

CONSULTING SERVICES AGREEMENT
Comprehensive Classification and Total Compensation Study

This Consulting Services Agreement (Agreement) is by and between Cooperative Personnel Services, dba CPS HR Consulting, a California Joint Powers Authority (CPS HR), and the Agency named in the signature block at the end of this Agreement (Agency, hereafter referred to as Client), and is effective as of October 25, 2018 (Effective Date). CPS HR and the Client shall be collectively referred to herein as the “Parties” and individually as a “Party.”

- A. Purpose.** This Agreement defines CPS HR consulting services, policies and procedures.
- B. Services.** CPS HR will provide certain consulting services (Services) to Client as set forth in the Statements of Work (attached hereto as Exhibit (“A”). CPS HR shall perform only the Services requested by Client, at the times, dates, and locations specified by Client.
- C. Compensation.**
 - 1. Payment.** Client will compensate CPS HR for Services by paying certain fees as set forth in the Statement of Work. Client will reimburse CPS HR for business expenses as set forth in the Statement of Work. Client will pay all invoices within thirty (30) days from receipt of invoice.
 - 2. Funding.** Client certifies that funding for compensation payable to CPS HR under this Agreement has been approved by Client’s governing body, either as a part of the general operating budget or as a specific item. Client further certifies that it anticipates sufficient cash will be available for payment of compensation as required above.
 - 3. Late Payment.** Any invoices not paid within thirty (30) days may incur a service charge of the lesser of two percent (2%) or the maximum allowable by law per month on any outstanding overdue balances. In addition, reasonable collection costs may be added to any invoice not paid within ninety (90) days.
- D. Taxes.** Except as expressly stated in the Statement of Work, the fees listed therein are in addition to, and not in lieu of, any additional fees, assessments, levies, taxes, etc. assessed against the transactions

contemplated herein (Taxes). With the exception of Taxes imposed on CPS HR’ net income, all Taxes shall be Client’s responsibility. Client shall pay any Taxes, which CPS HR may be required to collect and remit, upon invoice.

E. Term and Termination of Agreement.

1. Term. This Agreement will commence on the Effective Date and remain in effect through completion of services or upon termination per this Section E, whichever occurs first.

2. Immediate Termination upon Material Breach. Either Party may terminate this Agreement immediately upon any material breach by the other Party.

3. Termination without Cause. Either Party may terminate the Agreement without cause upon thirty days written notice to the other Party.

4. Payment on Termination. Upon termination without cause, Client shall pay CPS HR for all work performed through the effective date of termination. For termination upon material breach, Client shall pay CPS HR for all work performed which is in compliance with the terms of the Statement of Work.

F. Limited Warranty.

1. Warranty. CPS HR represents and warrants that: (i) it has the authority to enter into this Agreement; (ii) it will comply with applicable law; and (iii) it will provide Services in a workmanlike manner consistent with industry standards.

2. Warranty Disclaimer. EXCEPT AS EXPRESSLY SET FORTH HEREIN, CPS HR EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THE SERVICES AND THE WORK PRODUCT INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR IN RESPECT OF ANY THIRD-PARTY PRODUCTS OR SERVICES AND ALL

WARRANTIES IMPLIED FROM ANY COURSE OF DEALING AND NO REPRESENTATIVE OF CPS HR IS AUTHORIZED TO GIVE ANY ADDITIONAL WARRANTY.

G. Work Product.

1. Ownership. Upon CPS HR' receipt of fees due under the Agreement, all studies, reports, documents and other writings prepared by CPS HR and its subcontractors, produced as a result of CPS HR' work, or delivered by CPS HR to Client in the course of performing services (collectively, "Work Product") shall become the property of Client and Client shall have the right to use the materials without further compensation to CPS HR or its subcontractors.

2. Retention of Rights. Notwithstanding Client's ownership of the Work Product, Client acknowledges and agrees that: (i) CPS HR has the right to re-use any of its know-how, ideas, concepts, methods, processes, or similar information, however characterized, whether in tangible or intangible form, and whether used by CPS HR in the performance of Services or not, at any time and without limitation, and (ii) CPS HR retains ownership of any and all of its intellectual property rights that existed prior to the Effective Date including, but not limited to, all methods, concepts, designs, reports, programs, and templates as well as all training materials, testing or assessment products, survey content and copyrightable works.

