

12. Agreement with Evergreen Solutions, LLC for Classification and Compensation Study Services (Specification No. 24-081) (General Fund and Non-General Fund)

**Department(s):**

**Recommended Action:** Authorize the City Manager to execute an agreement with Evergreen Solutions, LLC to provide classification and compensation study services for a term of one year, which will expire September 30, 2025, in an amount not to exceed \$128,500 (Agreement A-2024-XXX).





**City of Santa Ana**  
**20 Civic Center Plaza, Santa Ana, CA 92701**  
**Staff Report**  
**October 1, 2024**

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**TOPIC:** Classification and Compensation Study Services

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**AGENDA TITLE**

Agreement with Evergreen Solutions, LLC for Classification and Compensation Study Services (Specification No. 24-081) (General Fund and Non-General Fund)

**RECOMMENDED ACTION**

Authorize the City Manager to execute an agreement with Evergreen Solutions, LLC to provide classification and compensation study services for a term of one year, which will expire September 30, 2025, in an amount not to exceed \$128,500 (Agreement A-2024-XXX).

**GOVERNMENT CODE §84308 APPLIES:** Yes

**DISCUSSION**

The purpose of the study is to review the City's compensation of employees as it relates to the City's comparative labor market as well as determining appropriate benchmark classifications for future studies. There have been a significant number of requests for classification review, as well as difficulty in recruiting for some positions due to low wages. The results of the study will assist the City in making decisions that affect recruitment, retention, operational efficiency, and labor relations.

The Human Resources Department worked with representatives from each affected union (CASA, SAMA, and SEIU) to select a qualified vendor to conduct a citywide compensation study. While only the SEIU MOU includes a provision for conducting a study, the classifications for other bargaining groups who also have not had a study done in recent years will be included.

Request for Proposals (RFP) No. 24-081 was issued on June 13, 2024 on the City's online bid management and publication system. A summary of vendor participation and results is as follows:

721 Vendors notified  
0 Santa Ana vendors notified  
24 Vendors downloaded the RFP packet

8 Proposals received  
0 Proposals received from Santa Ana vendors

Proposals were solicited, opened on July 11, 2024, and evaluated. Eight proposals were submitted by the RFP deadline and seven proposals were determined to be responsive to the specifications and met the City's requirements. The proposal submitted by Transformance Consulting was deemed non-responsive as they did not submit all required documents by the RFP, and did not meet RFP specifications.

An evaluation committee made up of representatives from the affected bargaining groups (CASA, SAMA, and SEIU) reviewed and rated the proposals according to the criteria listed in the RFP, and the following summarizes the responding firms and their rankings:

| <b>Firm</b>                               | <b>Location</b>  | <b>Rank</b> |
|---|------------------|-------------|
| Evergreen Solutions, LLC                  | Tallahassee, FL  | 1           |
| MGT of America Consulting, LLC            | Tallahassee, FL  | 2           |
| Public Sector Personnel Consultants, Inc. | Los Angeles, CA  | 3           |
| CBIZ Compensation Consulting              | St. Louis, MO    | 4           |
| Segal                                     | Washington, D.C. | 5           |
| Koff & Associates                         | Berkeley, CA     | 6           |
| Class and Comp HR Consulting              | Yorba Linda, CA  | 7           |

In accordance with the RFP criteria, the evaluation committee evaluated proposals and determined that Evergreen Solutions, LLC best met the City's specifications, demonstrated vast experience working with similar-sized California public agencies, and offered the most competitive pricing among the firms capable of delivering the required level of service. Therefore, staff recommends awarding agreements with Evergreen Solutions, LLC. (Exhibit 1).

#### **ENVIRONMENTAL IMPACT**

There is no environmental impact associated with this action.

#### **FISCAL IMPACT**

Funding is available in the current FY 2024-2025 budget in the following account:

| <b>Accounting Unit-<br/>Account Number</b> | <b>Fund Description</b>                         | <b>Accounting Unit –<br/>Accounting Description</b> | <b>Amount</b> |
|--|---|---|---------------|
| 01109051 – 62300                           | HR Employee<br>Relations Service<br>Enhancement | Contract Services -<br>Professional                 | \$128,500     |

**EXHIBIT(S)**

1. Consultant Agreement Between Evergreen Solutions LLC and City of Santa Ana

Submitted By: Lori Schnaider, Executive Director of Human Resources

Approved By: Alvaro Nuñez, City Manager

## **CONSULTANT AGREEMENT BETWEEN EVERGREEN SOLUTIONS LLC. AND CITY OF SANTA ANA**

THIS AGREEMENT is made and entered into on this 1st day of October, 2024 by and between Evergreen Solutions, LLC., a Florida limited liability company (“Consultant”), and the City of Santa Ana, a charter city and municipal corporation organized and existing under the Constitution and laws of the State of California (“City”).

