



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE AGENDA
REGULAR MEETING
SEPTEMBER 21, 2016 – 11:00 AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

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COMMITTEE ROSTER

Director Dene Bustichi	City of Scotts Valley
Director Jimmy Dutra, Vice Chair	City of Watsonville
Director Donald Norm Hagen	County of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Mike Rotkin, Chair	County of Santa Cruz
Alex Clifford	METRO CEO/General Manager
Leslyn K. Syren	METRO District Counsel

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MEETING TIME: 11:00AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
- 2 ROLL CALL**
- 3 ELECT COMMITTEE CHAIR AND VICE CHAIR**

- 4 ADDITIONS OR DELETIONS FROM AGENDA / ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**
- 5 COMMUNICATIONS TO THE PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE**

This time is set aside for Directors and members of the general public to address any item not on the Agenda, but which is within the matter jurisdiction of the Committee. Each member of the public appearing at a Committee meeting shall be limited to three minutes in his or her presentation, unless the Chair, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Committee, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.
- 6 DEVELOPMENT OF BYLAWS FOR PERSONNEL/HUMAN RESOURCES COMMITTEE**
- 7 REVIEW OF CLASS & COMPENSATION STUDY SCOPE OF WORK**
- 8 ANNOUNCEMENT OF NEXT MEETING:**
- 9 ADJOURNMENT**

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmtd.com subject to staff's ability to post the document before the meeting.



MANAGEMENT CLASSIFICATION AND COMPENSATION STUDY

PROPOSER'S MINIMUM QUALIFICATIONS

Proposer will demonstrate at least five (5) years of successful experience in conducting organizational assessments and classification and compensation studies.

PROJECT OBJECTIVE/EXPECTED OUTCOME/SCOPE OF WORK

No District-wide classification and compensation study has ever been performed. Classification and wage surveys have been conducted as required by contractual language for unionized positions. A wage study has never been conducted for any position governed by the Management Compensation Plan. Wages were changed to conform to the current six-step wage scale based on perceived organizational hierarchy rather than differences in duties, responsibilities and required skill levels. Over time, factors such as operational, program, technological, regulatory, and staffing changes may have resulted in class specifications and pay becoming misaligned from the actual nature, level and scope of work performed by incumbents.

Through a new classification and compensation study, the services provided by the Consultant will assist the Santa Cruz Metropolitan Transit District (METRO) in achieving the following objectives and expected outcomes for positions listed within the Management Compensation Plan:

1. Analysis to assess the nature, level, and scope of work currently performed by incumbents; and recommendations to accurately align incumbents within new classifications.
2. Review the class specifications and rewrite as needed to align the class specifications to the tasks performed and create an appropriate hierarchy between the positions based on the agency structure. The class specifications should accurately identify the essential functions assigned to positions; identify the core knowledge and abilities required to successfully perform the work; required education and/or special requirements; physical requirements; and, supervision received and exercised.
3. Determine if exempt/non-exempt status of positions is still correct, given the recent extensive changes to the Fair Labor and Standards Act.
4. Analysis and development of a position classification system and policy for classifying work in order to promote internal equities dictated by actual responsibilities of the position.
5. Prepare a final version of all class specifications electronically and in manual format.
6. Complete a total compensation study for positions listed within the Management Compensation Plan that promotes proper internal equities and competitive pay relationships within the comparable market. Use total compensation as the comparator,

rather than just using wages. METRO is open to exploring wage ranges rather than distinct steps within a wage scale.

7. Develop policies and procedures to ensure that once the results of the study have been implemented, the results may be maintained and updated periodically.
8. Development of an equitable and simple-to-administer classification and compensation system and policy that includes a procedure for the periodic review of class specifications and wages and establishes a minimum pay separation between managers and their subordinates. Sample "Pay for Performance" compensation policy that could be considered for adoption.