H. Release of Information to Third Parties.

Each Party understands that information provided to government entities may be subject to disclosure under a public records or freedom of information act. Each Party hereto (each, a Recipient) shall protect and keep confidential all non-public information disclosed to Recipient by the other Party (each, a Discloser) and identified as confidential by Discloser, and shall not, except as may be authorized by Discloser in writing, use or disclose any such Confidential Information during and after the term of this Agreement. If CPS HR or Client receives a request for disclosure of Confidential Materials, such as a subpoena or a public records or freedom of information request, that Party shall immediately notify the other Party of the request. Upon request, Client or CPS HR shall maintain the confidentiality of the Confidential Materials pending the grant or denial of a protective order or the decision of a court or administrative body as to whether the requested materials must be disclosed under the applicable public records statute. Client and CPS HR shall cooperate

with each other in seeking any relief necessary to maintain the confidentiality of the Confidential Materials. Each Party shall defend, indemnify and hold the other harmless from any claim or administrative appeal, including costs, expenses, and any attorney fees, related to that Party pursuing protection of the Confidential Materials from disclosure.

I. Indemnification. CPS HR agrees to indemnify, defend, and hold Client, its agents, officers, employees and volunteers harmless from and against loss or damage (including reasonable attorney's fees) arising from or related to a claim of bodily injury or property damage resulting from CPS HR' willful misconduct or negligent performance of this Agreement; provided that, Client notifies CPS HR in a commercially reasonable time, in writing of any such claim and gives CPS HR (at CPS HR' expense) sole control of the defense of same and all negotiations for its settlement or compromise. CPS HR' liability to indemnify Client shall be reduced to the extent that such loss or damage was caused or contributed to by the act, omission, direction or negligence of Client, its agents, officers, employees and volunteers over which CPS HR does not have direct control.

J. Limitation of Liability.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, NEITHER PARTY HERETO SHALL HAVE ANY LIABILITY OR RESPONSIBILITY FOR ANY INDIRECT, INCIDENTAL, EXEMPLARY, SPECIAL OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, DAMAGES ARISING FROM LOSS OF PROFITS OR DATA), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CPS HR' LIABILITY FOR DAMAGES HEREUNDER SHALL NOT EXCEED THE AMOUNT OF FEES PAID BY CLIENT TO CPS HR.

K. Miscellaneous.

1. Notices. Any notice to the parties required or permitted under this Agreement shall be given in writing and shall be sent to the persons at the address listed in the Statement of Work.

2. Dispute Resolution; Remedies.

(a) In the event of a dispute, the parties may agree to pursue mediation or either binding or nonbinding arbitration to resolve their dispute, under such rules as the parties may agree.

(b) If either CPS HR or Client determines it appropriate to file a judicial action, then, in addition to any other remedies available at

law or in equity, Client acknowledges that breach of this Agreement may result in irreparable harm to CPS HR for which damages would be an inadequate remedy and, therefore, CPS HR shall be entitled to seek equitable relief, including injunction.

3. Attorneys Fees. If any legal action or arbitration or other proceeding is brought to enforce or construe the term of this Agreement or because of an alleged dispute, breach or default in connection with any provision of this Agreement, the successful or prevailing Party shall be entitled to recover reasonable attorney's fees and other costs incurred in that action, arbitration or proceeding in addition to any other relief to which it may be entitled.

4. Governing Law. This Agreement will be governed by the laws of the State of California without regard to its rules concerning conflict of laws.

5. Force Majeure. Neither Party shall be liable for delays caused by fire, accident, labor dispute, war, insurrection, riot, act of government, superior force, or any other cause reasonably beyond its control.

6. Waiver. The failure of any Party at any time or times to require performance of any provision of this Agreement shall in no manner affect its right to enforce that provision at a later time. Nor shall the waiver by either Party of a breach of any provision of this Agreement be taken or held to be a

waiver of the provision itself. No waiver shall be enforceable unless made in writing and signed by the Party granting the waiver.