### **RECITALS**

- A. The City desires to retain a Consultant having special skill and knowledge in the field of conducting classification and compensation studies and released Request for Proposal (“RFP”) 24-081 to invite proposals from qualified companies.
- B. All proposals submitted in response to RFP 24-081 were evaluated and Consultant was selected to be awarded this Agreement.
- C. Consultant represents that it is able and willing to provide such services to the City.
- D. In undertaking the performance of this Agreement, Consultant represents that it is knowledgeable in its field and that any services performed by Consultant under this Agreement will be performed in compliance with such standards as may reasonably be expected from a professional consulting firm in the field.

**NOW THEREFORE**, in consideration of the mutual and respective promises, and subject to the terms and conditions hereinafter set forth, the parties agree as follows:

### **1. SCOPE OF SERVICES**

Consultant shall perform during the term of this Agreement, the tasks and obligations including all labor, materials, tools, equipment, and incidental customary work required to fully and adequately complete the services described and set forth in **Scope of Services - Exhibit A**, attached hereto and incorporated by reference.

### **2. COMPENSATION**

- a. City agrees to pay, and Consultant agrees to accept as total payment for its services for City, the payment plan indicated below:

| <b><u>Percentage of total cost</u></b> | <b><u>Completion of Specified Tasks</u></b> |
|--|---|
| 15% = \$19,275                         | Task 1-2                                    |
| 30% = \$38,550                         | Tasks 3-4                                   |
| 40% = \$51,400                         | Tasks 5-8                                   |
| 15% = \$19,275                         | Tasks 9-10                                  |
| <b>Total = \$128,500</b>               |   |

- b. The total amount to be expended during the term of this Agreement shall not exceed one hundred and twenty eight thousand five hundred dollars (\$128,500.00). The amount includes all travel costs (meals and lodging), transportation, fringe benefits, indirect costs, clerical support, and all other out-of-pocket costs.
- c. Payment by City shall be made within forty-five (45) days following receipt of proper invoice evidencing work performed, subject to City accounting procedures. City and Consultant agree that all payments due and owing under this Agreement shall be made through Automated Clearing House (ACH) transfers. Consultant agrees to execute the City's standard ACH Vendor Payment Authorization and provide required documentation. Upon verification of the data provided, the City will be authorized to deposit payments directly into Consultant's account(s) with financial institutions. Payment need not be made for work which fails to meet the standards of performance set forth in the Recitals which may reasonably be expected by City.

### **3. TERM**

This Agreement shall commence on the date first written above for a one (1) year term ending September 30, 2025, unless terminated earlier in accordance with Section 15, below.

### **4. INDEPENDENT CONTRACTOR**

Consultant shall, during the entire term of this Agreement, be construed to be an independent Consultant and not an employee of the City. This Agreement is not intended nor shall it be construed to create an employer-employee relationship, a joint venture relationship, or to allow the City to exercise discretion or control over the professional manner in which Consultant performs the services which are the subject matter of this Agreement; however, the services to be provided by Consultant shall be provided in a manner consistent with all applicable standards and regulations governing such services. Consultant shall pay all salaries and wages, employer's social security taxes, unemployment insurance and similar taxes relating to employees and shall be responsible for all applicable withholding taxes.

### **5. OWNERSHIP OF MATERIALS**

This Agreement creates a non-exclusive and perpetual license for City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Consultant under this Agreement ("Documents & Data"). Consultant shall require all subcontractors to agree in writing that City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement.

Consultant represents and warrants that Consultant has the legal right to license any and all Documents & Data. Consultant makes no such representation and warranty in regard to Documents & Data which were provided to Consultant by the City. City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at City's sole risk.

## **6. INSURANCE**

Prior to undertaking performance of work under this Agreement, Consultant shall maintain and shall require any subcontractors to obtain and maintain insurance as described below for the entire Term of this Agreement against claims for injuries to persons or damage to property which may arise from or in connection with services, products and materials supplied to City. Total cost of such insurance shall be borne by Consultant.

### **A. MINIMUM SCOPE AND LIMIT OF INSURANCE**

- 1) Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Required policy limits can be met with primary and umbrella/excess insurance policies.
- 2) Automobile Liability: Insurance Services Office Form CA 00 01 covering Code 1 (any auto), with limits no less than \$1,000,000 combined single limits. In the event Consultant does not maintain commercial automobile liability insurance, City will accept evidence of personal automobile insurance.
- 3) Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than \$1,000,000 per accident, policy or employee, for bodily injury or disease. Coverage is not required if Consultant has no employees and signs request to waive such insurance.
- 4) Professional Liability Insurance: with limits no less than \$1,000,000 per occurrence or claim, and \$2,000,000 aggregate.