EVALUATION AND SELECTION

Evaluation Criteria: The following criteria will be used to evaluate proposals:

1. **Qualifications of the Firm: 30 Points**
Technical experience in performing work of a closely similar nature; experience working with transit properties or other public agencies in a union environment; record of completing work on schedule; strength and stability of the firm; technical experience and strength and stability of proposed subcontractors; and, assessments by client references.
2. **Staffing and Project Organization: 20 Points**
Qualifications of project staff, particularly key personnel, especially the project manager; key personnel's level of involvement in performing related work; logic of project organization; adequacy of labor commitment; concurrence in the restrictions on changes in key personnel.
3. **Project Understanding: 25 Points**
Proposer's demonstrated understanding of the project requirements, potential problem areas, project approach, work plan, and quality assurance program.
4. **Local Firm Preference: 5 Points**
Five points shall be awarded if at least 50% of the dollar value of services to be rendered will be performed by a local firm. An additional point shall be awarded for each additional 10% of the dollar value of services to be performed by a local firm, to a maximum point award of 10 points.
5. **Cost and Price: 20 Points**
The reasonableness of the total price and competitiveness of this amount with other offers received; adequacy of data in support of figures quoted; reasonableness of individual task budgets; basis on which prices are quoted.

The desired classification and compensation study will consist of several components. The Proposer is expected to:

1. Meet regularly with Key Management and Staff (in person or teleconference). Cost proposal should provide cost differences between in person and teleconference where noted in suggested Scope. (Attachment A)
2. Meet with the Board Personnel Standing Committee to provide updates and receive direction. The Board Personnel Standing Committee will provide direction on key policy decisions such as: Placement on quartile; minimum pay separation; total compensation versus wages; pay steps versus pay ranges; comparators to be utilized; and, longevity (placement in range).

3. Be available for in-person or telephone interviews as necessary throughout the study.
4. Conduct an assessment of the positions listed in the Management Compensation Plan using well-tested framework and assessment tools of METRO's processes, work environment, and organizational structure. Pay particular attention to how jobs are defined and departments are organized.
5. Review the benchmark and class specifications within the current classification structure. This will include an assessment of internal hierarchy, ensuring appropriate scope and span of control. METRO will confirm the classification concepts and allocations.
6. Make recommendations for revising current classifications, the creation of new classifications (include draft classification specification).
7. Develop a Position Description Questionnaire (PDQ). The PDQ will require incumbents to outline any essential duties performed and the percent of time allocated to each of those duties. Provide PDQ to incumbents occupying the benchmark classifications and collect them when completed.
8. Collect written feedback from supervisors for each incumbent's job analysis PDQ.
9. Interview incumbents and supervisors as necessary to analyze job duties and the application of duties within the department and METRO.
10. Analyze information collected in the PDQs. The analysis will identify specific duties found to be within or outside the scope of the assigned classification. Make recommendations to assign duties to the appropriate classification when necessary.
11. Collect the appropriate information required to determine a legally defensible FLSA determination for each of the selected positions. Provide written documentation to support a legally compliant designation for each position.
12. Conduct surveys using consultant's own methods, including review of current published surveys, and any other data collection methods to be described by the consultant. Provide supporting documentation. The survey methodology should use total compensation rather than just pay.
13. Make recommendation of revised salary structure that meets the needs of the agency. Include an analysis which ranks the assignment of each job to an appropriate salary range to ensure fairness and internal equity. The analysis should include recommendations for appropriate compensation adjustments for any positions deemed to be undervalued or overvalued by the current classification system and external competitiveness.
14. Provide policies and procedures on a new classification and compensation process, including salary survey methodology to ensure that once the results of the study have been implemented, the results may be maintained and updated appropriately.
15. Include relevant METRO staff as part of the consultant's team for the purposes of transferring knowledge of the assessments, methodologies, and processes utilized in the project. METRO staff should be able to replicate and maintain consistency of the methods used upon completion of the project.

Reports

Provide draft reports of all findings that will be reviewed by METRO staff and the Board Personnel Standing Committee, allowing interim feedback, comments and questions. Respond to questions and concerns and make additional edits as necessary.

Meet with the Board Personnel Standing Committee to discuss findings, integrate comments and feedback and receive direction on certain policy decisions.

Provide a final report to include recommendations for classification and compensation changes, survey methodology and organizational assessment.