7. Entire Agreement; Modifications. This Agreement constitutes the entire agreement between the parties regarding the subject matter hereof and supersedes all other agreements, representations and warranties. All modifications and supplements to this Agreement must be in writing and signed by both parties.

8. Counterparts; Facsimile Signature; Electronic Signature. This Agreement may be executed in any number of counterparts. If this Agreement or any counterpart is signed and then faxed or e-mailed by PDF or otherwise, the faxed or -mailed copy bearing the signature shall be as good as the original, wet-ink signed copy for all intents and purposes.

9. Authority to Sign. The person signing this Agreement on behalf of the Client (the Principal Signer) represents that he or she is the head of the agency or is otherwise duly authorized to sign this Agreement and to bind the Client.

10. Ambiguities. As this Agreement has been voluntarily and freely negotiated by both parties, the rule that ambiguous contractual provisions are construed against the drafter of the provision shall be inapplicable to this Agreement.

**Cooperative Personnel Services dba
CPS HR Consulting**
2450 Del Paso Rd, Ste 220, Sacramento, CA 95834

Lake County
225 North Forbes Street, Lakeport, CA 95453

By: _____
Authorized Signature

By: _____
Authorized Signature

Name: Sandy MacDonald-Hopp

Name: Carol J. Huchingson

Title: Chief Financial Officer

Title: County Administrative Officer

Approved as to Form:
Anita L. Grant
County Counsel

Exhibit A Statement of Work

All changes to this SOW must be mutually agreed to and executed in writing by duly authorized representatives of both parties as an amendment to this SOW. Capitalized terms used herein shall have the meanings ascribed to them in the Agreement.

1. **SERVICES:** CPS HR will evaluate, analyze and prepare a Comprehensive Classification and Compensation Study for the County of Lake (County)'s employees as detailed.

Classification Study Work Plan

As a general concept for any classification study, ongoing management of a relatively simple, well-delineated, and valid classification plan is an important organizational goal. Using such a plan, an organization should be able to identify and maintain consistent structural relationships, develop equitable compensation plans, and have substantial protection against outdated job descriptions that can impact the findings of a compensation study. When conducting a classification review, the overarching aspects of these important factors should be taken into consideration.

- **Classification Concepts and Allocation Factors** – As the foundation upon which all classification and compensation decisions are based, there should be underlying concepts that clearly identify how levels of work are titled, differences within these job levels, and how various levels are distinguished. Allocation factors should be established and utilized consistently throughout each analysis.
- **Defensibility** – This requires that any classification methodology, irrespective of where the methodology is used, must stand on its own merits under the scrutiny of multiple stakeholders.
- **Comprehensiveness and Clarity** – The classification structure should be comprehensive and inclusive of all functional areas and levels of work. It should also be clear, concise, and understood not only by those who administer it, but those affected by the classification decisions. While this may not satisfy all employees or their management on final classification recommendations, it is easier to gain acceptance if the process is transparent and employees and management recognize the reasoning behind the broader classification decision.
- **Administration** – A good classification plan balances “ease of administration” with position validity. Classification plan administrative tasks should not be so cumbersome or complex that they hinder timely and efficient ongoing maintenance.
- **Timeliness** – For classification decisions to be accepted by both employees and management, classification decisions must be timely. The longer classification decisions take, the more employee and managerial dissatisfaction with the system is likely to occur.
- **Accountability** – The human resources function and its classification decisions are not without regular challenge. Therefore, for any plan to be effective, there must be accountability and integrity at all levels of the process.

The classification work plan outlined in this section is intended to define all tasks within a comprehensive classification study, from employee orientation sessions to final reports as well as the types of deliverables associated with certain tasks.

Task 1 – Receive and Review Background Material. Upon contract execution, CPS HR will gather background information including the following materials: (1) Organization Charts depicting organizational structure and report relationships; (2) Classification Specifications (MS Word format preferred); (3) Position Allocations; (4) Relevant Policies and Procedures; (5) Memorandums of Understanding (MOUs); and (6) Past Classification and Compensation Studies.