B. If Consultant maintains broader coverage and/or higher limits than the minimum requirements for each line of coverage shown above, City requires and shall be entitled to the broader coverage and/or the higher limits maintained by Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to City.

C. Other Insurance Provisions- the above required insurance policies are to contain or be endorsed to contain the following provisions:

- 1) City, its City Council, its officers, officials, employees, agents, and volunteers are to be covered as additional insureds, under Consultant's CGL, Professional



Liability, and Automobile Liability policies, with respect to any liability arising out of work or operations performed by or on behalf of the Instructor including materials, parts, equipment, and personnel furnished in connection with such work or operations.

- 2) Consultant's Insurance company(ies) agrees to waive all rights of subrogation against City, its City Council, its officers, officials, employees, agents, and volunteers for losses paid under the terms of any policy which arise from work performed by Consultant under this Agreement.
  - 3) For any claims related to this contract, Consultant's insurance coverage shall be primary and any insurance maintained by City, its City Council, its officers, officials, employees, agents, or volunteers shall not contribute with it.
  - 4) A severability of interest provision must apply for all the additional insureds, ensuring that Consultant's insurance shall apply separately to each insured against whom a claim is made or suit is brought, except with respect to the insurer's limits of liability.
  - 5) Insurance policies required herein shall provide that coverage shall not be canceled, suspended, voided, reduced in coverage or in limits, non-renewed by the carrier, or materially changed except after thirty (30) days prior written notice has been given to City. Ten (10) days prior written notice shall be provided to City for policy cancellation or non-renewal due to non-payment of premium.
  - 6) Certificate Holder on each Evidence of Insurance certificate shall be: City of Santa Ana, Attention: Human Resources Agency, 20 Civic Center Plaza M-24, Santa Ana, CA 92701. The name and location of project must be included in the Description of Operations section of each certificate.
- D. Self-Insured Retentions- Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
- E. Acceptability of Insurers- Insurance is to be placed with insurers authorized to conduct business in the State of California with a current A.M. Best rating of no less than A:VII, unless otherwise acceptable to City.
- F. Verification of Coverage- Consultant shall furnish City with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive Consultant's obligation to provide them.

- G. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- H. Special Risks or Circumstances- City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

## **7. INDEMNIFICATION**

Consultant agrees to defend, and shall indemnify and hold harmless the City, its officers, agents, employees, contractors, special counsel, and representatives from liability: (1) for personal injury, damages, just compensation, restitution, judicial or equitable relief arising out of claims for personal injury, including death, and claims for property damage, which may arise from the negligent operations of the Contractor, its subcontractors, agents, employees, or other persons acting on its behalf which relates to the services described in section 1 of this Agreement; and (2) from any claim that personal injury, damages, just compensation, restitution, judicial or equitable relief is due by reason of the terms of or effects arising from this Agreement. This indemnity and hold harmless agreement applies to all claims for damages, just compensation, restitution, judicial or equitable relief suffered, or alleged to have been suffered, by reason of the events referred to in this Section or by reason of the terms of, or effects, arising from this Agreement. The Consultant further agrees to indemnify, hold harmless, and pay all costs for the defense of the City, including fees and costs for special counsel to be selected by the City, regarding any action by a third party challenging the validity of this Agreement, or asserting that personal injury, damages, just compensation, restitution, judicial or equitable relief due to personal or property rights arises by reason of the terms of, or effects arising from this Agreement. City may make all reasonable decisions with respect to its representation in any legal proceeding. Notwithstanding the foregoing, to the extent Contractor's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Contractor.

## **8. INTELLECTUAL PROPERTY INDEMNIFICATION**

Consultant shall defend and indemnify the City, its officers, agents, representatives, and employees against any and all liability, including costs, for infringement of any United States' letters patent, trademark, or copyright infringement, including costs, contained in the work product or documents provided by Consultant to the City pursuant to this Agreement.

## **9. RECORDS**

Consultant shall keep records and invoices in connection with the work to be performed under this Agreement. Consultant shall maintain complete and accurate records with respect to the costs incurred under this Agreement and any services, expenditures, and disbursements charged to the City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant under this Agreement. All such records and invoices shall be clearly identifiable. Consultant shall allow a representative of the City to

examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement during regular business hours. Consultant shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement for a period of three (3) years from the date of final payment to Consultant under this Agreement.

