



Agenda Item #: _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Montgomery and Members of the City Council

THROUGH: David N. Carmany, City Manager

FROM: Cathy A. Hanson, Director of Human Resources

DATE: May 17, 2011

SUBJECT: Consideration of Award of Contract to Creative Management Solutions to Provide Consultation Services to the City for City Wide Classification, Compensation and Benefits Study (not to exceed \$50,000).

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager to execute the attached contract with Creative Management Solutions to provide consultation services to the City for a comprehensive classification, compensation and benefits study, and appropriate \$50,000 from Unreserved General Funds to cover these costs.

FISCAL IMPLICATION:

Funds were not budgeted for this study in the current fiscal year. As a result, if City Council approves this contract, funds totaling \$50,000 will need to be appropriated from available unreserved General Funds.

BACKGROUND:

The City of Manhattan Beach is a full service city and currently has approximately 103 full-time and 32 part-time classifications in the Teamster, Management/Confidential, Fire and Police groups. The City employs approximately 270 full-time employees and 121 part-time employees in these classifications.

DISCUSSION:

The City has not had a formal comprehensive classification, compensation, and benefits study completed in over 20 years. Since the City is currently in negotiations with all three of the bargaining groups (Teamsters, Police, and Fire), it is an opportune time to complete such a study.

Fifteen companies /consultants submitted bids and the top three (3) firms were interviewed on April 25, 2011. The top three firms were Fox Lawson & Associates, Creative Management Solutions, and Public Sector Consultants. The firms interviewed and their respective bids include:

Firm	Amount
Creative Management Solutions	\$49,400 plus bill rate of \$150/hour for extra services.
Fox Lawson & Associates	\$50,000 plus bill rate of \$310/hour for extra services.
Public Sector Consultants	\$57,500 plus bill rate of \$165/hour for extra services.

While all three were competitive, staff is recommending Creative Management Solutions as they are located in Southern California, the primary consultant is the Cal PACS administrator (organization that centralizes city compensation and benefits info.), recently conducted total compensation surveys for the City of Claremont, City of Seal Beach and City of Tustin, and was the lowest cost of the three.

This study is a total compensation and benefits study which will include classification, compensation, and benefits analysis. A complete scope of work is detailed in Attachment B on pages 5-7.

The results of the study will be reviewed with the bargaining groups and employees as appropriate. At the completion of this study which will be completed no later than December 1, 2011 (a timeline by project phase is in Attachment B page 8), the City will have an updated comprehensive classification plan along with recommendations to address current issues such as compaction between employees and their supervisor.

Attachments: A-Contract; B-Creative Management Solutions, Inc. Proposal; C-Request for Proposal #827-11 Classification & Compensation Study

ATTACHMENT A

AGREEMENT

THIS AGREEMENT is made this 17th day of May, 2011 by the CITY OF MANHATTAN BEACH, a municipal corporation, ("CITY"), and Creative Management Solutions, ("CONTRACTOR").

RECITALS

The following recitals are a substantive part of this Agreement:

1. City is desirous of obtaining services for Classification and Compensation Study;
2. CONTRACTOR is qualified by virtue of experience, training, education, and expertise to accomplish these services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This Agreement shall commence on May 18, 2011 and terminate upon completion of the work specified, unless earlier terminated as provided below.

1.1 **Termination.** CITY and CONTRACTOR shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice. Upon receipt of a termination notice, CONTRACTOR shall:

- (1) promptly discontinue all services affected (unless the notice directs otherwise); and
- (2) promptly deliver all data, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONTRACTOR in performing the Agreement to CITY, whether completed or in progress. CONTRACTOR shall be entitled to reasonable compensation for the services it performs up to the date of termination.

2. **Services to be Provided.** The services to be performed by CONTRACTOR shall be those set forth in the attached proposal and RFP#827-11 Classifications and Compensation Study.

Scope of Work: The scope of work includes phases one through six which are detailed in "Attachment A" pages 5-7. The scope of work will include a "Total Compensation" study which will include surveying and analyzing classification, compensation, and benefit for comparable agencies.

Proposed Timeline: The proposed work schedule including time frames is detailed in "Attachment A" page 8. The study will be completed by December 1, 2011. Updates will be scheduled on a monthly basis and at the completion of each phase (dates which are identified in "Attachment A" on page 8.

City of Manhattan Beach Request for Proposal: The City's RFP is attached to this contract as "Attachment B."

Study Cost: Study cost is broken down in "Attachment A" by phase page 9 and will not exceed \$50,000.

3. **Compensation.** CONTRACTOR shall be compensated as follows:

3.1 **Amount.** Compensation under this Agreement shall not exceed fifty thousand dollars (\$50,000).

3.2 **Payment.** For work under this Agreement, payment shall be made per monthly invoice.

3.3 **Expenses.** CONTRACTOR shall not be entitled to any additional compensation for expenses.

4. **Professional Standards.** CONTRACTOR shall maintain or exceed the level of competency presently maintained by other similar practitioners in the State of California, for professional and technical soundness, accuracy and adequacy of all work, advice, and materials furnished under this Agreement.

5. **Time of Performance.** CONTRACTOR shall complete all services required hereunder as and when directed by CITY. However, CITY in its sole discretion, may extend the time for performance of any service.

6. **Employees and Subcontractors.** CONTRACTOR may, at CONTRACTOR'S sole cost and expense, employ such other person(s) as may, in the opinion of CONTRACTOR, be needed to comply with the terms of this Agreement, if such person(s) possess(es) the necessary qualifications to perform such services. If such person(s) is/are

employed to perform a portion of the scope of work, the engagement of such person(s) shall be subject to the prior approval of the CITY.

7. Insurance Requirements.

7.1 Commencement of Work. CONTRACTOR shall not commence work under this Agreement until it has obtained CITY approved insurance. Before beginning work hereunder, during the entire period of this Agreement, for any extensions hereto, and for periods after the end of this Agreement as indicated below, CONTRACTOR must have and maintain in place, all of the insurance coverages required in this Section 7. CONTRACTOR'S insurance shall comply with all items specified by this Agreement. Any subcontractors shall be subject to all of the requirements of this Section 7 and CONTRACTOR shall be responsible to obtain evidence of insurance from each subcontractor and provide it to CITY before the subcontractor commences work.

All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers authorized to do business in the State of California. Insurers shall have a current A.M. Best's rating of not less than A-:VII unless otherwise approved by CITY.

7.2 Coverages, Limits and Policy Requirements. CONTRACTOR shall maintain the types of coverages and limits indicated below:

(1) **COMMERCIAL GENERAL LIABILITY INSURANCE** - a policy for occurrence coverage, including all coverages provided by and to the extent afforded by Insurance Services Office Form CG 0001 ed. 11/88 or 11/85, with no special limitations affecting CITY. The limit for all coverages under this policy shall be no less than one million dollars (\$1,000,000.00) per occurrence. CITY, its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 1 (General Liability) must

be executed by the applicable insurance underwriters.

(2) **COMMERCIAL AUTO LIABILITY INSURANCE** - a policy including all coverages provided by and to the extent afforded by Insurance Services Office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting the CITY. The limit for bodily injury and property damage liability shall be no less than one million dollars (\$1,000,000) per accident. CITY, its employees, officials and agents, shall be added as additional insureds by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, non-renewal or material change in coverage. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 2 (Auto) must be executed by the applicable insurance underwriters.

(3) **WORKERS' COMPENSATION INSURANCE** - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. The minimum coverage limits for said insurance shall be no less than one million dollars (\$1,000,000) per claim. The policy shall contain, or be endorsed to include, a waiver of subrogation in favor of CITY.

(4) **PROFESSIONAL ERRORS & OMISSIONS** - a policy with minimum limits of one million dollars (\$1,000,000) per claim and aggregate. This policy shall be issued by an insurance company which is qualified to do business in the State of California and contain a clause that the policy may not be canceled until thirty (30) days written notice of cancellation is mailed to CITY, ten (10) days notice if cancellation is due to nonpayment of premium.

7.3 Additional Requirements. The procuring of such required policies of insurance shall not be construed to limit CONTRACTOR'S liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement. There shall be no recourse against CITY for payment of premiums or other amounts with respect thereto. CITY shall notify CONTRACTOR in writing of changes in the insurance requirements. If

CONTRACTOR does not deposit copies of acceptable insurance policies with CITY incorporating such changes within sixty (60) days of receipt of such notice, CONTRACTOR shall be deemed in default hereunder.

Any deductibles or self-insured retentions must be declared to and approved by CITY. Any deductible exceeding an amount acceptable to CITY shall be subject to the following changes:

- (1) either the insurer shall eliminate, or reduce, such deductibles or self-insured retentions with respect to CITY and its officials, employees and agents (with additional premium, if any, to be paid by CONTRACTOR) ; or
- (2) CONTRACTOR shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration, and defense expenses.

7.4 Verification of Compliance. CONTRACTOR shall furnish CITY with original endorsements effecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Agreement, CONTRACTOR shall deliver to CITY a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefor, or accompanied by other proof of payment satisfactory to CITY.

8. Non-Liability of Officials and Employees of the CITY. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. Non-Discrimination. CONTRACTOR covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. Independent Contractor. It is agreed that CONTRACTOR shall act and be an independent contractor and not an agent or employee of CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.

11. Compliance with Law. CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

12. **Ownership of Work Product.** All documents or other information created, developed or received by CONTRACTOR shall, for purposes of copyright law, be deemed works made for hire for CITY by CONTRACTOR as CITY'S employee(s) for hire and shall be the sole property of CITY. CONTRACTOR shall provide CITY with copies of these items upon demand and in any event, upon termination or expiration of the term of this Agreement.

13. **Conflict of Interest and Reporting.** CONTRACTOR shall at all times avoid conflict of interest, or appearance of conflict of interest, in performance of this Agreement.

14. **Notices.** All notices shall be personally delivered or mailed to the below listed addresses. These addresses shall be used for delivery of service of process.

a. Address of CONTRACTOR is as follows:

Barry C. Newton
Creative Management Solutions, Inc. (CMS)
8205 E. Somerset
Anaheim, CA 92808-2315

b. Address of CITY is as follows:

Cathy Hanson, Human Resources Director
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

(with a copy to):

City Attorney
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

15. **Contractor's Proposal.** This Agreement shall include CONTRACTOR'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Licenses, Permits, and Fees.** CONTRACTOR shall obtain a Manhattan Beach Business License, all permits, and licenses as may be required by this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that:

- (1) it has investigated the work to be performed;
- (2) it has investigated the site of the work and is aware of all conditions there; and
- (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONTRACTOR discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement, or any portion, shall be assigned by CONTRACTOR without prior written consent of CITY.

20. **Key Person.** During the term of this Agreement CONTRACTOR shall provide the services of Barry Newton of Creative Management Solutions, Inc. who shall be the primary person providing services to CITY under this agreement. No other individual may perform services under this Agreement without consent of the CITY.

20. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

21. **Indemnification.** CONTRACTOR agrees to indemnify, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, attorneys and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees arising out of, or in any way connected with performance of, the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractor(s) hired by CONTRACTOR. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

22. **Modification.** This Agreement constitutes the entire agreement between the

parties and supersedes any other agreements, oral or written. No promises, other than those included in this Agreement, shall be valid. This Agreement may be modified only by a written agreement executed by CITY and CONTRACTOR.

23. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the appropriate branch of the Los Angeles County Municipal or Superior Court.

24. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.

25. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

26. **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that representations by any party not embodied herein, and any other agreements, statements, or promises concerning the subject matter of this Agreement, not contained in this Agreement, shall not be valid and binding. Any modification of this Agreement will be effective only if it is in writing signed by the parties. Any issue with respect to the interpretation or construction of this Agreement are to be resolved without resorting to the presumption that ambiguities should be construed against the drafter.

27. **Attorneys' Fees.** In the event that legal action is necessary to enforce the provisions of the Agreement, or to declare the rights of the parties hereunder, the parties agree that the prevailing party in the legal action shall be entitled to recover attorneys' fees and court costs from the opposing party.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

Creative Management Solutions Inc.

By Barry C. Newton

CITY OF MANHATTAN BEACH

By _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

Paul C. O'Leary
Interim City Attorney

ATTACHMENT B

May 9, 2011

Cathy Hanson
Director of Human Resources
City of Manhattan Beach
1400 Highland Avenue
Manhattan Beach, CA 90266

City Classification and Compensation Study- Bid 827-11

Dear Cathy:

Thank you for presenting the RFP for the Classification and Total Compensation Study. This project will provide the City with an independent assessment of regular employees, salary ranges, and key total compensation practices.

We understand the City's interest in having a sound and comprehensive plan that can be effectively administered and communicated by the Human Resources Department on a continuing basis. It is important that the City have a method for comparing similar cities and practices and employer and employee contributions, on a scheduled basis. Moreover, we would be expected to provide a number of options as part of an implementation strategy to achieve market competitiveness while working within the City's budgetary resources over a period of time.

We look forward to the opportunity to work with the City on this critical study. Please contact us at (714) 281-7300 or barrycms@adelphia.net if you should have any questions concerning our proposal.

Sincerely,

Barry C. Newton, CCP and Managing Director
Creative Management Solutions, Inc. (CMS)



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I. PROJECT BACKGROUND AND CONSULTANT INTRODUCTION

A. Type of Study Being Performed

The City of Seal Beach has requested that the Consultant conduct a **classification and total compensation study**.

The Classification Element entails a review of each position to determine whether each employee is appropriately classified. This process is known as job analysis and typically involves the use of questionnaires, interviews, and potential worksite observation of field classifications given highly specialized equipment utilization.

The Base Compensation Element involves a review of wage and salary rates as reported with the pay range for each job classification. This process is followed in order to assign jobs to pay ranges that are competitive with market practices. This process also helps to achieve internal equity as each job is assigned to a pay range that effectively considers skills, effort, responsibilities, and working conditions.

The Total Compensation Element incorporates a review of supplemental forms of pay and benefits, including premium pay, health and welfare, and long-term contributions. Premium pay refers to certification and specialty assignment pay. Health and welfare refers to employer contributions to health, dental, life insurance, and retiree medical insurance, or equivalent employer contributions under an employer cafeteria plan. Long-term contributions refer to employer payments to PERS (less employee contributions) and deferred compensation plans. The sum of base compensation plus supplemental compensation and benefits is known as total compensation.



B. Executive Summary

The City of Manhattan Beach is a General Law City under a City Council/City Manager form of government. The City was incorporated in 1912 and is located about 22 southwest of the City of Los Angeles Civic Center with two miles of beach front coverage, approximately 34,000 residents and annual budget of over \$87 million. The City has seven major departments and provides a wide range of general services, community services, public safety services, and utility services. The City's workforce is represented by three collective bargaining units, and has management, confidential, and part-time employees. The City of Manhattan Beach is expected to engage the services of a qualified consultant to perform a classification and total compensation study of its City departments encompassing approximately 100 full-time and 32 part-time classifications. The City currently has a six step salary plan for most of its classifications and the ranges are largely organized and updated by bargaining group. The City has three major known areas of concern associated with the study. First, the City needs to address pay compaction in the Police series when base pay and specialty pay are considered. Second, there are concerns about the ratio of specialized classifications to general classifications which can limit workforce flexibility. Third, there is a need to evaluate the organization design, staffing levels, and total compensation practices in relation to the budgetary constraints of the City.

The scope of this project includes a job analysis, a market analysis of 12 to 15 related public services providers, and internal job evaluation. The project deliverables will include updated class specifications, career paths, the designation of job evaluation factors and internal salary relationships, market salary and health and welfare contributions and positioning by benchmark job, recommended salary ranges for each classification, and the presentation of different plan implementation strategies that account for cost parameters. The Consultant will work with a Classification and Compensation Committee that will be actively involved in all aspects of the study. The City Manager and Human Resources Director will serve in an advisory capacity.

The City's RFP, including the project goals, scope of work requirements, professional services agreement, and insurance standards are clear and our firm would meet these standards. The Consultant is expected to fully study each position, work effectively with the Study Committee, and consider the City's unique history, philosophy and issues, as viewed by different stakeholders. It is understood that the Consultant's role is to obtain valid and reliable data, demonstrate effective listening skills, and present recommendations that are compelling and can be satisfactorily implemented.



B. Identification of the Responder

1. Name of Business/Company:	Creative Management Solutions, Inc. A California S Corporation
2. Business/Company Address:	8205 East Somerset Anaheim CA 92808-2315
3. Telephone Number:	(714) 281-7300
4. Facsimile Number:	(714) 281-3149
5. E-mail Address:	barrycms@adelphia.net
6. Website Address:	www.creativemgtsolutions.com
7. Federal Tax ID Number:	33-0901724
8. Type of Business, Location, and Number of Years in Business:	Human Resources Consulting Firm located in Anaheim, California. Specialization in Classification and Compensation Studies, particularly for growing local governments within Southern California. Formed in 1989.
9. Name, Title, and Signature Line For Person Authorized To Represent the Business Entity:	Barry C. Newton, CCP and Managing Director
10. Staff Support Required	Human Resources input will be needed in project planning, setting up the orientation sessions and reviewing the study results.

C. Experience of the Firm

CMS would be expected to draw from thirty years of public sector professional and consulting experience involving cities and other local government entities.

The firm has served over 200 clients in the public, private, and not-for-profit sectors, representing over 60 cities, and including examples such as the Cities of Brea, Claremont, Lake Forest, Long Beach, Los Alamitos, Moreno Valley, Newport Beach, Orange, San Dimas, Seal Beach, Stanton, and Tustin.

D. Availability

We will be available to provide services during the proposed contract period and this will be our major project during that time.



D. Examples of Five Successful Projects In The Past Five Years

City of Claremont- City-wide Total Compensation Studies: 2008-2009 and 2010-2011

(City Wide Total Compensation Studies: 2008-2009 and 2010-2011)

Ms. Shawna Urban
Personnel Services Manager
207 Harvard Avenue P.O. Box 880
Claremont, CA 91711-0880
(909) 399-5447 surban@ci.claremont.ca.us

City of Lake Forest- City-wide Class, Comp and PERS Study: 2010

(Prior Studies for the City of Lake Forest: FY2001, 2003, 2005, 2007, and 2009)

Robert Dunek, City Manager
Debra Rose, Director of Management Services
25550 CommerCentre Drive
Lake Forest, CA 92630
(949) 461-3455 drose@ci.lakeforest.ca.us

City of Seal Beach- Classification and Total Compensation Study: 2009

(City-wide Classification and Compensation Study- 2008-2009)

David Carmany, City Manager
Jill Ingram, Assistant to the City Manager
City of Seal Beach
211 8th Street
Seal Beach, CA 90740
(562) 431-2527 x 1308 jingram@ci.seal-beach.ca.us

Orange County Head Start Compensation Studies, 2003, 2007, and 2010

Director, Human Resources
ORANGE COUNTY HEAD START, INC.
2501 S. Pullman Street
Santa Ana, CA 92705
(714) 241-8920 glenn@ochsinc.org

City of Tustin- Classification and Compensation Analysis: 2008

(City-wide Classification Review and Compensation Study in tandem with staff)

Kristi Recchia
Director of Human Resources
CITY OF TUSTIN
300 Centennial Way
Tustin, CA 92780
(714) 573.3052 krecchia@tustinca.org



II. SCOPE OF WORK

I. Phase One: Project Planning and Communications

1. Initiate and complete project planning meetings with the Human Resources Director, City Manager's Office, and department head, followed by designated management and employee representatives regarding the study goals, work plan, and major concerns. Review Personnel Rules, collective bargaining contracts, reclassification requests, compensation and benefit practices, as well as related contract requirements. Analyze the City's organization structure and classification plan, including the class specifications, and health and welfare plans, deferred compensation and PERS formulas and contributions by the employees and employers. Diagram the steps for the job analysis and process for employee reviews and status updates.
2. Draft study communications letter and instructions for completing position description questionnaires that account for job changes. Introduce the project goals, work plan, and timeline for the study; discuss use of City intranet and web-based applications for accessing study forms, addressing frequently asked questions, and relaying study progress; coordinate orientation meetings with City staff and conduct five orientation sessions with City employees to provide a study overview, explain how to complete the PDQs, and address other questions.
3. Review and recommend labor market definition, elements of total compensation, and market benchmark classifications for the City of Manhattan Beach, accounting for agency size and structure, range of services, comparability of jobs, and other factors. Provide progress report.

II. Phase Two: Employee Interviews and Job Analysis

1. Review completed position description questionnaires and prepare follow-up inquiries for interviews with employees, supervisors, and managers; use City-provided records to verify status of received questionnaires and coordinate interview dates and times with City staff, including 100% of employees.
2. Administer interviews with sampling of managers, supervisors, and employees in designated jobs; assure understanding of job functions and initiate and respond to employee questions concerning study process.
3. Conduct work observation of yard and field sites for designated maintenance classifications to improve the presentation of ADA physical standards and environmental elements within the class specifications. Provide progress report.



III. Phase Three: Job Analysis and Market Data Collection

1. Analyze position description questionnaires and interview notes to determine appropriate classifications that are representative of the work performed by employees; consider job functions and qualifications guidelines and needed changes; determine need for new classifications, outdated classifications, and role integration as part of improvements to organization design and staffing efficiency, and initiate class specification development.
2. Coordinate review of position listings with City staff in order to reconcile current and vacant assignments with the City's budget; begin drafting the Preliminary Classification Report, including background, methodology, terminology used, and major findings by classification.
3. Initiate market analysis of labor market organizations given established benchmark classifications and health and welfare elements in order to begin to present job matches by each benchmark job and agency, showing job modifiers to reflect degree of match given organizational size and job size, and report range rate information and market average rates for each classification. Identify employer and employee contributions to health, dental, vision, and life insurance, and cafeteria plans, employer deferred compensation, as well as employer and employee contributions to PERS as part of total compensation.
4. Evaluate job matching and City pay structures on the basis of the organization structures, job descriptions, and staffing plans of the survey agencies. Make adjustments and report median and mean rates by benchmark job for individual classifications and create market summary by job grouping and classification. Provide progress report.