Task 2 – Initial Project Meetings. The CPS HR Project Manager will meet with the County's Internal Project Manager, Human Resources, Labor Union(s), and designated key stakeholders to initiate the project by confirming study goals, objectives, tasks to be performed, and methodologies. During this meeting, CPS HR and the County will also discuss and agree upon a communication plan for this study, since open and consistent communication is a key element in project acceptance and success. Some agencies prefer to appoint a classification and compensation committee to help guide the project.

Task 3 – Develop Job Evaluation Tools. CPS HR will develop tools to ensure valid information is gathered, analyzed, and documented consistently. This activity includes finalizing an online Position Description Questionnaire (PDQ) based upon the specific information included in the current job descriptions. CPS HR will work with County management and appropriate

labor unions to implement an online PDQ that meets the County's specific study needs. We have found this solution to provide a significant savings to agency staff with respect to completing cumbersome and lengthy PDQs.

Task 4 – Conduct Orientation/Training Sessions. The CPS HR Project Manager will draft an email to union stakeholders (and meet with the union if desired) and all employees included in the study and invite them to attend a study orientation session. The purpose of the orientation session is to (i) Communicate study goals, methodology, and processes; (ii) Provide the PDQ and explain to employees how the document should be completed; (iii) Explain the role of employees, supervisors, and managers in the study; and (iv) Respond to employee questions regarding the study process.

These tasks and processes are critical in gaining employee understanding, trust, and acceptance of the study. Where possible, we encourage human resources staff to attend the meeting(s) to familiarize themselves with employee questions and the responses to those questions.

Task 5 – PDQ Completion. All study employees in single position classifications and a representative sample of employees in multiple position classifications will have the opportunity to provide information online about the duties and responsibilities noted in the job specifications, duties not covered in the job specification, minimum qualifications, and physical demands. Each incumbent's supervisor will then review the collected data to ensure that the incumbent has accurately and sufficiently captured all pertinent information on job context and work output. CPS HR will automate the PDQ for your study and make the completion process efficient. We have found our automated approach provides a more uniform and accurate description, and offers more efficiency in completing the form. The completion of PDQs can cause delays in the project timeline if employees are not able to provide the required information in a timely manner.

Task 6 – Receive and Review PDQs/Prepare for Job Evaluation Interviews. The CPS HR Project Team will thoroughly review the results collected from the online survey to obtain an understanding of the duties and responsibilities assigned to each position after the supervisor has reviewed and evaluated the content. Job evaluation interview questions for study employees will be developed based upon the results of the documentation review. CPS HR project team members will develop an interview schedule and will coordinate the schedule with the County's designated staff member (this individual will assume responsibility for coordinating the interview schedule with CPS HR and the study employees, notifying employees of their allotted time and date, making changes to the schedule, notifying all parties concerned, and reserving any conference rooms).

Task 7 – Conduct Job Evaluation Interviews. Job evaluation interviews will be conducted with all employees in single position classifications and a representative sampling of employees in multiple position classifications to ensure the CPS HR Project Team has a complete understanding of the duties and responsibilities assigned to each position. CPS HR's budget assumes that position interviews or group interviews will be conducted with up to **30%** of the employees/incumbents and appropriate supervisory and management personnel, as required. Interviews with supervisors or managers may also be held to further clarify information documented on their subordinate employees' PDQs. For planning purposes, each individual interview is approximately 60 minutes and supervisor or manager interviews range from 45 minutes to an hour.

Task 8 – FLSA Analysis. The CPS HR Project Team will analyze the duties and responsibilities of each position and provide recommendations to ensure compliance with the Fair Labor Standards Act (FLSA) exempt/non-exempt designations. Each position will be thoroughly reviewed based on the duties, responsibilities, scope of authority, and span of control for purposes of determining whether it is exempt or non-exempt under FLSA. We will provide a brief write-up on any positions that we find are not properly designated and summarize all other positions. The CPS HR Project Team will prepare a summary report in a table format presenting the following information: (i) Employee name; (ii) Current classification; (iii) Current FLSA status, (iv) Recommended FLSA status; (v) Exemption type (if applicable); and (vi) Summary on the rationale for the exemption (if applicable).