## **10. CONFIDENTIALITY**

If Consultant receives from the City information which due to the nature of such information is reasonably understood to be confidential and/or proprietary, Consultant agrees that it shall not use or disclose such information except in the performance of this Agreement, and further agrees to exercise the same degree of care it uses to protect its own information of like importance, but in no event less than reasonable care. "Confidential Information" shall include all nonpublic information. Confidential information includes not only written information, but also information transferred orally, visually, electronically, or by other means. Confidential information disclosed to either party by any subsidiary and/or agent of the other party is covered by this Agreement. The foregoing obligations of non-use and nondisclosure shall not apply to any information that (a) has been disclosed in publicly available sources; (b) is, through no fault of the Consultant disclosed in a publicly available source; (c) is in rightful possession of the Consultant without an obligation of confidentiality; (d) is required to be disclosed by operation of law; or (e) is independently developed by the Consultant without reference to information disclosed by the City.

## **11. CONFLICT OF INTEREST CLAUSE**

Consultant covenants that it presently has no interests and shall not have interests, direct or indirect, which would conflict in any manner with performance of services specified under this Agreement.

## **12. NON-DISCRIMINATION**

Consultant shall not discriminate because of race, color, creed, religion, sex, marital status, sexual orientation, gender identity, gender expression, gender, medical conditions, genetic information, or military and veteran status, age, national origin, ancestry, or disability, as defined and prohibited by applicable law, in the recruitment, selection, teaching, training, utilization, promotion, termination or other employment related activities or any services provided under this Agreement. Consultant affirms that it is an equal opportunity employer and shall comply with all applicable federal, state and local laws and regulations.

## **13. EXCLUSIVITY AND AMENDMENT**

This Agreement represents the complete and exclusive statement between the City and Contractor, and supersedes any and all other agreements, oral or written, between the parties. In the event of a conflict between the terms of this Agreement and any attachments hereto, the terms of this Agreement shall prevail. This Agreement may not be modified except by written instrument signed by the City and by an authorized representative of Contractor. The parties agree that any terms or conditions of any purchase order or other instrument that are inconsistent with, or in

addition to, the terms and conditions hereof, shall not bind or obligate Consultant or the City. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which is not embodied herein.

#### **14. ASSIGNMENT**

Inasmuch as this Agreement is intended to secure the specialized services of Contractor, Consultant may not assign, transfer, delegate, or subcontract any interest herein without the prior written consent of the City and any such assignment, transfer, delegation or subcontract without the City's prior written consent shall be considered null and void. Nothing in this Agreement shall be construed to limit the City's ability to have any of the services which are the subject to this Agreement performed by City personnel or by other Contractors retained by City.

#### **15. TERMINATION**

This Agreement may be terminated by the City upon thirty (30) days written notice of termination. In such event, Consultant shall be entitled to receive and the City shall pay Consultant compensation for all services performed by Consultant prior to receipt of such notice of termination, subject to the following conditions:

- a. As a condition of such payment, the Executive Director may require Consultant to deliver to the City all work product(s) completed as of such date, and in such case such work product shall be the property of the City unless prohibited by law, and Consultant consents to the City's use thereof for such purposes as the City deems appropriate.
- b. Payment need not be made for work which fails to meet the standard of performance specified in the Recitals of this Agreement.

#### **16. WAIVER**

No waiver of breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure or right, or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

#### **17. JURISDICTION - VENUE**

This Agreement has been executed and delivered in the State of California and the validity, interpretation, performance, and enforcement of any of the clauses of this Agreement shall be determined and governed by the laws of the State of California. Both parties further agree that Orange County, California, shall be the venue for any action or proceeding that may be brought or arise out of, in connection with or by reason of this Agreement.

## **18. PROFESSIONAL LICENSES**

Consultant shall, throughout the term of this Agreement, maintain all necessary licenses, permits, approvals, waivers, and exemptions necessary for the provision of the services hereunder and required by the laws and regulations of the United States, the State of California, the City of Santa Ana and all other governmental agencies. Consultant shall notify the City immediately and in writing of its inability to obtain or maintain such permits, licenses, approvals, waivers, and exemptions. Said inability shall be cause for termination of this Agreement.

