> Worker's Compensation | <input checked="" type="checkbox"/> Workforce Analysis        |

All Document and Signature Requirements Must be Met Before Payment Can Be Processed

Requested by: C. Tracy White Date: 11/4/08  
 (Director or Higher)

**Issuance of Auditors Certificate / Contract Number:**

AC #: 09-077

Contract Type: Fixed  Not to Exceed  Contract #: \_\_\_\_\_

NOTE: Comments or conditions of approval:

Pending approval of Prog budget revision / Board approval on 11/21/08

**Reviewed and Approved by:**

- |                    |                 |                                     |
|--------------------|-----------------|-------------------------------------|
| 1 FS Log & Route   | <u>OS</u>       | Date: <u>11/5/08</u>                |
| 2 Accounting       | <u>Yerik</u>    | Date: <u>11/5/08</u> <u>11/6/08</u> |
| 3 Budget           | <u>Montague</u> | Date: <u>11/10/08</u>               |
| 4 Accounts Payable |                 | Date: _____                         |
| 5 Purchasing       | <u>/</u>        | Date: _____                         |