Task 9 – ADA Analysis. The CPS HR Project Team will assess each position's essential functions. CPS HR will prepare a questionnaire as part of the data collection effort to gather information about the physical demands. In addition, the Project Team will capture data through the PDQs about essential functions. These essential functions will be verified through discussions with incumbents and supervisors.

Task 10 – Analyze Classification Data. The Project Team will analyze all information collected from the incumbents and his/her supervisor/manager, and interviews to identify the job level; scope; typical duties; requisite knowledge, skills, abilities; and other job-related characteristics. This analysis will be used to make recommendations on how the study position(s) should be allocated within the County's classification structure; however, there are sometimes instances where there is no current classification to which a position can be assigned.

Task 11 – Design and Administer Employee Appeal Process. CPS HR will collaborate with the County’s Internal Project Manager and any desired stakeholders to send an electronic copy of the agreed upon proposed draft classifications to the desired study employees for their review and concurrence. The budget for this proposal assumes that no more than **20%** of the employees will file an appeal. If the employee(s) provide differing feedback regarding the findings of the study, CPS HR will consider the new information and work with the supervisors/managers to clarify the draft classification. If there is new information that requires a revision to the draft Classification Report, the report will be updated and submitted for an additional review.

Task 12 – Revise Classification Specifications. Once the County has approved the classification study findings, the classification specifications will be revised/created accordingly. The format for classification specification revisions will be submitted to the County for approval. Our methodology for this task will result in:

- Accurately identifying the specific essential duties and responsibilities; required knowledge, skills, and abilities; minimum education and experience requirements; and minimum special qualifications for each position in the study.
- Reviewing, revising, editing, and developing written classification specifications for each study classification that clearly specify and describe a general statement of duties; any distinguishing features of the class; essential duties, knowledge, skills, and abilities; acceptable minimum education and experience; and required special training and certifications.
- Describing the typical work environment for the classification.
- Ensuring compliance with the provisions of the Americans with Disabilities Act.

Task 13 – Prepare, Submit, and Present Final Classification Report. CPS HR’s reporting will include a discussion of our methodology and a narrative summary to support our recommendations in the Draft Classification Report submitted to the County for feedback. CPS HR will research any comments and issues raised during the on-site review of the Draft Classification Report with allocation tables for the FLSA analysis and study employee position placement recommendations. Once these have been resolved, an original and the requested number of copies of the Final Classification Report will be submitted and presented to the County. The County will be responsible for approving and implementing classification specification content changes through their standard process, including any necessary notifications to employees, employee representatives, or their Department of Human Resources.

Task 14 – Classification System Maintenance Training. *At the* conclusion of the study, the CPS HR Project Manager will conduct a training session on the development and maintenance of the classification plan with the County Department Heads, Supervisors, and other key staff members. This session would be scheduled to be concurrent with the on-site presentation of the Final Classification Report. It is CPS HR’s standard practice for trainings of this nature to conduct a one-day training session with the County’s designated staff to provide more comprehensive details on the classification study processes, methodologies, deliverables, and ongoing plan administration. The goal of this training day will be to assist the County’s staff in understanding the job evaluation analyses/processes and to provide the County with the tools necessary for the continued maintenance of the classification plan. CPS HR will also provide the County with a manual to describe implementation and ongoing maintenance of the system.

Total Compensation Study Work Plan

The compensation work plan outlined in this section is intended to define all tasks within a comprehensive total compensation study from labor market selection to final reports, and the types of deliverables associated with the task.

Task 1 – Review the County’s Background Materials. Upon contract execution, CPS HR will request background information from the County to ensure the Project Manager and the project team is prepared for the initial meeting. Typical material requests for compensation studies include salary schedules, benefits summaries, compensation policies and procedures, classification specifications, MOUs, and any other documents relevant to the study. With much of the information available online, CPS HR will only request information that is not readily available. The CPS HR Project Manager will coordinate activities through and report to the County’s Internal Project Manager, Human Resources, and other designated key stakeholders.