## **19. NOTICE**

Any notice, tender, demand, delivery, or other communication pursuant to this Agreement shall be in writing and shall be deemed to be properly given if delivered in person or mailed by first class or certified mail, postage prepaid, or sent by fax or other telegraphic communication in the manner provided in this Section, to the following persons:

To City:

City Clerk  
City of Santa Ana  
20 Civic Center Plaza (M-30)  
P.O. Box 1988  
Santa Ana, CA 92702-1988  
Fax: 714- 647-6956

With courtesy copies to:

Executive Director, Human Resources  
Agency  
City of Santa Ana  
20 Civic Center Plaza (M-24)  
P.O. Box 1988  
Santa Ana, California 92702

To Contractor:

|   |
|---|
| Jeffrey Ling, PhD<br>President<br>Evergreen Solutions LLC.<br>2528 Barrington Circle, Unit 201<br>Tallahassee, Florida 32308<br>Fax: 850-383-1511 |
|---|

A party may change its address by giving notice in writing to the other party. Thereafter, any communication shall be addressed and transmitted to the new address. If sent by mail, communication shall be effective or deemed to have been given three (3) days after it has been

deposited in the United States mail, duly registered or certified, with postage prepaid, and addressed as set forth above. If sent by fax, communication shall be effective or deemed to have been given twenty-four (24) hours after the time set forth on the transmission report issued by the transmitting facsimile machine, addressed as set forth above. For purposes of calculating these time frames, weekends, federal, state, County or City holidays shall be excluded.

## 20. MISCELLANEOUS PROVISIONS

- a. Each undersigned represents and warrants that its signature herein below has the power, authority and right to bind their respective parties to each of the terms of this Agreement, and shall indemnify City fully, including reasonable costs and attorney's fees, for any injuries or damages to City in the event that such authority or power is not, in fact, held by the signatory or is withdrawn.
- b. All Exhibits referenced herein and attached hereto shall be incorporated as if fully set forth in the body of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the date and year first above written.

ATTEST:

CITY OF SANTA ANA

\_\_\_\_\_  
Jennifer L. Hall  
City Clerk


\_\_\_\_\_  
Alvaro Nuñez  
City Manager

APPROVED AS TO FORM:

SONIA R. CARVALHO  
City Attorney

CONSULTANT:

By: Laura A. Rossini  
Laura Rossini  
Chief Assistant City Attorney

  
\_\_\_\_\_  
Jeffrey Ling, PhD  
President

RECOMMENDED FOR APPROVAL:

Lori Schnaider  
Lori Schnaider  
Executive Director  
Human Resources Agency

## **EXHIBIT A**

### **SCOPE OF SERVICES**

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## **4. Proposed Work Plan**

In this section, we provide you with our approach and methodology for providing Classification and Compensation Study Services to the City of Santa Ana; a detailed work plan— identifying the tasks, activities, and milestones necessary to accomplish the deliverables listed in the scope of services of the Request for Proposals (RFP); and a proposed timeline.

### **4.1 Approach and Methodology**

Evergreen Solutions is uniquely qualified to provide Classification and Compensation Study Services to the City of Santa Ana as our team includes recognized experts in local government human resources management and understands that there is not a “one size fits all” solution to compensation management. Our approach is built on working collaboratively with all parties to make sound, implementation-focused recommendations. Specifically, we have developed a methodology that: focuses on market competitiveness; is based on the organization’s compensation philosophy; recognizes that compensation is comprised of more than just base pay levels; reflects changes in recent compensation strategies; designs custom solutions that take into account the diversity of needs present in the organization and allows you to select the components and options that best meet your overall needs; and produces a structure that improves the organization’s ability to recruit, reward, motivate, and retain talent in a competitive environment that includes both public and private sector employers.

We will work closely with the City’s designated Project Manager (i.e., Executive Director of Human Resources), City Manager, and the Human Resources Department throughout the process to ensure constant communication of issues, concerns, and potential outcomes. We work closely with your staff to gain a solid understanding of your current operational realities, challenges, and desired outcomes. Moreover, Evergreen will work with you to balance your need to meet your performance goals while carefully managing your resources.

Compensation management has undergone significant transformation in the private sector and over time public sector organizations have mirrored these changes. While compensation once centered on the separate administration of base pay and core benefits, a shift has occurred that has transformed compensation management.

Progressive organizations now recognize that to effectively recruit, reward, motivate, and retain employees, compensation management requires strategic thinking and planning. Compensation management must support an organization’s overall strategic direction. To accomplish this, effective organizations design a compensation philosophy that details where an organization wants to be in relation to the market in key areas. These key areas include cash compensation, and work/life balance. Compensation is thus a reflection of the organization’s philosophy.

Evergreen realizes that we will need to tailor our approach to fit the operating, fiscal, and competitive needs of the organization. Recommendations must always reflect competitive needs while supporting the organization’s overall mission.

### **4.2 Detailed Work Plan**

The detailed work plan that Evergreen proposes to use to provide Classification and Compensation Study Services to the City of Santa Ana is provided in this section. Evergreen understands the City has approximately 1,200 full-time employees and approximately 475 part-time employees in 488 classifications that will be included in the study.