IV. Phase Four: Job Evaluation, Career Paths and Internal Grading

1. Establish the City's compensable job evaluation factors, definitions, and levels, in conformance with the provisions of the Equal Pay Act, and considering skill, mental effort, responsibility, and working conditions.
2. Evaluate each job in order to establish internal hierarchy of classifications, using whole job method, factor comparison method, or point factor method of job evaluation, given prior management approval, and based upon factors such as scope and impact of responsibilities, knowledge, interfaces, supervision, skills, and working conditions.
3. Update internal career paths and create salary relationships charts and guidelines to depict appropriate differentials between classifications in job families, occupational groupings, and departments, so as to avoid and correct potential pay compaction issues. Begin drafting of Preliminary Compensation Report, including background, methodology, and findings. Assign job classes to pay grades and provide progress report.
4. Present new and updated draft class specifications to Human Resources for the purpose of studying proposed definitions, and disseminate the draft specifications to be reviewed by employees, supervisors, and managers. Provide progress report.



V. Phase Five: Preliminary Reports and Plan Documents

1. Prepare and present Preliminary Classification Report containing study background, classification methodology, findings, and recommendations, including the assessment for assigning jobs to pay grades and the job evaluation factors. Provide Classification and Pay Guidelines for assigning positions to classifications, depicting job titles, conducting reclassifications, and similar practices (see City of Anaheim Human Resources website for example).
2. Incorporate appropriate changes to the class specifications given employee and supervisory feedback and present findings to management and employee representatives. Consider questions related to specific classification changes and the implementation of revisions and analyze and respond to employee and management concerns, including potential appeals, and explain rationale for study recommendations in digest format.
3. Present market results and proposed salary ranges each benchmark classification as part of the Preliminary Compensation Report, and show the City's positioning in relation to the prevailing market rate given occupational grouping, labor unit, and pay grade. Prepare Position Allocation Summary by employee name, job classification, department, and current and proposed range allocations; determine adjustment costs associated with employee step placement using salary, PERS, and indirect cost factors.

VI. Phase Six: Final Reports and Presentations

1. Consider comments and concerns presented by the City Manager, Human Resources Director, and designated management and employee representatives related to compensation plan and implementation options
2. Present Final Classification and Compensation Report documents to City Manager and Human Resources Director, and brief department heads regarding updated report recommendations. Meet with City Council, as directed, to present study report findings and recommendations.
3. Brief employees, supervisors, and managers regarding the final report recommendations. Train Human Resources staff and management given the presentation of Classification Guidelines, job analysis processes and reference materials given the need to maintain current information with respect to the class specifications, including the process for reviewing changes between potential biennial or triennial market reviews



III. PROPOSED WORK SCHEDULE

Project Tasks	Project Phases and Descriptions	Estimated Work Hours	Beginning and Ending Dates
	Phase One: Planning and Communications	38 (10%)	
1	<u>Project planning meetings</u>		May 23rd – May 27th
2	<u>Employee communications/orientation sessions and dissemination of questionnaires</u>		May 31st - June 3rd
3	<u>Benchmark job selection, labor market definition, survey contacts, and elements of total compensation defined</u>		June 6 th – June 10 th Status Report: June 10th
	Phase Two: Job Analysis	95 (25%)	
1	<u>Review position questionnaires and set up interviews with City staff</u>		June 13 th – June 17th
2	<u>Conduct employee, supervisory, and management interviews</u>		June 20 th - July 8th
3	<u>Complete work observation of yard facilities and major equipment</u>		July 5 th – July 8th
			Status Report: July 8th
	Phase Three: Initiate Class Specifications	95 (25%)	
1	<u>Analyze position questionnaires</u>		July 18 th – July 22nd
2	<u>Establish appropriate classifications and career paths</u>		July 25th – July 29th
3	<u>Draft new and updated job descriptions</u>		August 1st – Sept 2 nd Status Report: September 2nd
	Phase Four: Job Evaluation & Market Analysis	76 (20%)	
1	<u>Establish job evaluation factors and evaluate internal salary relationships</u>		August 8 th – August 12th
2	<u>Conduct CalPACS benchmark and labor market surveys</u>		August 15th – September 2nd
3	<u>Present Preliminary Classification Report and draft class specifications to Human Resources</u>		September 6 th – September 9th
4	<u>Incorporate appropriate classification changes and submit updated class specifications to employees for input</u>		September 12 th – September 23rd
			Status Report: September 23rd
	Phase Five: Preliminary Reports and Presentations	38 (10%)	
1	<u>Present Preliminary Market Analysis and Compensation Report</u>		September 26 th – September 30th
2	<u>Review results of Market Analysis and Compensation Report</u>		October 3 rd – October 7th
3	<u>Review employee and supervisory comments and potential appeals on behalf of represented and non-represented employees</u>		October 10 th – October 21st
	Phase Six: Final Reports and Presentations	38 (10%)	
1	<u>Update combined Preliminary Classification and Compensation Reports to incorporate appropriate changes</u>		October 24 th – October 28th
2	<u>Present Final Classification and Compensation Report to City Council</u>		November 7 th - November 10th
3	<u>Briefings with management and staff regarding implementation of study recommendations and training</u>		November 14 th – November 23rd



IV. COST PROPOSAL

The services described within the scope of this work proposal can be provided at a total cost not to exceed **\$49,400**, including all telephone, labor, and administrative expenses, as well as minor reproduction and material expenses. There would be no travel or incidental expenses being charged since we are a local firm.

Based on an analysis of the proposal, the expertise established for this project is based on 60% of the Managing Director's time and 40% of the staff consultants' time. The hourly rate structure would be \$150 per hour for the Managing Director and \$100 per hour for the Consultants.

Direct labor and minor reproduction and material expenses by job level:

Total estimated work hours for project =	380
Managing Director- 60% of total hours (228) =	\$29,640
2 Consultants- 40% of total hours (152) =	\$19,760

Direct labor and minor reproduction and material expenses by phase:

Phase I- (10%)	\$4,940
Phase II- (25%)	\$12,350
Phase III- (25%)	\$12,350
Phase IV- (15%)	\$9,880
Phase V- (10%)	\$4,940
Phase VI- (10%)	\$4,940

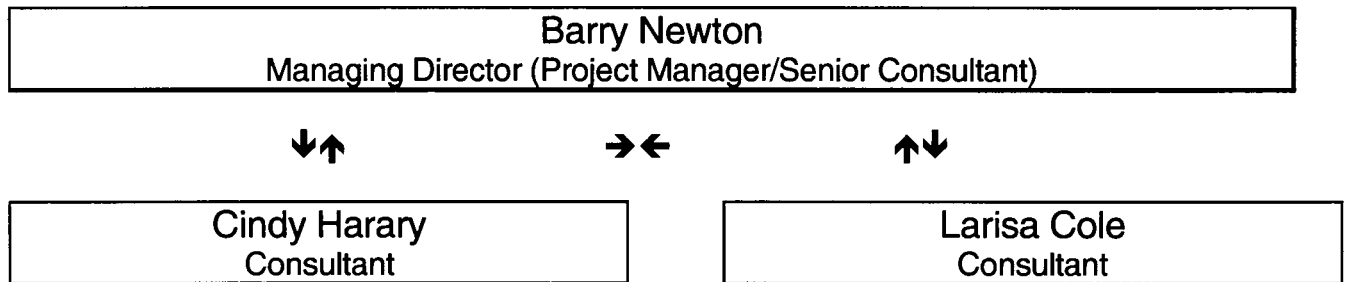
Invoices will be presented at the completion of each phase, based on work completed to date for the associated tasks. The scope of the work and project timeline can be modified at the mutual consent of the City and the Consultant, and the types of services performed and costs can be adjusted as well. Payment is due within 30 days of the receipt of each invoice.



V. PROJECT ORGANIZATION AND KEY PERSONNEL

- a. As the chart indicates below, Barry Newton will serve as Project Manager and Senior Consultant. Barry Newton will lead the planning and study presentation meetings, participate in designated employee interviews, evaluate the job descriptions, market salary data, internal salary relationships, pay grades, and compensation plan design, and make recommendations for consideration by City officials, management, and represented employees. Mr. Newton will also be responsible for supervising and coordinating any tasks completed with the assistance of CMS employees. The resumes for Mr. Newton, Ms. Cole, and Ms. Harary, who have worked together as employees for the past 10 years, are shown on the pages that follow. No independent contractors or sub-contractors are assigned to this project.

PROJECT WORK TEAM



- b. Role of Project Manager- Directs, coordinates, and participates in all project phases and tasks and coordinates work of consulting staff. Acts as primary client relationship manager. Role of Consultants- Participate in completion of project tasks and coordinate the collection and evaluation of information.

The estimated allocation of work hours on the project will be as follows:

Barry Newton, Project Manager:	70%
Cindy Harary, Consultant:	15%
Larisa Cole, Consultant:	15%
<hr/>	
Total =	100%

- c. Information requirements for City Staff- As noted earlier, during Phase I of the project, the Consultant will require the assistance of Human Resources staff in the planning and orientation session and in the review of the study results.



SUMMARY OF QUALIFICATIONS:

BARRY C. NEWTON, CCP, MANAGING DIRECTOR

CREATIVE MANAGEMENT SOLUTIONS, INC. (CMS)

As founder of Creative Management Solutions, Inc., Mr. Newton specializes in organization design, compensation management, and performance evaluation systems. Mr. Newton, and other associates of the firm, develop and implement customized plans, strategies, and training programs for a diverse range of clients. The firm was originated in 1989 and has served over 150 clients in the private, public and not-for-profit sectors since that time.

Mr. Newton has over 30 years of human resources and compensation consulting experience, including public and private professional and management positions with General Dynamics Corporation, Hay Management Consultants, the California Institute of Technology, and the Los Angeles Metropolitan Transportation Authority.

Illustrations of 60 cities served have included organizations such as the Cities of Anaheim, Brea, Claremont, Hemet, Lake Forest, Long Beach, Moreno Valley, Newport Beach, Rancho Cucamonga, San Clemente, Santa Maria, Seal Beach, and Tustin. Mr. Newton has worked with a number of special districts such as the Eastern Municipal Water District, Elsinore Valley Water District, Orange County Sanitation District, and the Riverside County Transportation Commission. Other examples of public and not-for-profit sector clients include the Los Angeles County Head Start Program, Orange County Transportation Authority, Orangewood Children's Foundation, Orange County Performing Arts Center, and the Transportation Corridor Agencies.

Examples of private sector clients served by Creative Management Solutions, Inc. have included Behr Process Corporation, Black and Decker Corporation, enXco Inc., Kingston Technology Company, Knott's Berry Farm, Matria Healthcare, McGaw, Inc., National Bank of Southern California, National Education Corporation, Nationwide Insurance Company, Princess Cruises, Ricoh Electronics, Inc., and ViewSonic Corporation.

