



## SUMMARY REPORT

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**Agenda Date:** 12/8/2020

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**To:** Board of Supervisors of the County of Sonoma, Board of Directors of the Sonoma County Water Agency, Board of Commissioners of the Community Development Commission, and Board of Directors of the Sonoma County Agricultural Preservation and Open Space District

**Department or Agency Name(s):** Human Resources Department

**Staff Name and Phone Number:** Colleen Goetz, 707-565-1701

**Vote Requirement:** Majority

**Supervisorial District(s):** Countywide

**Title:**

Classification and Compensation Consulting Agreements

**Recommended Action:**

Authorize the Director of Human Resources to execute agreements with five classification and compensation consulting firms, effective December 1, 2020 through November 30, 2023, in amounts not to exceed \$100,000 per agreement, per annum, with the option to execute three one-year renewals through November 30, 2026.

**Executive Summary:**

The requested Board action authorizes the Human Resources Director to execute five agreements for classification and compensation consulting services. Classification and Compensation studies represent a high volume of workload for the Human Resources Department. Historically, Human Resources has had consulting agreements to augment resource capacity or expedite studies. After conducting a request for proposal process, five firms are recommended. These agreements will maintain the continuity of current classification studies and address increased demands for essential Human Resources services. These are fee-for-service agreements with no minimum amount of work guaranteed to any firm.

**Discussion:**

The Human Resources Department's (HR) Recruitment & Classification (R&C) Division is responsible for managing the County's classification plan and conducting classification and compensation analyses on behalf of County departments and agencies. Typically, studies involve reviewing positions for appropriate classification, revising existing job classification specifications, developing new job classification specifications, conducting compensation reviews and analysis, and/or reviewing job classifications in relation to organizational changes and needs. Studies can be prompted by requests from departments or agencies, employees who believe they are working out of class, union requests on behalf of represented employees, analysis and preparation for the bargaining cycle, and/or as the result of labor agreements.

Classification and compensation studies require specific knowledge and professional level staff work. Studies are often complex, with many stakeholders involved. A typical study involves significant analysis, conducting desk audits/informational interviews with incumbents and their supervisors, drafting a report, potentially revising or creating job specification(s), conducting multiple meet and confer sessions with union(s) and incumbent(s), presenting the report to the Civil Service Commission, and in many cases, final Board approval.

HR continues to experience high demand for classification and compensation services from County departments/agencies and labor groups, creating a backlog which cannot be addressed with only department staff. While the department's R&C Division does conduct a significant number of classification and compensation studies internally, some study requests exceed the Divisions' capacity. Therefore, HR has an established practice of augmenting R&C staff by establishing service agreements with a pool of experienced, pre-approved classification and compensation consulting firms. These agreements are administered by HR and the consultants' services are available via the use of blanket purchase orders (BPOs). As HR is responsible for the integrity of the classification and compensation plan, HR reviews and approves all final work products.

In 2014, the Board authorized the Director of Human Resources to execute agreements with seven classification and compensation consulting firms. As the current agreements expire November 30, 2019, Human Resources released a Request for Proposal (RFP) for classification and compensation services on September 11, 2020. After appropriate due diligence to identify firms likely to have the requisite expertise, the RFP was circulated to twenty-five (25) firms from both inside and outside Sonoma County. Eight (8) proposals were received and a comprehensive evaluation, involving department representatives and HR, was conducted. As a result of the selection process, HR recommends the County execute agreements with the following five firms as it is believed that they are the best qualified and, accordingly, most appropriate to meet the County's anticipated classification and compensation study needs:

- CPS HR Consulting (Cooperative Personnel Services)
- Koff & Associate, Inc.
- Regional Government Services Authority
- Reward Strategy Group, Inc.
- The Segal Company (Western States) Inc., d/b/a Segal

Classification and compensation consulting agreements are fee-for-service contracts, with fees ranging from \$150 to \$300 per hour for Project Managers and Associate Analysts, depending upon their years of experience, area of specialty, and level of expertise. Given the time and complexity a large study requires, the estimated cost for a single, 75+ incumbent study, assuming 350 staff hours, could cost approximately \$47,000. A less complex, single position review is more likely in the range of \$2,000 to \$9,000. Based upon analysis of anticipated workload and cost of services, HR recommends setting individual agreement amounts at a maximum of \$100,000, per annum, which is consistent with prior agreements for classification and compensation services. These are fee-for-service agreements with no minimum amount of work guaranteed to any firm.

With the establishment of a pool of qualified classification and compensation consultants and the BPO structure, HR will have the services readily available to refer requests that exceed the capacity of the R&C staff. It should be noted; however, that HR itself does not have the budgetary resources to heavily use consultants, and when used, departments approve and incur the expense of these services.

**Prior Board Actions:**

12/05/17, The Director of Human Resources was authorized to execute amendments with two classification and compensation consulting firms, extending the term of each agreement through November 30, 2020 and amending the fee structure, not to exceed \$100,000 per agreement.

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12/09/14, The Director of Human Resources was authorized to execute agreements with seven classification and compensation consulting firms in amounts not to exceed \$50,000 per agreement.

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 20-21 Adopted</b>	<b>FY21-22 Projected</b>	<b>FY 22-23 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

Budgeted expenses for classification and compensation consulting services are allocated to those departments using these services. Human Resources/consultant will provided estimated costs based on the scope of work, and departments will evaluate and plan for the cost of the service based on existing budget and fiscal capacity.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

Not applicable.

**Attachments:**

None.

**Related Items "On File" with the Clerk of the Board:**

Sample Agreement for Classification and Compensation Consulting Services.