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Our work plan consists of the following 10 work tasks:

- Task 1: Project Initiation
- Task 2: Evaluate the Current System
- Task 3: Collect and Review Current Environment Data
- Task 4: Evaluate and Build Projected Classification Plan and Make FLSA Determinations
- Task 5: Identify List of Market Survey Benchmarks and Approved List of Targets
- Task 6: Conduct Market Salary and Benefits Survey and Provide External Assessment Summary
- Task 7: Develop Strategic Positioning Recommendations
- Task 8: Conduct Solution Analysis
- Task 9: Develop and Submit Draft and Final Reports
- Task 10: Develop Recommendations for Compensation Administration

### **Task 1.0: Project Initiation**

**TASK GOALS:** Finalize the project plan with the City; gather all pertinent data; finalize any remaining contractual negotiations; and establish an agreeable final timeline for all project milestones and deliverables.

#### **TASK ACTIVITIES**

- 1.1 Discuss with the City's Project Manager (CPM), City Manager and/or Executive Director of Human Resources, and any other key personnel the following objectives: the classification and pay plan study process; understand mission and current compensation philosophy; review our proposed methodology, approach, and project work plan to identify any necessary revisions; reach agreement on a schedule for the project including all assignments and project milestones/deliverables; and establish an agreeable communication schedule.
- 1.2 Identify potential challenges and opportunities for the study. Discuss the strategic direction of the City and some of the short- and long-term priorities. This activity serves as the basis for assessing where the City is going and what type of pay plan will reinforce current and future goals.
- 1.3 Obtain relevant materials from the City, including: any previous projects, research, evaluations, or other studies that may be relevant to this project; organizational charts for the departments and divisions, along with related responsibility descriptions; and current position and classification descriptions, salary schedule(s), benefits information, and classification system.
- 1.4 Review and edit the project work plan and submit a timeline for the completion of each project task.

**KEY PROJECT MILESTONES:** Comprehensive project management plan; and comprehensive database of City staff

### **Task 2.0: Evaluate the Current System**

**TASK GOAL:** Conduct a comprehensive preliminary evaluation of the existing classification and compensation plan(s) for the City.

#### **TASK ACTIVITIES**

- 2.1 Obtain the existing pay structure and compensation philosophy. Review the existing pay structure and look for potential problems and issues to be resolved.



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- 2.2 Identify the strengths and weaknesses of the current pay plan(s) for the City.
  - 2.3 Identify any pay compression issues and discuss solutions.
  - 2.4 Complete an assessment of current conditions that details the nature of the current system, taking into consideration compensation and benefits, as well as highlights areas for potential improvement in the final adopted solution.

**KEY PROJECT MILESTONES:** Review of existing compensation plan(s); and assessment of current conditions

**Task 3.0: Collect and Review Current Environment Data**

**TASK GOALS:** Conduct statistical and anecdotal research into the current environment within the City; and guide subsequent analytical tasks.

**TASK ACTIVITIES**

- 3.1 Schedule and conduct employee orientation sessions to describe the scope of work and methodology.
- 3.2 Interview department heads to obtain relevant information and statistical data on specific compensation issues and policies. Obtain insight into perceived current compensation system strengths and weaknesses.
- 3.3 Hold focus groups with a sample of employees to obtain additional relevant information and statistical data on specific compensation issues and policies.
- 3.4 Work with the CPM and Human Resources staff to administer the JATs and MITs. Our staff utilizes a web-based tool for data collection, but we can provide paper copies as well as those for classifications without computers or Internet access. We will seek approval from the CPM before distribution of the JAT/MIT questionnaire.
- 3.5 Review any data provided by the City that may provide additional relevant insight.

**Note:** Evergreen will provide two staff persons over the course of three days to conduct all outreach in this task.

**KEY PROJECT MILESTONES:** Department head interviews; employee focus groups and orientation sessions; and JAT/MIT distribution

**Task 4.0: Evaluate and Build Projected Classification Plan and Make FLSA Determinations**

**TASK GOALS:** Identify the classification of existing positions utilizing the approved method for job evaluation; and characterize internal equity relationships within the City.

**TASK ACTIVITIES**

- 4.1 Ensure that all draft class specifications are provided to Evergreen by the CPM.
- 4.2 Review the work performed by each classification and score based on job evaluation. Include an evaluation of supervisory comments.