Mr. Newton holds a Master's degree with a specialization in management from the University of Southern California and a Bachelor's degree in the behavioral sciences from the University of California, Berkeley. He is a Certified Compensation Professional (CCP) as designated by the World At Work (formerly known as the American Compensation Association). He has been an instructor in Compensation Administration, Performance Appraisal and Human Resources Management classes at the U.C. Irvine and U.C. Riverside Extension Programs for over 25 years. Mr. Newton serves as the Administrator of CalPACS, an on-line compensation and benefits database for over 120 local governments in Southern California.



SUMMARY OF QUALIFICATIONS:

LARISA J. COLE, CONSULTANT

CREATIVE MANAGEMENT SOLUTIONS, INC. (CMS)

Ms. Cole has acquired over 17 years of professional and technical experience as a public and private sector compensation specialist with PacifiCare Health Systems, Pacific Life Insurance Company, and CMS. She has a wide range of human resources experience in administering classification, compensation, benefits, and performance appraisal programs, and incentive programs. She has also worked closely with all levels of employees and management in supporting organizational pay strategies and policies.

She has conducted job analyses, coordinated and conducted oral interviews, drafted and revised class specifications, and completed and administered total compensation and benefits surveys. Ms. Cole has researched and developed pay-for-performance plan models for public sector agencies as well as private sector incentive and recognition plans for manufacturing, health care and service industries, while administering executive focal performance review programs. She has also conducted a range of executive compensation and total compensation studies and administered deferred compensation plans while presenting a broad range of management reports and recommendations.

Ms. Cole has assisted CMS with a variety of different classification, compensation, and performance evaluation programs with local governments, educational institutions, and special districts such as the Cities of Anaheim, Claremont, Corona, El Monte, Lake Forest, Mission Viejo, Rancho Cucamonga, Tustin, Whittier, and Yorba Linda, as well as Eastern Municipal Water District, Orange County Fire Authority, Santa Monica College, and the Transportation Corridor Agencies. She has also served a diverse range of private sector organizations from different industries such as the California Credit Union League, Inland Empire Health Plan, Kingston Technology Company, Knox Company, Ricoh Electronics, Inc., Unified Western Grocers, and Watt Property Management.

She obtained her Bachelor of Science Degree in Business Administration from the University of Southern California and is currently completing coursework toward the attainment of her professional designation as a Certified Compensation Professional with the World At Work (formerly known as American Compensation). She is also a member of the Orange County Compensation and Benefits (OCCABA).



SUMMARY OF QUALIFICATIONS:

CINDY M. HARARY, CONSULTANT

CREATIVE MANAGEMENT SOLUTIONS, INC. (CMS)

Ms. Harary has acquired over 15 years of human resources professional, technical and administrative support experience in the public and private sectors, including ten years of professional consulting work with CMS. She has a wide range of human resources experience in classification, compensation, benefits, employment, performance appraisal, opinion research, and training and development programs.

Ms. Harary has conducted job analysis, coordinated and conducted oral interviews, drafted and revised class specifications, completed and administered compensation and benefits surveys, coordinated and administered performance evaluation plans, and prepared and presented related management reports and exhibits.

Examples of public sector clients that Ms. Harary has assisted have included the Cities of Anaheim, Corona, El Monte, Lake Forest, Palo Alto, Pico Rivera, Rancho Cucamonga, Santa Maria, Whittier and Yorba Linda. Other public sector illustrations include California Baptist University, Elsinore Valley Municipal Water District, Orange County Fire Authority, and the Santa Monica-Malibu Unified School District. Examples of private and not-for-profit sector organizations that Ms. Harary has assisted include Community Partners of Los Angeles, Goodwill Industries of Orange County, Kingston Technology Company, Orange County Head Start, and Ricoh Electronics Inc

Ms. Harary obtained her Bachelor of Arts Degree in Journalism from the California State University at Long Beach and acquired her professional certification in Human Resources Management through the California State University at Long Beach Extension Program.

ATTACHMENT C



City of Manhattan Beach

Finance Department

General Services Division

Phone: (310) 802-5568

FAX: (310) 802-5590

TDD: (310) 546-3501

REQUEST FOR PROPOSAL

BID NUMBER: 827-11
BID TITLE: CLASSIFICATION AND COMPENSATION STUDY
REQUESTING DEPARTMENT: HUMAN RESOURCES
RELEASE DATE: February 17, 2011
DUE DATE: **March 17, 2011 @ 3:00 P.M. PST**
CONTACT PERSON: Gwen Eng at (310) 802-5567
E-mail: geng@cityymb.info

Notice is hereby given that the Office of the City Clerk of the City of Manhattan Beach will receive proposals for Classification and Compensation Study. Each proposal must be submitted in a sealed envelope and clearly marked:

“RFP # 827-11 Classification and Compensation Study”

Failure to identify the proposal on the envelope may result in disqualification of the proposal.

Sealed proposals must be submitted to the office of the City Clerk at 1400 Highland Avenue, Manhattan Beach, CA 90266. **Proposals will be received until 3:00 PM PST, Thursday, March 17, 2011.**

Proposals will not be opened at that time, but will be submitted to the General Services Manager for verification and compliance with Specifications and subsequent recommendation to City Council for award of a contract or rejection of the responses, as deemed appropriate. The City reserves the right to make no award.

Proposals received after the deadline will be considered late. Such proposals may be returned unopened. Fax proposals are not acceptable.

Any inquiries relative to this RFP should be directed to Gwen Eng, General Services Manager, geng@cityymb.info, by no later than 3:00 PM, Friday February 25, 2011.

Dated: This 17th Day of February, 2011

Gwen Eng

Gwen Eng
General Services Manager

Instructions to Bidders/Definitions

The following meanings are attached to the following defined words when used in these specifications and the contract: The word "City" means the City of Manhattan Beach, California. The word "Bidder" "Vendor," "Supplier," or "Contractor" means the person, firm, or corporation submitting a bid on these specifications or any part thereof.

Filing Date

All bids must be received at or before the time indicated above. Copies of all forms, specifications, and exhibits are available from the office of the Purchasing Agent for the City of Manhattan Beach (310) 802-5569.

Reservations

The City Council reserves the right to reject any and all bids received; to take all bids under advisement for up to 90 days after opening; to waive any informality on any bid; and to be the sole judges of the relative merits of the material mentioned in the respective bids received. The City Council also reserves the right to reject any item(s), award more than one contract for each of the items, and reject bids that are not accompanied by the requested information.

Bid Form

- The Bid must be submitted, **one original and four copies**, enclosed in an envelope, and marked "RFP #827-11 – Classification and Compensation Study", showing the bid number and addressed to the City Clerk, City Hall, Manhattan Beach, California.
- **No telephone or facsimile bids will be accepted.**
- If the bid is made by an individual, it must be signed by the full name of the Bidder and include the Bidder's complete address. If it is made by a firm, it must be signed with the co-partnership name by a member of the firm, and the name and full address of each member must be given. If it is made by a corporation, it must be signed by the proper officer in the corporate name, and the corporate seal must be attached to such signature.
- Bids are subject to acceptance by the City for a period of 90 days, unless a different period is prescribed in the Bid by the bidder.
- Bidders are invited to attend the bid opening at the date and time stated above.
- Bid results are available by calling the office of the Purchasing Agent at (310) 802-5569.

Electronic Format

Vendor to supply a copy of the bid response on CD in searchable PDF format as a single document (optimized and compressed).

The Contract

The Bidder to whom the award is made will be required to enter into a written contract with the City. The contract may be in the form of a purchase order. A copy of the Notice Inviting Bids, the vendor Bid, and the contract specifications may be attached to, and will form a part of the contract. All materials, supplies, equipment, and services supplied by the vendor shall conform to the applicable requirements of State and Federal Laws covering Labor and Wages, as well as conforming to the specifications herein. In case of default by the vendor, the City reserves the right to procure the articles from other sources and to hold the vendor responsible for any excess costs incurred by the City.

Patent Rights

The vendor agrees to save, keep, bear harmless, and fully indemnify the City, its officers, or agents, from all damages, costs, or expenses in law or equity that may at any time arise or be set up for any infringement of the patent rights or any person or persons in consequence of the use by the City, or any of their officers and agents, or articles supplies under any resulting contract, and of which the vendor is not the patentee or assignee, or which the vendor is not lawfully entitled to sell.

Taxes

The City of Manhattan Beach is exempt from paying Federal Excise Taxes. These taxes are not to be included.

Delivery

All deliveries of such items to be furnished must be made to job sites or City warehouse within the boundaries of the City of Manhattan Beach. Where a specific delivery schedule is required, proximity to that schedule will be a consideration.

Payments

Complete payment on the contract will be made in approximately 30 days from the complete delivery and acceptance of the merchandise or service, unless alternate terms are proposed and accepted by the City. **The City may consider prompt payment discounts when calculating the lowest bid if the end result benefits the City.**

Errors/Omissions

The vendor shall not be allowed to take advantage of any errors and/or omissions in these specifications or in the vendor's specifications submitted with the Bid. Full instructions will be given if such errors/omissions are discovered, and vendor agrees to abide by said instructions.

Insurance

The following items checked are required of the successful bidder only:

- Insurance Endorsement Form #1 (attachment "A") in the amount of \$1,000,000 with certificate of insurance.
- Insurance Endorsement Form #2 (attachment "B") in the amount of \$1,000,000 with certificate of insurance.
- Insurance Endorsement Form #3 (attachment "C") in the amount of \$_____ with certificate of insurance.
- Proof of Workers' Compensation Insurance.
- City of Manhattan Beach Indemnification & Hold Harmless Agreement (attachment "D") (this is to be signed by an authorized official of the bidding company or firm - not by the insurance carrier).

Please note that Insurance Endorsement Forms 1, 2 & 3 require the signature of an authorized representative of your insurance carrier. Please review the forms requested with your insurance carrier prior to bidding the job to verify your ability to comply. Please contact the Purchasing Agent if there are any questions or problems.

Force Majeure

The vendor will be excused from the performance of the contract, in whole or in part, only by reason of the following causes:

- a) When such performance is prevented by operation of law.
- b) When such performance is prevented by an irresistible superhuman cause.
- c) When such performance is prevented by an act of the public enemies of the United States of America, or the State of California, or by strike, mob violence, fire, delay in transportation beyond the control of the vendor, or unavoidable casualty.
- d) When such performance is prevented by the inability of the vendor to secure necessary materials, supplies, or equipment by reason of:
 - 1) Appropriation of use thereof by the Federal Government or,
 - 2) Regulations imposed by the Federal Government.

No other Force Majeure clauses or conditions may be inserted in this bid and any changes in the conditions stated herein will cause the bid to be rejected.