Task 2 – Initial Project Meeting/Labor Market Agency and Benchmark Selection. The CPS HR Project Manager will meet with the County’s Internal Project Manager and designated key stakeholders to discuss the County’s compensation philosophy, study methodologies, deliverables, timelines, communication, and data collection methods. The proposal for this

compensation study assumes that a maximum of 25 benchmark classifications will be surveyed within an identified labor market of no more than twelve (12) agencies. Additionally, the CPS HR Project Manager will be available to conduct a workshop with key stakeholders to discuss the following elements of compensation policy if so desired:

- **Labor Market Agency Selection** - This section of the workshop focuses on the typical labor market selection criteria and the process by which CPS HR will evaluate and prepare recommendations for the County's labor market agencies; such selection criteria typically includes: (i) Geographic Proximity; (ii) Size of the organization (measures may include number of employees or population); (iii) Services provided; (iv) Past labor market agency practices; (v) Cost of Living/Cost of Wages; and (vi) Competitive Recruitment Range/Agencies.

CPS HR will discuss and assess the current employment population and demographics to refine the market list (i.e., where do most current employees reside, what employers attract your employees, etc.). CPS HR does not simply recommend the most comparable agency based on size and services, but those that are competitive in determining the market on both the high and low end and in attracting talent. These agencies may differ between sworn and miscellaneous staff.

- Additional topics include:
 - Labor market position (i.e., median, mean, or other percentile)
 - Benchmark classifications to be selected based on the following criteria: (i) They should be classifications for which counterparts can readily be found in surveyed employers so that sufficient compensation data can be gathered. Classifications which have a large number of comparables from other agencies are generally selected as benchmark classifications; and (ii) Benchmark classifications should have significant relationships to other classifications in their occupational group. This ensures that they will make good reference points in relating and establishing salaries for other classifications within their occupational groups.
 - Elements of total compensation to be surveyed

Using the selection criteria, the CPS HR project team will conduct research on potential labor market agencies and will provide the County with recommendations concerning the survey agencies and benchmark classifications to be used in the study. The budget for this proposal assumes that no more than 75 benchmark classifications will be surveyed within a labor market of no more than 18 public sector agencies. To reduce costs, CPS HR recommends the County assist with the collection of survey data from other agencies. We have found that agencies are much more likely to respond to a colleague than a representative from a consulting firm.

Task 3 – Design, Develop, and Distribute the Survey Instrument. The CPS HR project team will develop a comprehensive survey instrument to ensure the effective collection of compensation data from each of the survey agencies. The survey instrument will include a brief description of each of the survey classifications with a request for the minimum and maximum monthly salary for each. For total compensation studies, the survey will also include sections to collect applicable benefits data. CPS HR's survey instrument is designed to be completed electronically or, if need be, in hard copy.

For a total compensation study, the following elements of total compensation and the benefits practices outlined below are often collected:

- Cash add-ons premium pays such as: (i) Longevity pay; (ii) Deferred compensation; (iii) Agency contribution to medical, dental and vision programs; and (iv) Agency contributions to defined-benefit retirement programs and Social Security practices.
- Paid time off practices such as: (i) Holiday leave; (ii) Vacation and sick leave; and (iii) Administrative leave.

Task 4 – Review, Analyze, and Validate Labor Market Survey Data. To ensure the County receives the most accurate data for its studies, CPS HR will not solely rely on the completed surveys received from the labor market agencies without checking the validity of the submissions. Thus, in conjunction with the survey instrument received from each labor market agency, the project team will review any additional survey agency background materials such as copies of classification specifications, organization charts, staffing information, and other useful materials to substantiate the accuracy of the comparability of the matches. It is critical that the project team review such documents since titles alone can often be misleading and should not be relied upon. Further, CPS HR is committed to attaining full participation from the labor market agencies, either through obtaining each agency's agreement to complete the survey, and/or by the project team's completion of surveys as needed. Once the project team has completed their survey analysis tasks, the CPS HR Project Manager will audit the final data as part of our quality review process.

