Consent Agenda Item

DATE: September 18, 2019

TO: Templeton Community Serviced District Board of Directors

FROM: Natalie Klock, Finance Officer

SUBJECT: Approve request to release RFPs for a Total Compensation Study

RECOMMENDED ACTION:
That the Board of Directors, by motion, approve the release of RFPs for a Total Compensation Study.

Motion: __________________________

FISCAL IMPACT:
The District's Fiscal Year 2019/20 Budget includes $25,000 in the Administration Fund for a Compensation Study to be conducted.

BACKGROUND:
The District’s FY 2019/20 Budget includes $25,000 in the Administrative Fund to conduct a salary and benefits study for all District positions. An outside study has not been conducted in over twelve years and is considered a best practice through our California Special District Association Transparency Accreditation.

In January 2019 staff brought a proposal to the Board to conduct a Total Compensation Study, but at the time the Board had concerns regarding the timing and rejected the proposal. Staff was asked to bring the item back towards the end of the year. In order to have the Compensation Study completed for possible incorporation into the FY 20/21 Budget, staff is bringing this item forward now as it would take a number of months to complete. The attached RFP will be available on the District’s website, as well as sent to the consultants staff reached out to previously (Avery Association, Bryce Consulting, CPS HR Consulting, Gallagher, Koff & Associates, Mathis Group, Ralph Anderson & Associates, Regional Government Services Authority, Reward Strategy, Segal Consulting and W. Brown Creative Services).
REQUEST FOR PROPOSALS

TEMPLETON COMMUNITY SERVICES DISTRICT

COMPENSATION STUDY

Proposals due: November 12, 2019, 4:00PM
1. **OBJECTIVE**

Templeton Community Services District is seeking proposals from qualified firms for consulting services to conduct a District-wide Compensation and Benefit Study.

2. **BACKGROUND**

The Community of Templeton is located halfway between Los Angeles and San Francisco in Northern San Luis Obispo County. In total, the District is approximately 3.5 square miles and has an estimated current population of 7,674. Templeton Community Services District (TCSD) provides water, sewer, fire, refuse, parks and recreation, street lights and some drainage detention. TCSD was established in 1976 as a local government agency under California Government Code Section 61000 et seq. and is governed by a 5-member elected Board of Directors.

TCSD currently employs approximately (18) full time and (3) regular part-time employees under 6 departments; fire, utility, engineering, park & recreation, finance and administration. Three additional full-time positions are expected to be added in 2020. There are no bargaining groups. Management and the Board of Directors are confident in the skills, abilities and work ethic of the current District employees, and wish to provide a work environment and compensation package that is attractive; retaining those employees who continue to perform at a high level.

3. **PROJECT SUMMARY AND DESCRIPTION**

The contract for the Compensation and Benefit Study will be an agreement between TCSD and consultant(s). The Consultant(s) will work under direction of the TCSD General Manager and management team. The contract will be awarded/executed under Board adopted purchasing procedures or contract law.

The model compensation and benefit study should address all compensation factors insuring TCSD’s responsibility to be accountable for and efficient in its expenditures of public funds; while at the same time understanding that the cost is tremendous to be in the constant position of attracting, training, educating and then losing highly motivated employees.

The end product of the study will include recommendations for the following: an extensive wage and benefit comparison with competitor agencies, to include the value of current benefits and retirement benefits, a recommended compensation plan and salary schedule.

Expertise in public agency salary programs is highly desired. The study shall include benefits analysis to ensure a proper mix of salary and benefits in the total compensation package provided to employees.
4. **SCOPE OF SERVICES**

The consultant shall conduct a comprehensive compensation and benefit study and shall develop recommendations and propose options for compensation and benefits of positions listed in the current wage schedule. The recommendations should include relevant, comparable agencies within the marketplace to ensure TCSD's competitiveness.

The review shall include the following:

**Task 1:** **Develop Peer/Competitor Agency List and Survey Questions**

A. The consultant will develop a list of potential peer/competitor agencies.
B. The consultant will review this list with TCSD Management for approval.

**Task 2:** **Conduct Peer Agency Review**

A. Selected public agencies will be contacted directly by the consultant to initiate the survey.
B. Available information will be gathered by telephone with a follow-up email questionnaire as required.