Default

If the vendor fails in any manner to fully perform and carry out each and all of the terms, covenants, and conditions of the award, then the vendor is in default of the contract. The vendor shall be notified in writing of the default status, and will be given a time frame in which to comply. If the vendor fails to comply within the time frame given, the city, at its option, may terminate or cancel the contract, and at the expense of the contractor, complete the contract with an alternate contractor. Such termination shall not affect or terminate any of the rights of the City against the vendor, or which may thereafter accrue because of such default. The foregoing provision shall be in addition to all other rights and remedies available to the city under law. The waiver of a breach of any term, covenant, or a condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant, or condition hereof.

Business License

The successful contractor () will (X) will not be required to procure a City of Manhattan Beach Business License prior to commencing work. Call Business Licensing at (310) 802-5557 for rate information or to apply for a license. Failure to obtain or maintain a valid City Business License may result in Agreement termination.

Contract Extension to Other Cities/Agencies

Other Cities/Agencies may be interested in purchasing against an awarded contract, subject to the same price, terms and conditions offered to the City of Manhattan Beach, and by mutual agreement by the City and the vendor. The City does not warrant any additional use of the contract by such agencies. All requirements of the specifications, purchase orders, invoices and payments with other agencies will be directly handled by the successful Bidder and the piggybacking agency.

Debarment Policy for Grant Funded Purchases

Contractor guarantees that it, its employees, contractors, subcontractors or agents (collectively "Contractor") are not suspended, debarred, excluded, or ineligible for participation in Medicare, Medi-Cal or any other federal or state funded health care program, or from receiving Federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the Federal General Services Administration. Contractor must within 30 calendar days advise the City if, during the term of this Agreement, Contractor becomes suspended, debarred, excluded or ineligible for participation in Medicare, Medi-Cal or any other federal or state funded health care program, as defined by 42. U.S.C. 1320a-7b(f), or from receiving Federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the Federal General Services Administration. Contractor will indemnify, defend and hold the City harmless for any loss or damage resulting from the conviction, debarment, exclusion or ineligibility of the Contractor.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction

- 1) The prospective lower tier participant certifies, by submission of this bid, that neither it nor its Principals [as defined at 49 C.F.R. section 29.105(p)] is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
- 2) When the prospective lower tier participant is unable to certify to the statements in this certification, such prospective participant shall attach an explanation to this bid.

The undersigned has checked carefully the entire Request for Proposal (RFP) #827-11 – Classification and Compensation Study. By signing this document, I attest that I am authorized to contractually bind the company listed, and will meet the Proposal requirements if awarded a contract.

Dated this _____ day of _____

Name Printed: _____

Signature: _____

Title: _____

Company Name: _____

Business Address: _____

City, State, Zip Code: _____

Telephone Number: _____

Fax Number: _____

E-mail: _____

**City of Manhattan Beach
Request for Proposal #827-11**

Classification and Compensation Study



Proposals Due

March 17, 2011 – 3:00 PM

City Clerk's Office

**City of Manhattan Beach
Request for Proposal #827-11
Classification and Compensation Study**

Introduction

The City of Manhattan Beach is soliciting proposals from qualified consulting firms to review the current classification specifications and conduct a comprehensive Classification and Compensation Study and reclassification analysis for the City's regular employees.

Background

The City of Manhattan Beach is a general law city and operates under a City Council/City Manager form of government. Currently, there are a total of approximately 103 full-time and 32 part-time classifications in the General, Management/Confidential, Fire and Police groups. The City employs approximately 271 full-time employees, has three bargaining units and a total budget of \$87.3 million. More information about the City can be found at our website: www.cityymb.info.

The City is a full-services agency administered by the following departments:

- Management Services (City Council, City Manager, City Treasurer, City Clerk, City Attorney)
- Finance (Administration, Accounting, Revenue Services, Purchasing, Information Systems)
- Human Resources (Administration, Risk Management)
- Parks & Recreation (Administration, Recreation Services, Facility & Parks Reservations, Cultural Arts, Senior Services)
- Police (Administration, Patrol, Crime Prevention, Traffic Safety, Jail Operations, Parking Enforcement, Animal Control)
- Fire (Administration, Prevention, Suppression, Paramedics)
- Community Development (Administration, Planning, Building, Code Enforcement, Traffic Engineering)
- Public Works (Administration, Civil Engineering, Streets, Water, Storm Drain Maintenance, Sewer Maintenance, Refuse Management, Streets Meters, Fleet Maintenance, Bldg & Grounds Maintenance)

City of Manhattan Beach Responsibilities

The City will provide the Contractor with all documents pertinent to the study. City staff will provide guidance and limited assistance.

SCOPE OF SERVICES

The City of Manhattan Beach anticipates that the study will involve phases of work comprised of the following:

Classification Study shall include but not be limited to:

- Review of background materials including organizational charts, and related information;
- Review/update all current classification specifications and analysis for knowledge, skill, ability, education and experience relevance and hierarchical consistency, conformity with ADA language relative to essential job functions (including physical requirements); position definitions, purpose, distinguishing characteristics, supervision received and exercised, position duties and special requirements including licensing and certification requirements;
- Conducting orientation and briefing sessions for all employees covered within the scope of the study;
- Developing and distributing a job analysis questionnaire to each employee;
- Reviewing and analyzing the completed questionnaires for all employees covered by the study;

- Conducting interviews with all (or a representative sample of) covered employees for each classification;
- Conducting interviews with Department Heads an/or supervisory management;
- Updating classification specifications in a format approved by the Human Resources Director and the City Manager which reflect accurately all current jobs, as necessary;
- Developing new classifications as appropriate;
- Recommending deletion of outdated or unnecessary classifications;
- Designing and conducting an employee review and appeal process including a clear understanding of the process employees must follow and what they should expect in response to their appeal. This process must include personal contact with consultants. Documentation of appeals and recommended resolution is required;
- Allocating all employees to an appropriate job classification;
- Preparing final version of all classifications specifications and include same in classification binders as well as providing electronically. Classification binders shall also include an introductory section that describes classifications concepts, and provides information about the distinctions of various levels within a classifications series and other pertinent information;
- Documenting procedures for the appropriate implementation and maintenance of study;
- Providing periodic status reports on progress, as requested.

Compensation Study shall include, but not be limited to:

- Reviewing current listing of comparable cities and determining appropriateness and recommending changes to the listing, as necessary;
- Review of total current compensation (including all benefits) practices and related issues;
- Recommending salary survey benchmarks in conjunction with relevant benchmark classifications;
- Completing internal salary relationship analysis including the development of appropriate internal relationship guidelines (internal equity);
- Systematically assessing each classification in relation to comparable Cities, as appropriate;
- Providing written documentation of assessment methodology and assessment for each position;
- Developing externally competitive and internally equitable salary recommendations for each job classifications included in the study;
- Recommending the vertical salary relationship/differentials between classifications in each classifications series;
- Developing externally competitive benefit comparisons for all classification groups;
- Training City staff in the methodology used to systematically assess job classifications in order to maintain internal compensation equity in the future when adding, changing or deleting classifications;

PERIOD OF PERFORMANCE

The study shall be completed and copies of the final report prepared and presented to the Human Resources Director no later than six (6) months from start date.

MEETINGS

The City anticipates approximately six (6) on-site meetings between the Human Resources Director, consultant, the City Manager, and others as deemed appropriate with the potential of an evening presentation to the City Council.

TECHNICAL AND FEE PROPOSAL INFORMATION

Proposals must be effective, clear and concise. The proposal shall include, at a minimum, the information listed below, in the same order as listed, and shall not exceed 20 double-sided, single-spaced pages excluding resumes and examples of previous work.

1. **Description of Company** – Including size, locations, number of years in business, and primary services provided.
2. **Contact Information** – Provide firm name, address, telephone, facsimile and email address of the primary contact.
3. **Understanding Scope of Services** – Describe your understanding of the scope of services to be performed.
4. **Experience and Qualification of Firm** – Provide a description of firm qualifications and relevant experience. Include the number of years firm has been conducting classification and compensation studies for municipalities. Summary of five similar studies conducted for municipalities of similar size during the past five years as well as a cumulative list of municipalities where such studies have been conducted.
5. **Methodology and Work Plan** – Provide a complete description of job analysis and compensation methodology including study objectives, end products, processes, steps and procedures. The work plan must include step-by-step process, task list, estimated number of hours, and timeline for each step. Include plan for communications and the employee appeal process.
6. **Information Requirements** - Provide a list of information required from City staff and any other City staff assistance that may be needed. Consultant needs to be aware that City staff availability is limited. No clerical support will be provided.
7. **Project Schedule** – A project schedule must be provided identifying projected beginning and ending dates for each phase of work. The schedule must include the completion of key components of the project. The consultant shall coordinate activities through and report to the Human Resources Director and City Manager.
8. **Staff Qualifications and Experience** – Provide qualifications and relevant experience of staff proposed for this study. Experience under different companies can be included, however, please provide each company name with contact name and phone number. In addition, provide all current engagements and availability.
9. **Additional Personnel** – Specific project/task order work may be requested occasionally which will require the utilization of other personnel within your firm. Include a resume for each individual that may be proposed for project/task order work.
10. **References** – Please provide a list of references where similar work of similar size and nature is currently in process or recently completed. Include name of firm, telephone, and name of contact person. These references will be checked and may affect the award of the contract. The City of Manhattan Beach reserves the right to contact any of the organizations or individuals listed or any others that may stem from the inquiry.
11. **Contract Exceptions** – Provide any proposed exceptions, additions, and/or deletions to the City's request for proposal and/or Professional Services Agreement. Proposed exceptions will be

considered on a case by case basis, but there is no guarantee that proposed exceptions will be accepted by the City.

12. **Fee Proposal** – The consultant shall provide a fee schedule for each phase of the study of proposed services. The fee schedule shall include the hourly rate for each personnel category, and any other additional charges to complete the services required of this contract. The City will use the fee proposal in the selection process and reserves the right to negotiate the final fee with the vendor.

13. **Reimbursable Expenses** - In addition to the fee schedule, provide a list of any reimbursable expenses that may apply such as travel, per diem, mileage, etc. If air travel is requested, only coach class will be considered. The City will not consider any additional expenses not identified in the proposal. The City will use these expenses in the selection process and reserves the right to negotiate the final fees with the vendor.

Schedule

The tentative schedule for this procurement is as follows:

ACTION	DATE
Availability of Request for Proposal	February 17, 2011
Last Day to Submit Questions	February 25, 2011
Request for Proposal Submission Deadline	March 17, 2011
Staff Review of Proposals	March 18-25, 2011
City Negotiations with Top Ranked Contractor(s)	March 28-31, 2011
Contractor Selection	April 4, 2011
Recommendation to City Council	April 19, 2011

**Dates are subject to change at City's discretion*

Proposal Evaluation

Selection of Contractor for interview with the City will be based in the contents of the written proposal. The proposal will be rated according to the following selection criteria (in no particular order):

1. Demonstrated understanding of City and scope of services
2. Firm's qualifications and experience
3. Qualifications, experience and availability of proposed staff
4. Reference checks
5. Fee proposal
6. Ability to meet insurance requirements
7. Interviews

Evaluation and Selection Process

Upon completion of the Contractor evaluation process, a short list will be established and the City will enter into negotiation with the top ranked Contractor for the desired consulting services. Compensation for the subject services will be negotiated based on what is fair and reasonable to the City. Should City staff and the top-ranked Contractor be unable to reach an agreement, negotiations with that firm will be terminated and negotiations will commence with the next ranked firms in order of their evaluation ranking until an agreement is reached and a firm is selected.