Job Classifications to be Studied

See Attachment B. (All positions covered under the Management Compensation Plan)

ATTACHMENT A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

CLASSIFICATION AND COMPENSATION STUDY

SUGGESTED ACTION ITEMS AND DELIVERABLES

In person meeting with CEO, District Counsel, COO, Board Personnel Committee to discuss scope of project, method, goals, strategic direction including the formulation of a classification and compensation policy.
In person meeting with Management to solicit information regarding the perceived strengths, weaknesses, and concerns with the existing classification and compensation system.
Consultant will document comments from management and provide that information to the Board Personnel Committee
Consultant will suggest comparator agencies and provide the Board Personnel Committee with a strategy regarding METRO Management wages in relation to the comparators.
Using information provided by management and the strategic direction provided the the Board Personnel Committee prepare a draft classification and compensation policy that includes communication goals and strategies, stakeholder roles and responsibilities. Include recommendations of meeting frequency and communication messages to management.
Draft plan should be sent to the Board Personnel Committee for review. An in person or teleconference with the consultant and Board Personnel Committee to review draft and discuss suggested revisions.
In person meeting with management to discuss draft, present strategies, provide information on next steps and answer questions. This meeting should include discussion of agencies and government entities used as comparators.
Prepare a final version of the class and compensation policy. Provide plan to Project Manager and Board Personnel Committee Policy should include procedure for a periodic review of class specifications and wages. Teleconference to confirm approval of plan or discuss revisions.
Prepare and email a Position Description Questionnaire form (PDQ) to study Management Positions. Provide an instructional FAQ sheet for completing the PDQ. Conduct a conference call to review PDQ with Project Manager.
Conduct orientation and training meeting with Management staff on completing an individual PDQ form The orientation and training meeting(s) should include a presentation by the consultant on the study purpose, methodology, and timelines.
In person meeting with managers to present suggested method(s) for evaluating appropriate salary ranges to ensure fairness and internal equity. Using the information gathered from the Board Personnel Committee the consultant will be provided guidance on policy decisions prior to development of classification structure.
Using the completed PDQ's the Consultant will prepare draft class specifications, and a draft classification structure that includes the existing and proposed classifications titles, and FLSA exempt designation.
Provide the draft class specifications and classification structure to Board Personnel Committee. Conduct meeting (in person or teleconference) to discuss suggested changes.
Conduct meetings (in person or teleconference) with managers to discuss the draft class specifications and class structure.
Consultant will document comments from each manager and provide that information to the Board Personnel Committee who will provide direction to Consultant regarding incorporation of suggestions from stakeholders in final class specifications.
Prepare and provide to the Board Personnel Committee, the final version of the classification structure

ATTACHMENT A

and class specifications. Teleconference with Board Personnel Committee to review, discuss, and receive feedback/adjustments.
Consultant will finalize class specifications and class structure incorporating comments as directed by Board Personnel Committee. Class specifications may include new unencumbered positions.
Consultant will provide Board Personnel Committee with compensation methodology to be utilized. Teleconference with Board Personnel Committee to review and discuss.
Consultant will provide Board Personnel Committee with draft salary range for each class specification. There will be two options: 1. Using steps as in the current wage rates and 2. as a traditional range without steps.
In person meeting with Board Personnel Committee review salary ranges and rationale for the placement of each incumbent in the perspective range. Will discuss any suggested wage adjustments for individual managers. Provide a sample pay for performance compensation policy for review and discussion.
In person meeting with Management staff to review salary ranges and answer questions.
Finalize salary ranges. Consultant available to attend Board meeting if necessary and present results.

ATTACHMENT B
CLASS SPECIFICATIONS TO BE STUDIED

Chief Executive Officer*
District Counsel*
Chief Operations Officer
Finance Manager
Assistant Finance Manager
Maintenance Manager
Fleet Maintenance Manager**
Facilities Manager**
Planning and Development Manager
Human Resources Manager
Assistant Human Resources Manager
Information Technology Manager
Assistant Manager of Information Technology**
Marketing, Communications and Customer Service Manager**
Purchasing Manager
Senior Database Administrator
Database Administrator
Fixed Route Superintendent
Paratransit Superintendent
Assistant Paratransit Superintendent
Safety, Security, and Risk Manager**
Executive Assistant

* Salaries determined by the Board

**Positions that are currently unencumbered

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