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- 4.3 Review job evaluation scores and identify the classification of positions.
  - 4.4 Schedule and conduct additional follow-up with employees for jobs where uncertainty exists over data obtained from job evaluation.
  - 4.5 Develop preliminary recommendations for the classification structure and discuss with the CPM. The classification system designed at this point would be based solely on internal equity relationships and would be guided by the job evaluation scores for each classification. Essentially, a structure of classifications would be established, and classifications with similar scoring would be grouped and spacing between jobs would be determined.
  - 4.6 Develop recommendations of FLSA (exemption) status and minimum qualifications based on results of the job evaluation (JAT) review and federal requirements.
  - 4.7 Review recommendations with the CPM.

**KEY PROJECT MILESTONES:** Job evaluation scores by class, recommended classification changes; recommended FLSA status; and preliminary job structure based on internal equity

#### **Task 5.0: Identify List of Market Survey Benchmarks and Approved List of Targets**

**TASK GOALS:** Reach an appropriate number and identify the proper benchmark positions for the external labor market assessment of salary and benefits; and identify and develop a comprehensive list of targets for conducting a successful external labor market assessment of salary and benefits.

#### **TASK ACTIVITIES**

- 5.1 Identify, from the initial review, a list of classifications (benchmarks) to include in the labor market survey. **Note:** Evergreen will work with the CPM to identify up to 250 classifications to use as benchmarks for the salary and benefits survey.
- 5.2 Finalize the list of positions with the CPM.
- 5.3 Develop a preliminary list of organizations for the external labor market survey of salary and benefits, placing a comparative emphasis on characteristics such as: size of the organization; geographic proximity to the Santa Ana area; economic and budget characteristics; and other demographic data.
- 5.4 For each employee group review with the CPM peer organizations to use as targets for the salary and benefits survey. **Note:** Evergreen will work with the CPM to select up to 20 targets for the salary and benefits survey.
- 5.5 Develop a system for use of secondary data including potential sources and weighting of secondary data, if necessary.
- 5.6 Review survey methodology with the CPM and refine survey methodology prior to distribution of surveys.
- 5.7 After approval of survey methodology, develop contact list of peer organizations and notify peers of impending surveys.



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**KEY PROJECT MILESTONES:** Final list of benchmark positions for the external labor market assessment salary and benefits survey; initial list of survey peers; survey methodology; and final list of survey organizations and contacts

**Task 6.0: Conduct Market Salary and Benefits Survey and Provide External Assessment Summary**

**TASK GOALS:** Conduct the external labor market salary survey; conduct a benefits survey; and provide a summary of the market salary and benefits survey results to the CPM.

**TASK ACTIVITIES**

- 6.1 Prepare a customized external labor market salary survey for the CPM's approval. Discuss questions and categories for the market survey.
- 6.2 Develop a listing of the current benefits for comparisons with peer organizations.
- 6.3 Using the list of City provided benefits (i.e., paid leave and holiday) and major benefits offerings not provided by the City develop a list of benefits to include in the external labor market survey.
- 6.4 Prepare benefits survey to be included with salary survey developed in **Task 6.1**.
- 6.5 Contact the targets for electronic completion of the survey. Provide paper copies by fax, if requested.
- 6.6 Conduct necessary follow-up through e-mails, faxes, and phone calls.
- 6.7 Collect and enter survey results into Evergreen's electronic data analysis tools.
- 6.8 Validate all data submitted.
- 6.9 Develop summary report of external labor market salary and benefits assessment results.
- 6.10 Submit summary report of external labor market salary and benefits assessment results to the CPM.

**KEY PROJECT MILESTONES:** Market survey instrument; benefits survey; and summary report of external labor market salary and benefits assessment results

**Task 7.0: Develop Strategic Positioning Recommendations**

**TASK GOALS:** Determine the City's compensation philosophy; and develop a plan for all employees, providing issue areas and preliminary recommendations for strategic improvement.

**TASK ACTIVITIES**

- 7.1 Identify the compensation philosophy and accompanying thresholds.
- 7.2 Using the market salary survey data collected in **Task 6.0**, and the classification data reviewed in **Task 4.0**, recommend the appropriate pay plan(s) for the City.
- 7.3 Produce a revised pay plan for the City that meets its needs from an internal and external equity standpoint.



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- 7.4 Provide options for the implementation of the recommended compensation strategy changes including identification of advantages, disadvantages, and a five-year forecast for the fiscal impacts of the changes.
  - 7.5 Provide recommendations for changes to City compensation system and total compensation philosophies, including paid leave and holiday, to address competitive labor market concerns, salary compaction/compression and resources required for ongoing system maintenance.

**KEY PROJECT MILESTONES:** Proposed compensation strategic direction, taking into account internal and external equity; and plan for addressing unique, highly competitive positions

#### **Task 8.0: Conduct Solution Analysis**

**TASK GOALS:** Conduct analysis comparing job evaluation values; survey results for the benchmark positions; and produce several possible solutions for implementation.