Proposal Requirements

Proposals shall specify each item as set forth in this Request for Proposal (RFP). Failure to comply with all requirements and conditions set forth by these specifications and RFP instructions will be the cause for the rejection of the proposal(s). No exceptions or deviations from these specifications will be considered unless each exception or deviation is specifically identified with a detailed statement fully defining the exception(s). All exception(s) must be fully supported by detailed specification regarding the deviated item and shall accompany the proposal for evaluation by the City. If no exceptions are identified, the Proposer shall be required to furnish the service exactly as specified herein. The burden of proof of compliance with these specifications is the responsibility of the Proposer. Acceptance or rejection of the changes is the sole prerogative of the City. The City reserves the right to reject any and all proposals or to make no award.

Bidder Must Make Thorough Investigation

It is the bidder's responsibility to examine the location of the proposed work to fully acquaint themselves with the specifications and the nature of the work to be accomplished. Proposers shall have no claim against the City based upon ignorance of the nature and requirements of the project, misapprehension of the site conditions, or misunderstanding of the specifications or contract provisions.

Acceptance of Conditions

By submitting a bid proposal, each bidder expressly agrees to and accepts the following conditions:

- a. All parts of the Instructions to Bidders and Specifications will become part of the contract between the selected bidder and the City.
- b. The City may require whatever evidence is deemed necessary relative to the bidder's financial stability and ability to perform this project.
- c. The City reserves the right to request further information from the bidder, either in writing or orally, to establish any stated qualifications.
- d. The City reserves the right to solely judge the bidder's representations, and to solely determine whether the bidder is qualified to undertake the project pursuant to the criteria set forth herein. The bidder, by submitting a bid or proposal, expressly acknowledges and agrees that the judgment of the City as to whether or not the bidder is qualified to perform the project shall be final, binding, and conclusive.

General Conditions

The City will not reimburse respondents to this RFP for any costs incurred in the preparation and submittal of the proposals. Further, the request does not obligate the City of Manhattan Beach to accept or contract for any expressed or implied services. The City reserves the right to:

- Request any firm/person submitting a proposal to clarify its proposals during the selection phase;
- Negotiate the project schedule and reasonable costs with the selected vendor;
- Modify or alter any requirements herein, and;
- Identify additional tasks to be accomplished prior to establishing a formal contractual agreement.

Contract Termination

The City of Manhattan Beach may terminate without cause at any time upon thirty (30) calendar days advance written notice, delivered as certified mail by the United States Postal Service. The Contractor may cancel the contract upon 120 days written notice.

Licenses

Contractor shall be responsible for all licenses and permits required to perform this work in accordance with Federal, State and local requirements and shall be responsible for all fees resulting there from.

Payment and Invoicing

Contractor shall submit a monthly invoice in duplicate to Human Resources City of Manhattan Beach, 1400 Highland Ave., Manhattan Beach, CA 90266. Invoice shall be submitted on standard company forms and shall state (1) invoice number, (2) invoice date, (3) invoice period, (4) a brief description of work including location, (5) the purchase order number, (6) total amount requested, and (7) contractors tax ID number. Payment will be made after approval of the invoices by Contract Administrator, subject to the routine processing requirements of the City.

Insurance Requirement

The Contractor shall, at its own expense, procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the Agreement by the Consultants, its agent, representatives, employees, or subcontractors. Contractor shall also require all of its subcontractors assigned to the project to procure and maintain the same insurance requirement for the duration of the Agreement. Specific insurance requirements are outlined in the Sample Professional Services Agreement attached as Exhibit A.

Professional Services Agreement

No agreement shall be binding upon the City until a Professional Services Agreement is completely executed by the Contractor, City Council, and approved by the City Attorney. Failure to execute and return the contact agreement and acceptable insurance documentations in a timely manner may be just cause for the City to rescind the contact offer. A copy of a Sample Professional Services Agreement is attached as Exhibit A.

Conflict of Interest

It shall be the duty of the Contractor to comply with all applicable and State and federal laws relating to the prohibited conflicts of interest. As part of its response to the RFP, the Contractor shall disclose in writing any financial, business, employment or other relationships with the City or with any of its officers, employees, or agents that are or were in existence during the twelve (12) calendar months immediately proceeding, and including, the date the Contractor's response to the RFP is filed. In addition, the Contractor shall disclose in writing, any financial, business, employment or other relationships with any contractor or engineer who may have a financial interest in securing design and/or construction contracts for the project. The Contractor shall have a continuing obligation to keep the foregoing disclosures current and up-to-date during the term of the contract, and the Contractor's failure to timely disclose the existence of such a relationship shall be grounds for immediate termination of the contract.

EXHIBIT A

SAMPLE

PROFESSIONAL SERVICES AGREEMENT

THIS AGREEMENT is made this ____ day of _____, 2011, by the CITY OF MANHATTAN BEACH, a municipal corporation, ("CITY"), and _____, a CALIFORNIA Corporation, ("CONTRACTOR").

RECITALS

The following recitals are a substantive part of this Agreement:

1. City is desirous of obtaining the services of a qualified, experienced traffic engineer;
2. CONTRACTOR is qualified by virtue of experience, training, education, and expertise to accomplish these services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This Agreement shall commence on _____, 2011 and terminate on _____, 2011, unless earlier terminated as provided below.

1.1 Termination CITY and CONTRACTOR shall have the right to terminate this Agreement, without cause, by giving thirty (30) days written notice. Upon receipt of a termination notice, CONTRACTOR shall:

- (1) promptly discontinue all services affected (unless the notice directs otherwise); and
- (2) promptly deliver all data, reports, estimates, summaries, and such other information and materials as may have been accumulated by CONTRACTOR in performing the Agreement to CITY, whether completed or in progress. CONTRACTOR shall be entitled to reasonable compensation for the services it performs up to the date of termination.

1.2 **Extension of Term.** The parties hereto may by mutual written agreement extend the term of this Agreement by up to one two years in one year increments.

2. **Services to be Provided.** The services to be performed by CONTRACTOR shall consist of the following:

CONTRACTOR shall serve as the City Traffic Engineer providing an average of ten (10) hours of services per week, said hours to generally coincide with the normal working hours of City employees.

3. **Compensation.** CONTRACTOR shall be compensated as follows:

3.1 **Amount.** Compensation under this Agreement shall be as follows:

For the period beginning _____, 2011 and ending _____, 2011, compensation shall not exceed _____ per hour.

3.2 **Payment.** For work under this Agreement, payment shall be made per monthly invoice. For extra work not a part of this Agreement, written authorization by CITY will be required.

3.3 **Expenses.** CONTRACTOR shall not be entitled to any additional compensation for expenses.

4. **Professional Standards.** CONTRACTOR shall maintain or exceed the level of competency presently maintained by other similar practitioners in the State of California, for professional and technical soundness, accuracy and adequacy of all work, advice, and materials furnished under this Agreement.

5. **Time of Performance.** CONTRACTOR shall complete all services required hereunder as and when directed by CITY. However, CITY in its sole discretion may extend the time for performance of any service.

6. **Employees and Subcontractors.** CONTRACTOR may, at CONTRACTOR'S sole cost and expense, employ such other person(s) as may, in the opinion of CONTRACTOR, be needed to comply with the terms of this Agreement, if such person(s) possess(es) the necessary qualifications to perform such services. If such person(s) is/are employed to perform a portion of the scope of work, the engagement of such person(s) shall be subject to the prior approval of the CITY.

7. **Insurance Requirements.**

7.1 **Commencement of Work.** CONTRACTOR shall not commence work under this Agreement until it has obtained CITY approved insurance. Before beginning work hereunder, during the entire period of this Agreement, for any extensions hereto, and for periods after the end of this Agreement as indicated below, CONTRACTOR must have and maintain in place, all of the insurance coverages required in this Section 7. CONTRACTOR'S insurance shall comply with all items specified by this Agreement. Any subcontractors shall be subject to all of the requirements of this Section 7 and CONTRACTOR shall be responsible to obtain evidence of insurance from each subcontractor and provide it to CITY before the subcontractor commences work.

All insurance policies used to satisfy the requirements imposed hereunder shall be issued by insurers authorized to do business in the State of California. Insurers shall have a current A.M. Best's rating of not less than A-:VII unless otherwise approved by CITY.

7.2 **Coverages, Limits and Policy Requirements.** CONTRACTOR shall maintain the types of coverages and limits indicated below:

(1) COMMERCIAL GENERAL LIABILITY INSURANCE - a policy for occurrence coverage, including all coverages provided by and to the extent

afforded by Insurance Services Office Form CG 0001 ed. 11/88 or 11/85, with no special limitations affecting CITY. The limit for all coverages under this policy shall be no less than one million dollars (\$1,000,000.00) per occurrence and two million dollars (\$2,000,000) aggregate. CITY, its employees, officials and agents, shall be added as additional insured by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, ten (10) days notice if cancellation is due. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 1 (General Liability) must be executed by the applicable insurance underwriters.

(2) **COMMERCIAL AUTO LIABILITY INSURANCE** - a policy including all coverages provided by and to the extent afforded by Insurance Services Office form CA 0001, ed. 12/93, including Symbol 1 (any auto) with no special limitations affecting the CITY. The limit for bodily injury and property damage liability shall be no less than one million dollars (\$1,000,000) per accident. CITY, its employees, officials and agents, shall be added as additional insured by endorsement to the policy. The insurer shall agree to provide the City with thirty (30) days prior written notice of any cancellation, ten (10) days notice if cancellation is due. The policy shall contain no provision that would make this policy excess over, contributory with, or invalidated by the existence of any insurance, self-insurance or other risk financing program maintained by CITY. In the event the policy contains such an "other insurance" clause, the policy shall be modified by endorsement to show that it is primary for any claim arising out of the work performed under this Agreement. The City of Manhattan Beach Insurance Endorsement Form No. 2 (Auto) must be executed by the applicable insurance underwriters.

(3) **WORKERS' COMPENSATION INSURANCE** - a policy which meets all statutory benefit requirements of the Labor Code, or other applicable law, of the State of California. The minimum coverage limits for said insurance shall be no less than one million dollars (\$1,000,000) per claim. The policy shall contain, or be endorsed to include, a waiver of subrogation in favor of CITY.

(4). **PROFESSIONAL ERRORS & OMISSIONS** - a policy with minimum limits of one million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) annual aggregate. This policy shall be issued by an insurance company which is qualified to do business in the State of California and contain a clause that the policy may not be canceled until thirty (30) days written notice of cancellation is mailed to CITY, ten (10) days notice if cancellation is due to nonpayment of premium.