**Task 3:** **Compensation and benefits study shall include:**

A. A review of the agency salary classification and pay ranges, as well as the agency's current benefit offerings including medical contributions by agency and retirement benefits.
B. Include top step hourly wage, bottom step and the number of ranges in between.
C. Health Insurance- report on the value of the agency contribution pays for employee, dependent or dependents and detail on the employer and employee contributions. TCSD currently has two health insurance tiers. The first includes legacy employees and the second includes employees hires after May 2014.
D. Retirement- type of plan (i.e., PERS 2% @ 55 and 2.5% @ 62) and detail on the employer and employee contributions. TCSD currently has a total of 6 PERS retirement tiers. Three for Miscellaneous and three for Safety.
E. Other Benefits such as employer funded deferred compensation, Social Security, flex spending and health savings accounts, District funded education and training, vacation, sick leave, admin leave, holidays and the ability to cash out vacation.

**Task 4:** **Prepare and Submit Parity Review Summary**

A. Findings from the Peer/Parity Review Survey will be summarized in a technical memorandum including a comparative matrix and written summary of methodology, survey assumptions and any necessary
explanation of differences on responsibilities between TCSD positions and those of the peer agencies.

Task 5: **Recommendations resulting from the study shall include best practices and options as well as a detailed cost analysis for any recommendations, including:**

A. Evaluation of the agency’s current benefit offering and recommendations regarding options for potential modifications.
B. Revised minimum and maximum pay ranges, to include a detailed cost analysis of implementation.
C. Design of methodology to include possible phasing of implementation, to maintain fairness and competitiveness relative to the agency’s classification and comparison system following implementation.
D. Resolution of differences between internal worth for positions and market data for the same job for the purpose of comparing internal salaries and position worth to similar external agencies.
E. The consultant will present the recommendations of the study to the TCSD Board of Directors.

5. **DISTRICT INFORMATION**

The District shall provide the following information and services to Consultant:

a. Organization Chart
b. Personnel Manual
c. Job Descriptions
d. Historical and current salary, benefits and total compensation data

6. **CONTACT PERSON(S)**

Primary Contact                   Jeff Briltz, General Manager
                                  (805) 434-4900
                                  jbriltz@templetoncsd.org

Administrative Contact           Natalie Klock, Finance Officer
                                  (805) 434-4904
                                  nklock@templetoncsd.org

7. **TENTATIVE TIMETABLE**

<table>
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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>October 2, 2019</td>
<td>Issue Request for Proposals</td>
</tr>
<tr>
<td>November 12, 2019</td>
<td>Deadline for receipt of proposals</td>
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<tr>
<td>December 3, 2019</td>
<td>Contract award/execution by Board of Directors</td>
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<tr>
<td>February 18, 2019</td>
<td>Project Completion</td>
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Proposals by email (preferred method) must be received no later than 4:00PM on November 12, 2019. If mail delivery is used, the proposer should mail the proposal early enough to provide for arrival by this deadline. Proposers uses mail or courier service at his own risk. TCSD will not be liable or responsible for any late delivery of proposals. **Postmark will not be accepted.**

8. **PROPOSAL SUBMISSION AND CONTENT**

The Proposal shall include, as a minimum, the following:

A. **Transmittal Letter**, including a brief statement of understanding of the scope of services to be performed, a commitment to perform the services specified within this RFP and the name of the persons authorized to represent the proposing firm.

B. **Profile of the Proposing Firm** including background information such as firm size, client base and firms' capability to perform analysis and services as outlined in Scope of Work as well as provide the names and telephone numbers of three (3) clients for whom your firm has performed similar services.

C. **Work Plan and Schedule** - The work plan shall include time estimated for each phase of the work outlined above.

D. **Quote Sheet.** Estimate the total hours and estimated out-of-pocket costs anticipated to achieve the Scope of Work. Submit an all-inclusive maximum fee with subtotal by Work Product. Include a schedule of professional fees and expenses by staff level that support the total all-inclusive fees.

9. **PROPOSAL EVALUATION AND SELECTION PROCESS**

Upon receipt of the proposals, a technical evaluation will be performed. Each of the major sections of the proposal will be reviewed and evaluated with criteria designed to help judge the quality of the proposal. Evaluation criteria will include such considerations as:

- Project approach and data gathering methodology in consideration of the project schedule
- Specialized expertise with similar organization
- Familiarity with public agency salary programs
- Specific related experience and qualifications
- Understanding of and approach to scope of work/services
- Qualifications of personnel to be assigned to this contract
- Hourly fee schedule of staff and total bid amount
The District reserves the right to reject any and all submittals and/or solicit new proposals at its discretion. The submitter retains no interest in the proposal once received by the District. Proposers are responsible for all costs associated with the proposal.

Consultant will be required to enter into the District's standard Professional Services Agreement (sample attached).

Sincerely,

TEMPLETON COMMUNITY SERVICES DISTRICT

Jeff Briltz
General Manager