To determine whether a match from a labor market agency is comparable to the County's benchmark, CPS HR utilizes a whole job analysis methodology; this commonly used methodology analyzes the job as a whole, rather than by individual factors, by evaluating the core duties and responsibilities, the nature and level of work performed, and the minimum qualifications to determine whether the classification is comparable enough to be utilized as a match. The methodology recognizes slight differences in duties assigned to matches from other labor market agencies which do not impact the type, nature, and level of work performed. Matches should not be so broad that they include classifications performing dissimilar work, or work done at a higher or lower level, but they also should not be so narrow that they exclude matches doing comparable work, with slight differences in work that do not change the level and nature of work.

Task 5 – Design and Develop Data Spreadsheets. CPS HR will develop an individual data sheet for each survey classification that presents the comparable classification used in each agency with the relevant data associated with that classification, such as the position ranking within the labor market and salary range minimum and maximum. The labor market data analyses will be conducted based upon the labor market position affirmed within the County's compensation philosophy (e.g., median, mean, or other percentile). Each comparable match for each survey classification is reported in the relevant data sheet for full disclosure and review by others. We find this level of transparency in matching provides for a better understanding and acceptance of study results.

Task 6 – Conduct Benefits Analysis. The benefits data submitted from the labor market agencies will be incorporated into the base salary data sheets to provide a total compensation analysis. This quantitative analysis of program costs will provide the County with an understanding of how the study classes compare against their market when the costs of benefits programs are taken into consideration. Within these data sheets, four (4) different analyses can be conducted based on how our clients wish to view the data:

1. An analysis of where the survey classification falls within the labor market for base salary
2. An analysis of where the survey classification falls within the labor market when the cost of cash add-ons is taken into consideration (total cash)
3. An analysis of where the survey classification falls within the labor market when the cost of cash add-ons and health programs are taken into consideration
4. An analysis of where the survey classification falls within the labor market when the cost of cash add-ons, health program costs and retirement contributions are taken into consideration (total compensation)

Other analyses can be conducted based upon the County's needs.

Task 7 – Conduct Internal Equity Analysis/Prepare Draft Salary Recommendations. A comprehensive and balanced pay program is the result of the analysis of external labor market data, combined with an analysis of important internal relationships that reflect the County's value system of jobs. With the whole job methodology, the internal pay relationship analysis for non-benchmark classifications will involve several steps to arrive at sound and equitable relationships. Among others, the most important of these steps will include:

- Analysis of existing and historical pay relationships
- Development of consistent, uniform and realistic guidelines for determining internal relationships including span of control, nature and level of work performed and related components
- Recommendation of equitable and appropriate internal relationship differentials based on the above

Provided is the methodology CPS HR utilizes for establishing salary levels for benchmark and non-benchmark classifications in our compensation studies. This methodology would be applied to all the County study classifications: (1) The first step is to conduct a comprehensive understanding of the County's approach to identify the benchmark classifications to be used in the salary setting process; (2) The second step is to establish salary recommendations for these benchmark classifications by setting the salary level based on the market data; (3) The third step is to conduct a comprehensive review of the County's current internal alignment differentials to determine what their practices are, and if they should be adjusted; (4) The fourth step is to apply recommended internal differentials within job families to build the salary recommendations for classifications which have significant relationships to each other because they are in the same job series or family; (5) The fifth step is to determine what classifications remain that are not benchmark classifications, or classes that minimal comparable data was available for, and are also not part of a job series or family. These classifications are then reviewed to determine which classifications are the subject classifications currently internally aligned with and whether that relationship should be changed. Evaluation factors include the nature and level of work performed, as well as the minimum qualifications.

The following steps are followed for each classification within the pay plan. The salary recommendations for each study classification will display the following information:

- Classification title
- Current monthly range maximum
- Recommended monthly range maximum
- The percentage difference and/or dollar amount difference between the current and recommended monthly range maximum and the steps within a range, if desired

This information will provide the County with the percentage and dollar amount of any increase on a classification-by-classification basis.

As an alternative, CPS HR can prepare a customized point factor approach. This approach will place each job on a consistent scale using job factors that are important to the County. CPS HR will begin the process with its standard point factor approach. That approach will be presented to a compensation committee or some other stakeholder group to finalize the chosen job factors and their relative weights.