7.3 Additional Requirements. The procuring of such required policies of insurance shall not be construed to limit CONTRACTOR'S liability hereunder, nor to fulfill the indemnification provisions and requirements of this Agreement. There shall be no recourse against CITY for payment of premiums or other

amounts with respect thereto. CITY shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not deposit copies of acceptable insurance policies with CITY incorporating such changes within sixty (60) days of receipt of such notice, CONTRACTOR shall be deemed in default hereunder.

Any deductibles or self-insured retentions must be declared to and approved by CITY. Except for Professional Liability Insurance, any deductible exceeding an amount acceptable to CITY shall be subject to the following changes:

- (1) either the insurer shall eliminate, or reduce, such deductibles or self-insured retentions with respect to CITY and its officials, employees and agents (with additional premium, if any, to be paid by CONTRACTOR) ; or
- (2) CONTRACTOR shall provide satisfactory financial guarantee for payment of losses and related investigations, claim administration, and defense expenses.

CONTRACTOR's Professional Liability Policy may include a deductible up to \$200,000.

7.4 Verification of Compliance. CONTRACTOR shall furnish CITY with original endorsements effecting coverage required by this Agreement. The endorsements are to be signed by a person authorized by the insurer to bind coverage on its behalf. All endorsements are to be received and approved by CITY before work commences. Not less than fifteen (15) days prior to the expiration date of any policy of insurance required by this Agreement, CONTRACTOR shall deliver to CITY a binder or certificate of insurance with respect to each renewal policy, bearing a notation evidencing payment of the premium therefor, or accompanied by other proof of payment satisfactory to CITY.

8. **Non-Liability of Officials and Employees of the CITY**. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Non-Discrimination**. CONTRACTOR covenants there shall be no discrimination based upon race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any activity pursuant to this Agreement.

10. **Independent Contractor**. It is agreed that CONTRACTOR shall act and be an independent contractor and not an agent or employee of CITY, and shall obtain no rights to any benefits which accrue to CITY'S employees.

11. **Compliance with Law**. CONTRACTOR shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

12. **Ownership of Work Product**. All documents or other information created, developed or received by CONTRACTOR shall, for purposes of copyright law, be deemed works made for hire for CITY by CONTRACTOR as CITY'S employee(s) for hire and shall be the sole property of CITY. CONTRACTOR shall provide CITY with copies of these items upon demand and in any event, upon termination or expiration of the term of this Agreement. CITY's reuse of such materials on a

project other than the project which is the subject of this agreement shall be at the CITY's sole risk.

13. **Conflict of Interest and Reporting.** CONTRACTOR shall at all times avoid conflict of interest, or appearance of conflict of interest, in performance of this Agreement.

14. **Notices.** All notices shall be personally delivered or mailed to the below listed addresses. These addresses shall be used for delivery of service of process.

a. Address of CONTRACTOR is as follows:

b. Address of CITY is as follows:

City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

(with a copy to):

City Attorney
City of Manhattan Beach
1400 Highland Ave
Manhattan Beach, CA 90266

15. **Contractor's Proposal.** This Agreement shall include CONTRACTOR'S proposal or bid which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

16. **Licenses, Permits, and Fees.** CONTRACTOR shall obtain a Manhattan Beach Business License, all permits, and licenses as may be required by this Agreement.

17. **Familiarity with Work.** By executing this Agreement, CONTRACTOR warrants that:

- (1) it has investigated the work to be performed;
- (2) it has investigated the site of the work and is aware of all conditions there; and
- (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONTRACTOR discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONTRACTOR's risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement, or any portion, shall be assigned by CONTRACTOR without prior written consent of CITY.

20. **Key Person.** During the term of this Agreement CONTRACTOR shall provide the

services of _____.

21. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

22. **Indemnification.** To the extent resulting from CONTRACTOR's negligent acts, errors or omissions or other wrongful conduct, CONTRACTOR agrees to indemnify, defend, and hold harmless CITY and its elective or appointive boards, officers, agents, attorneys and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees arising out of, or in any way connected with and to the extent of the negligence, recklessness or willful misconduct in the performance of, the Agreement by CONTRACTOR, CONTRACTOR'S agents, officers, employees, subcontractors, or independent contractor(s) hired by CONTRACTOR. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONTRACTOR.

23. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any other agreements, oral or written. No promises, other than those included in this Agreement, shall be valid. This Agreement may be modified only by a written agreement executed by CITY and CONTRACTOR.

24. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the appropriate branch of the Los Angeles County Municipal or Superior Court.

25. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.

26. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

27. **Entire Agreement.** This Agreement supersedes any and all other agreements, either oral or in writing, between the parties with respect to the subject matter herein. Each party to this Agreement acknowledges that representations by any party not embodied herein, and any other agreements, statements, or promises concerning the subject matter of this Agreement, not contained in this Agreement, shall not be valid and binding. Any modification of this Agreement will be effective only if it is in writing signed by the parties. Any issue with respect to the interpretation or construction of this Agreement are to be resolved without resorting to the presumption that ambiguities should be construed against the drafter.

27. **Attorneys' Fees.** In the event that legal action is necessary to enforce the provisions of the Agreement, or to declare the rights of the parties hereunder, the parties agree that the prevailing party in the legal action shall be entitled to recover attorneys' fees and court costs from the opposing party.

IN WITNESS THEREOF, the parties hereto have executed this Agreement on the day and year first shown above.

CONTRACTOR

By

CITY OF MANHATTAN BEACH

By

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Insurance Endorsement Forms

Do Not Submit With Proposal

**Only the Successful Bidder and Subcontractors Will Be
Required To Complete These Forms**

**CITY OF MANHATTAN BEACH
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CA 90266
(310) 802-5000**

**INSURANCE ENDORSEMENT FORM #1
(GENERAL)
Attachment "A"**

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter attached thereto, or made a part thereof, the protection afforded by said policy shall include the following:

1. **Additional Insured.** With respect to such insurance as is afforded by this policy, the City of Manhattan Beach and its officers, employees, elected officials, volunteers, and members of boards and commissions shall be named as additional insured. This additional insured coverage only applies with respect to liability of the named insured or other parties acting on their behalf arising out of the activities of the undertaking specified in paragraph No. 5 below (Indemnification Clause).
2. **Cross Liability Clause.** The insurance afforded - applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability.
3. **Occurrence Based Policy.** This policy shall be an "occurrence based policy."
4. **Primary Insurance.** For the risks covered by this endorsement this insurance shall provide primary insurance to the City to the exclusion of any other insurance or self-insurance program the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.
5. **Indemnification Clause.** The underwriters acknowledge that the named insured shall indemnify and save harmless the City of Manhattan Beach against any and all claims resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and dates(s) or event to include set-up and cleanup dates):
6. **Investigation and Defense Costs.** Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters, and other reasonable costs of investigation and defense.
7. **Reporting Provisions.** Any failure to comply with the reporting provisions of the policy shall not affect coverage provided to the City.
8. **Cancellation.** This policy shall not be canceled except by written notice to the Risk Manager at: City of Manhattan Beach, 1400 Highland Avenue, Manhattan Beach, CA. 90266, at least thirty (30) days prior to the date of such cancellation.
9. **Limits of Liability.** This policy shall provide minimum limits of liability of \$ 1,000,000 , combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the named insured.
10. **Comprehensive Coverage.** This policy shall afford coverage at least as broad as Commercial General Liability "Occurrences" Form CG0001 and shall include the following:

- A. General Liability
 - (1) Comprehensive Form

- (2) Premises/Operations
- (3) Independent Contractors Liability
- (4) Broad Form Property Damage
- (5) Personal Injury
- (6) Products, Completed Operations
- (7) Contractual
- (8) Explosions, collapse, or underground property damage.

NOTE: If this is a Homeowner's Policy in lieu of Commercial General Liability, it shall afford coverage at least as broad as Homeowners ISO Form HO II (Ed 9-70) California and shall include comprehensive personal liability.

This policy shall provide the dollar limit specified in paragraph 9 with the following additional coverage where boxes below are checked:

- 11. Host Liquor Liability
- 12. Liquor Law Liability
- 13. Other _____

The limits of liability as stated in this endorsement apply to the insurance afforded by this endorsement notwithstanding that the policy may have lower limits of liability elsewhere in the policy.

This endorsement is effective _____ at 12:01 a.m. and forms a part of Policy No. _____.

Name Insured _____

Name of Insurance Company _____

I, _____ (print/type name) warrant that I have authority to bind the above listed insurance company, and by my signature hereon do so bind this company.

**By _____
Signature of Authorized Representative**

**Approved _____
City Risk Manager Date**

CITY OF MANHATTAN BEACH
1400 HIGHLAND AVENUE
MANHATTAN BEACH, CA 90266
(310) 802-5000

INSURANCE ENDORSEMENT FORM #2
(AUTO)
Attachment "B"

This endorsement is issued in consideration of the policy premium. Notwithstanding any inconsistent expression in the policy to which this endorsement is attached, or in any other endorsement now or hereafter attached thereto, or made a part thereof, the protection afforded by said policy shall include the following:

1. **Additional Insured.** With respect to such insurance as is afforded by this policy, the City of Manhattan Beach and its officers, employees, elected officials, volunteers, and members of boards and commissions shall be named as additional insured. This additional insured coverage only applies with respect to liability of the named insured or other parties acting on their behalf arising out of the activities of the undertaking specified in paragraph No. 5 below (Indemnification Clause).
2. **Cross Liability Clause.** The insurance afforded applies separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the company's liability.
3. **Occurrence Based Policy.** This policy shall be an "occurrence based policy."
4. **Primary Insurance.** For the risks covered by this endorsement this insurance shall provide primary insurance to the City to the exclusion of any other insurance or self-insurance program the City may carry with respect to claims and injuries arising out of activities of the Contractor or otherwise insured hereunder.

Indemnification Clause. The underwriters acknowledge that the named insured shall indemnify and save harmless the City of Manhattan Beach against any and all claims resulting from the wrongful or negligent acts or omissions of the named insured or other parties acting on their behalf in the undertaking specified as (list activity location and dates(s) of event to include set-up and cleanup dates):

5. **Investigation and Defense Costs.** Said hold harmless assumption on the part of the named insured shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters, and other reasonable costs of investigation and defense.
6. **Reporting Provisions.** Any failure to comply with the reporting provisions of the policy shall not affect coverage provided to the City.
7. **Cancellation.** This policy shall not be canceled except by written notice to the Risk Manager at: City of Manhattan Beach, 1400 Highland Avenue, Manhattan Beach, CA 90266, at least thirty (30) days prior to the date of such cancellation.
8. **Limits of Liability.** This policy shall provide minimum limits of liability of \$ 1,000,000, combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts or omissions by the named insured.
9. **Scope of Coverage.** This policy shall afford coverage at least as broad as Insurance Services Office Form No. CA0001 (Ed 1/78), Cod 1 ("any auto") and shall include the following:

A. Auto Liability

- (1) Any auto
- (2) All owned autos (Private Passengers)

- (3) All owned autos (other than Private Passengers)
- (4) Hired autos
- (5) Non-owned autos (for business purposes)
- (6) Other _____

The limits of liability as stated in this endorsement apply to the insurance afforded by this endorsement notwithstanding that the policy may have lower limits of liability elsewhere in the policy.