#### **TASK ACTIVITIES**

- 8.1 Conduct regression analysis or other appropriate techniques to properly slot each classification into the proposed pay plan for the City.
- 8.2 Place all classifications into pay grades based on **Task Activity 8.1**. Sort alphabetically by job class title, in descending order by range, and by old class title and new class specifications.
- 8.3 Create implementation solutions for consideration that take into account the current position of the City as well as the findings from the classification and compensation analysis. Identify and prepare a range of compensation policy alternatives.
- 8.4 Discuss with the CPM potential solutions.
- 8.5 Determine the best solution to meet the needs of the City in the short-term and long-term.
- 8.6 Document the accepted solution.

**KEY PROJECT MILESTONES:** Initial regression analysis, potential solution, and documented final solution

#### **Task 9.0: Develop and Submit Draft and Final Reports**

**TASK GOALS:** Develop and submit a draft and Final Report of the Classification and Compensation Study Services to the City of Santa Ana; and present the Final Report.

#### **TASK ACTIVITIES**

- 9.1 Produce a comprehensive draft report that captures the results of each previous step, including a complete listing of the allocation of job classes to salary range requirements. Provide the CPM with a draft final report for review that will include all costs associated with recommendations as well as implementation strategies.
- 9.2 Make edits and submit necessary copies of the Final Report to the CPM.



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- 9.3 Present the Final Report to the CPM, City Manager and City Council, and any other stakeholders.
  - 9.4 Develop a communication plan for sharing study results with employees of the City.
  - 9.5 Develop a plan for maintaining recommendations over time.

**KEY PROJECT MILESTONES:** Draft and final reports; final presentation; communication plan; and implementation and maintenance database

#### **Task 10.0: Develop Recommendations for Compensation Administration**

**TASK GOALS:** Develop recommendations for continued administration by City staff to sustain the recommended compensation and classification system, and conduct training.

#### **TASK ACTIVITIES**

- 10.1 Develop recommendations and guidelines for continued administration and maintenance of the classification and compensation system by City staff, including recommendations and guidelines related to: how employees will move through the pay structure/system as a result of transfers, promotions, or demotions; how to pay employees whose base pay has reached the maximum of their pay range or value of their position; the proper mix of pay and benefits; how often to adjust pay scales and survey the market; the timing of implementation; and how to keep the system fair and competitive over time.
- 10.2 Present recommendations to the CPM for review.
- 10.3 Finalize recommendations.
- 10.4 Provide training and instructional tools to Human Resources Department staff to ensure that staff can conduct individual salary audits/adjustments consistent with study methods until the next formal study is conducted using Evergreen's ***JobForce Manager*** tool that will enable Human Resources staff to estimate future pay plan changes, update market information, make determinations on reclassifications, and create new jobs – allowing for streamlining, and an increase in fairness and transparency of regular compensation and classification tasks after solution implementation.

**KEY PROJECT MILESTONES:** Recommendations for compensation administration, and training on Evergreen's ***JobForce Manager*** tool

### **4.3 Proposed Timeline**

Evergreen possesses the ability, staff, skills, and tools to provide Classification and Compensation Study Services to the City of Santa Ana in approximately four months of the project start date and following the signing of the contract. This timeline is based on a tentative start date of August 26, 2024, as requested in the RFP, and a completion date of December 30, 2024. Our proposed timeline, as identified in **Exhibit 2**, can be modified in any way to best meet the needs of the City.



## Exhibit 2 – Proposed Timeline

| PROJECT TASKS   | 2024 |     |     |     |
|---|------|-----|-----|-----|
|   | SEPT | OCT | NOV | DEC |
| 1.0 - Project Initiation  | ■    |     |     |     |
| 2.0 - Evaluate the Current System   | ■    |     |     |     |
| 3.0 - Collect and Review Current Environment Data                                       | ■    |     |     |     |
| 4.0 - Evaluate and Build Projected Classification Plan and Make FLSA Determinations     | ■    | ■   |     |     |
| 5.0 - Identify List of Market Survey Benchmarks and Approved List of Targets            |      | ■   |     |     |
| 6.0 - Conduct Market Salary and Benefits Survey and Provide External Assessment Summary |      | ■   | ■   |     |
| 7.0 - Develop Strategic Positioning Recommendations                                     |      |     |     | ■   |
| 8.0 - Conduct Solution Analysis   |      |     |     | ■   |
| 9.0 - Develop and Submit Draft and Final Reports  |      |     |     | ■   |
| 10.0 - Develop Recommendations for Compensation Administration                          |      |     |     | ■   |