Task 8 – Prepare Draft Compensation Report. The project team will develop a Draft Compensation Report detailing the results of the labor market survey. This draft report will comprise the following:

- Scope of the study
- Labor market agencies, including the comparable characteristics (e.g., size, scope of services, number of employees, etc.)
- Study benchmarks, including the County’s methodology utilized to identify benchmarks
- Labor market data analysis/methodologies
- Results of the base salary survey
- Results of the benefits analyses
- Results of the total compensation analysis
- Salary recommendations for all classifications to assure internal equity and external competitiveness

The CPS HR Project Manager will meet with the County’s Internal Project Manager, Human Resources, Labor Union representatives, and any designated key stakeholders to discuss the Draft Compensation Report and to respond to any questions, comments, or concerns on the report.

Task 9 – Research and Resolve Issues/Prepare the Final Compensation Report. Based upon the County’s review of the Draft Compensation Report, the project team will follow-up and resolve any outstanding compensation issues. Hard and electronic copies of the Final Compensation Report and the automated internal equity analysis will be delivered to the County and the results presented to County management, Labor Union(s), and any other designated County stakeholders. Given the proximity of CPS HR’s staff, we are available for additional on-site, in-person meetings as required.

Task 10 – Compensation System Maintenance Training. At the conclusion of the study, the CPS HR Project Manager will conduct a training session on the development and maintenance of the compensation plan with designated County staff. This session would be scheduled to be concurrent with the on-site presentation of the Final Total Compensation Report. It is CPS HR’s standard practice for trainings of this nature to conduct a one-day training session with the County’s designated staff to provide more comprehensive details on the compensation study processes, methodologies, deliverables, and ongoing plan administration. The goal of this training day would be to assist the County’s staff in understanding the compensation survey analyses/processes and to provide the County with the tools necessary for the continued maintenance of the compensation plan. CPS HR will also provide the County with a document describing the procedures to follow for new classifications.

2. CLIENT RESPONSIBILITIES: County staff will be expected to participate in various stages and levels of the classification study. This will involve providing CPS HR with background information, scheduling meetings with stakeholder groups, employees and union members, completing position description questionnaires (PDQs), attending orientation meetings, providing information in position interviews, and reviewing responses of subordinates. In addition, the County will need to designate one or more decision-makers to provide project input and policy direction. We will also need one or more County individuals to review reports, make comments, and provide response to specific questions. Finally, we may need County staff to help with follow-up phone calls to members who do not provide compensation data after repeated CPS HR requests. Staff involvement illustrates a commitment to participants and enhances the implementation of any study result recommendations by building staff knowledge of key actions and overall concept buy-in.

3. CONTACT INFORMATION:

CPS HR Project Manager
Jennifer Ramos
Classification and Compensation Manager
jramos@cpshr.us
(916) 471-3462

Client Project Manager
Pamela Nichols
Human Resources Director
Pamela.Nichols@lakecountyca.gov
(707) 263-2213

4. SERVICE FEES: Total Fee to complete the Classification and Compensation studies is \$100,000.
- a. All Services provided to Client by CPS HR hereunder are priced on a FIXED PRICE basis. All amounts are based upon the following assumptions. Any deviations from the following assumptions may result in an increase in the Fees: (i) Client will timely perform its responsibilities as set forth in this SOW; and (ii) Services will normally be performed during normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding CPS HR holidays ("Normal Business Hours").
 - b. Classification Study. The professional fixed fee to complete the County's classification study as presented in this proposal is \$60,860.
 - c. Compensation Study. The professional fixed fee to complete the County's compensation study as presented in this proposal is \$39,140.
 - d. Invoicing. Invoices will be submitted for payment as services are performed. Client will pay CPS HR within thirty (30) days following receipt of invoice.
5. In the event the project is terminated early, CPS HR will be paid such amount as is due for professional services performed and out-of-pocket expenses incurred up to and including the effective date of termination. This SOW covers work requested and performed prior to the commencement of this SOW.