This endorsement is effective _____ at 12:01 a.m. and forms a part of Policy No. _____.

Named Insured _____

Name of Insurance Company _____

I, _____ (print/type name), warrant that I have authority to bind the above listed insurance company, and by my signature hereon do so bind this company.

By _____
Signature of Authorized Representative

Approved _____
City Risk Manager Date



City Hall

1400 Highland Avenue Manhattan Beach, CA 9

Telephone (310) 802-5000 FAX (310) 802-5001 TDD (310) 546-3501

City of Manhattan Beach INDEMNIFICATION AND HOLD HARMLESS AGREEMENT

This agreement is issued in consideration of the City approval of the sponsor's application. The applicant must still provide a Certificate of Insurance, naming the City as an additional insured and meet the City's required minimum limits of insurance. An additional insured endorsement shall also be provided and signed by the insurance carrier.

The applicant hereby agrees to the following:

1. Indemnification. The applicant agrees to indemnify, defend, and hold harmless the City of Manhattan Beach and its elective or appointive boards, officers, agents, attorneys and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees arising out of, or in any way connected with performance of, the Agreement by applicant, applicant's agents, officers, employees, subcontractors, or independent contractor(s) hired by applicant. This indemnity shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by applicant. List activity location and date(s) of event to include set-up and clean-up dates: _____

2. Investigation and Defense Costs. Said hold harmless assumption on the part of the applicant shall include all reasonable costs necessary to defend a lawsuit including attorney fees, investigators, filing fees, transcripts, court reporters and other reasonable costs of investigation and defense.

This agreement is effective _____ at 12:01 a.m.

Named Insured: _____

I, _____ (print/type name), warrant that I have authority to bind the above listed sponsor and by my signature hereon do so bind this sponsor.

By _____
Signature of Authorized Representative Date

Approved _____
City of Manhattan Beach Risk Manager Date



City of Manhattan Beach

General Services

Phone: (310) 802-5568
FAX: (310) 802-5590
TDD: (310) 546-3501

March 3, 2011

Addendum #1 to RFP #827-11

Classification and Compensation Study

Please note the many of the questions have been paraphrased or combined in order to provide clear, concise answers.

Background

Q1. What are the specific objectives of the classification and compensation study?

A1. *The goal is to develop a comprehensive classification and pay plan. Toward this goal, City management intends to follow a few guiding principles: 1) employees doing similar work should receive comparable pay; 2) variations in pay must be based on significant differences in responsibilities and required Knowledge, Skills, Abilities, and on the salaries paid by other employers in the marketplace; and, 3) the process for classifying and evaluating the relative worth of positions must be fair.*

We believe that an effective classification and pay system will help the City attract, reward, and retain qualified personnel, and that the current classification and pay system needs to be revised. We intend to hire a consultant to help determine the accuracy of current classifications, if more/less classifications are recommended and if the compensation is appropriate for each classification.

Q2. Why has the City decided to undertake the study at this time? Are there any particular factors driving this study such as turnover due to non-competitive salaries, significant reclassification requests, etc.?

A2. *We wish to re-examine the responsibilities and work performed by the City's workforce. We want to hire an outside consultant to conduct this work for two important reasons: 1) so the entire process is objective and perceived as such by the staff; and, 2) given the workload, it is neither practical nor cost-effective for our Human Resources (HR) Department to undertake the study, given all their other responsibilities. We have several scattered requests from all Department to address issues of individual classifications, but prefer to address the issue organization-wide. Current issues include: 1) compaction, especially in the Police series when various specialty pays are factored; 2) single incumbent classifications versus generalist classifications; and, 3) need to examine and possibly right-size the organization given current budget constraints.*

Q3. Has the City used a consultant in the past to conduct classification and compensation work? If so, when was the last study completed and by which firm?

A3. *A formal study has not been done since the early '90's, more than 20 years ago. We do not have information regarding the previous consultant nor the study.*

Q4. What is the size of the City workforce involved in the study?

A4. *The City employs 271 full-time employees. There are three represented bargaining units: Teamsters, Police and Fire. There is also a Management Confidential group, currently unrepresented. Additionally, there are approximately 150 part-time employees.*

Classifications

Q5. Do all classifications currently have incumbents? Are part-time employees included in the scope?

A5. *Yes, with the exception of Firefighter, Fire Engineer and Fire Captain. At time of study, we may have open positions without incumbents with the intent to fill them. Part-time employees are to be included in the study.*

Q6. Can the City provide a list of classifications?

A6. *A list of classifications is provided along with their respective Bargaining Unit and salary schedule. Current class specifications can be found on the City's website at <http://www.citymb.info/Index.aspx?page=170>.*

Q7. How many incumbents in each classification?

A7. *See attached list of classifications. Please see attached listing.*

Q8. How many additional classifications do you anticipate coming out of the study?

A8. *There is no predetermined end number, but fewer classifications could also result.*

Q9. Does the City have an annual reclassification process? If yes, how many reclassification requests are handled each year?

A9. *No. Reclassifications are done in-house on case-by-case basis or prompted when vacancies occur.*

Q10. How many individuals hold department heads positions?

A10. *There is a City Manager, a City Attorney and seven department heads: Community Development, Finance, Parks & Recreation, Public Works, Fire, Police and Human Resources.*

Q11. How many individuals hold manager or supervisory positions?

A11. *There are approximately 67.*

Q12. How many sworn police and fire positions does the City have?

A12. *There are approximately 64 sworn police employees and 30 firefighters.*

Additional Data

Q13. Can the City provide copies of all of the collective bargaining agreements?

A13. *The three agreements may be found at <http://www.citymb.info/Index.aspx?page=173>.*

Q14. Can the City provide a list of the compensation practices to be reviewed by the consultants?

A14. *We are seeking consultant recommendations regarding compensation practices and policies.*

Current policies are contained in the City's Personnel Rules, MOUs, Departmental Policies and Procedures and in Personnel Instructions.

Q15. Can you provide any historical data on the number of employee reviews needed in past studies?

A15. *There is no historical data available.*

Meetings

Q16. How many orientation sessions will be needed?

A16. *We anticipate five workforce orientation sessions. The City has the capability to videotape and/or provide a link to on-line presentations to all City employees. If the consultant has any methods or materials utilizing pre-recorded or web-based orientation presentations, please state in your bid response.*

Q17. Does the City intend that the consultants will conduct interviews with every job classification? Is it acceptable to combine classifications in a focus group?

A17. *Yes. The consultant is to conduct interviews with every job classification and these can be combined into a focus group. We're interested in conducting the study as efficiently as possible.*

Q18. Other than the employee reviews, do you anticipate meetings with union representatives? If so, can you estimate the number of meeting needed for each case?

A18. *We enjoy excellent relationships with our bargaining groups. We do not anticipate any formal meetings with these groups at this time.*

Methodology

Q19. Are you assuming that a representative sampling of around 10% will be needed for each classification?

A19. *If there is a difference in cost between this methodology and a larger sampling, please provide in your proposal.*

Q20. When the City asks for "written documentation of assessment methodology and assessment for each position" does this refer to the methodology for classifying the positions?

A20. *Yes, that is correct.*

Q21. Does the City intend to limit the study of external competitiveness of benefits to other comparable cities?

A21. *Yes, this is limited to other comparable cities.*

Q22. How many comparable cities does the City of Manhattan Beach want included in the study?

A22. *The number of comparable cities will be based upon the consultant's recommendation.*

Q23. What cities has the City of Manhattan Beach identified as comparable?

A23. *We will discuss comparable cities to be used with the chosen consultant.*

Compensation

Q24. Does the City currently use a formal job evaluation point factor system? If no, would the City have interest in the introduction and installation of a point factor system?

A24. *No. The City is open to discussing various methods with the chosen consultant.*

Q25. Can we use the IEDA database for the total compensation market comparisons? Or is a special benchmark study required?

A25. *The consultant must use comparable cities as a basis for comparison; this will be discussed and decided upon with the chosen consultant. City is current member of CALPACS, which may be a useful source of data.*

Q26. Can you provide a more detailed description of benefit analysis needed?

A26. *We want a total compensation study including specialty pays and the cost of benefits.*

Q27. Does the City intend that the consultants will conduct a total compensation analysis including benefits, pension and wages?

A27. *Yes, a total compensation analysis is required.*

Q28. Can you provide a general list of the benefits the City is interested in collecting? (i.e., insurances, retirement, cash add-ons, leave time, differentials)

A28. *The list of benefits includes deferred compensation, longevity pay, education incentives, POST pay, specialty pays, retirement contribution, uniform allowance, medical/dental/vision/life insurance/long term disability contributions, vacation/general leave, administrative leave, sick leave. The benefits/pays vary per bargaining and management groups.*

Union Participation

Q29. Will the unions support this classification study or will they resist changes?

A29. *In our experience, this depends on the outcome of the study.*

Q30. Will the unions support members completing position analysis questionnaires?

A30. *Yes, the unions support the analysis questionnaires.*

Q31. Have there been any discussions with the unions regarding this study?

A31. *This study has been discussed with the unions.*

Appeals

Q32. Does the City intend for the consultant to handle all appeals regarding re-classifications?

A32. *We intend to seek the consultant's assistance on an as needed basis.*

Q33. Are only re-classifications considered for an appeal process?

A33. *No, we intend for study to be an open process.*

Q34. How long a time-frame is the consultant expected to handle appeals?

A34. *On an as needed basis. If appropriate provide hourly consulting rates for additional services.*

Q35. Do employees have recourse to any other process such as binding arbitration?

A35. *No.*

Budget

Q36. Has the City established a budget for this project?

A36. *No budget has been established for this project but we hope to keep the cost of this study to an absolute minimum; it is anticipated the total cost will not exceed \$50,000. It is important for the*

consultant to provide a fee schedule for each phase of the study. This information will help the City with establishing a scope of work.

Miscellaneous

Q37. Will any staff person be available to assist in the project's coordination? The RFP mentions no clerical staff will be available. How should we expect to handle scheduling of interviews, surfacing questions, or coordination of additional information?

A37. *City staff will provide a phone list and other documents to aid the consultant. All other tasks are the responsibility of the consultant with limited assistance from HR staff.*

Q38. Does the City have a video conferencing capability to facilitate project related meetings?

A38. *No, the City does not have video conferencing capabilities.*

Q39. What other vendors will you be including in your evaluation?

A39. *This is an open and competitive RFP process. All submitted RFPs will be given due consideration.*

Q40. Will the City accept insurance forms other than those provided?

Q40. *The City may consider other insurance forms on an individual basis.*

If you have any further questions, please contact me at 310-802-5567, or e-mail at geng@citymb.info.

Sincerely,

Gwen Eng
General Services Manager