

AGENDA: November 7, 2024

TO: Regional Transportation Commission
FROM: Sarah Christensen, Executive Director
RE: Contract Award for 2025 Compensation Study

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) adopt a Resolution ([Attachment 1](#)) authorizing the Executive Director to execute an agreement with MGT Impact Solutions, LLC, with a not to exceed value of \$16,380 to conduct a total compensation study.

BACKGROUND

The Santa Cruz County Regional Transportation Commission has two labor units, the Community of RTC Employees (CORE) and the RTC's Association of Middle Managers (RAMM) that have Memoranda of Understanding (MOUs) that outline terms of labor agreements for both units. Both units MOUs have a 3 year term and expire on March 31, 2025. As part of the 2022 RAMM MOU negotiations, the Commission committed to conducting a compensation study prior to the term of the 2022 MOU.

A compensation study was conducted in 2018 that included 12 comparable agencies and 9 benchmark positions used to establish recommendations for adjustments to compensation, which was used during negotiations of the 2018 MOUs.

DISCUSSION

The RTC committed to conducting a compensation study prior to the expiration of the 2022 RAMM & CORE MOUs, which is March 31, 2025. The scope of work will include a total compensation study with gathering of salary and benefit information, up to 26 benchmark classifications, up to 12 comparable agencies, with recommendations for salary and benefits adjustments and implementation. The work is scheduled to be completed prior to the March 2025 Commission meeting so that the results of the study can be used as a data point for the successor MOU negotiations.

The organizational restructuring completed in October included creation of new positions, including:

- Director of Planning, Programming, and Transportation Services
- Director of Capital Projects
- Director of Internal Services
- Supervising Transportation Planner
- Contract Specialist
- Real Property Specialist
- Real Property Technician

The new positions are anticipated to be used as benchmark positions in the total compensation study, in addition to RTC positions with established series, including Accountant, Administrative Assistant, Communication Specialist, Transportation Planner, and Transportation Engineer.

It is important for the Commission to periodically conduct compensation studies to ensure the salary & benefits offered are in line with the labor market with a goal of attracting and retaining a talented workforce.

Staff released a Request for Proposals (RFP) on October 2, 2024 and held a pre-proposal conference on October 11, 2024. Three proposals were received on October 23, 2024, by MGT Impact Solutions, LLC, CPS HR Consulting, and The Segal Group, Inc. The selection committee consisting of Sarah Christensen, Executive Director and Contract Manager for the compensation study, Yesenia Parra, Administrative Services Officer and RAMM member, and Cindy Convisser, Contract Specialist and CORE member, reviewed the proposals and interviewed two firms. MGT Impact Solutions, LLC was the top ranked firm based on the selection criteria: Understanding of work and method proposed; qualifications, experience, and technical ability; cost; and communication.

Staff recommends the Commission adopt a resolution (Attachment 1) authorizing the Executive Director to execute an agreement with MGT Impact Solutions, LLC with a not to exceed value of \$16,380 to conduct a compensation study.

FISCAL IMPACT

The compensation study will be funded by the RTC's administrative budget with work being conducted in FY24/25. There is sufficient capacity in the RTC's administrative budget to fund this contract.

SUMMARY

Staff recommends entering into a contract with MGT Impact Solutions, LLC to conduct a compensation study that will serve as a data point in successor MOU negotiations with the CORE and RAMM units.

ATTACHMENTS

1. Resolution
 - a. Scope of Work
 - b. Cost Proposal

RESOLUTION NO. __-25

Adopted by the Santa Cruz County Regional Transportation Commission
on the date of November 7, 2024
on the motion of Commissioner
duly seconded by Commissioner

**A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE AN
AGREEMENT WITH MGT FOR A NOT TO EXCEED VALUE OF \$16,380 TO CONDUCT
A TOTAL COMPENSATION STUDY**

WHEREAS, The Santa Cruz County Regional Transportation Commission has two labor units, the Community of RTC Employees (CORE) and the RTC's Association of Middle Managers (RAMM) that have Memoranda of Understanding (MOUs) that outline terms of labor agreements for both units;

WHEREAS, both units MOUs have a 3-year term and expire on March 31, 2025;

WHEREAS, as part of the 2022 RAMM MOU negotiations, the Commission committed to conducting a compensation study prior to the term of the 2022 MOU;

WHEREAS, staff recommends conducting a total compensation study to serve as a data point for successor MOU negotiations;

WHEREAS, staff released a Request for Proposals (RFP) on October 2, 2024 and 3 proposals were received. MGT Impact Solutions, LLC was the top ranked firm based on the selection criteria;

THEREFORE, BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION THAT:

The Executive Director is hereby authorized to execute an agreement with MGT Impact Solutions, LLC with a not to exceed value of \$16,380.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

Kristen Brown, Chair

ATTEST:

Sarah Christensen, Secretary

Exhibits

- a) Scope of Work
- b) Cost Proposal

Distribution: RTC Project Manager and Consultant Project Manager

2. Work Plan

To accomplish RTC’s objectives, MGT will take the following steps listed in the order in which the work will be performed. Please note, we have specified those areas where we will need RTC’s input/assistance.

TASK 1.0: MEETINGS AND MARKET DATA

Activities

1.1 Study Preparation and Project Meeting

Meet with RTC’s representatives to discuss study methods, review organization charts, personnel policies/practices, and the current classification and pay plans. MGT will review the timeline, answer questions, review the scope and schedule of work. MGT will require RTC to submit a data collection worksheet along with the following information (if available): copies of organizational charts for each department, pay plans, the current personnel manual, and any other relevant information related to salaries.

1.2 Establishing Comparables

Working with RTC’s staff and using our broad-based cohort methodology, MGT will determine a logical survey sample of “like” entities that impact the compensation market for RTC.

In addition, MGT partners with Salary.com and uses their CompAnalyst tool to collect employer reported market data, updated monthly, which is designed to support unique situations, such as hybrid positions, or for collecting private sector market data. CompAnalyst data can be controlled for geographic area, industry, and/or organizational full-time equivalent (FTE) or budget size. All positions included in the scope of this study can be benchmarked to this data source. This data source is also utilized to address gaps in peer data responses from the Market Survey and to provide additional data verification for gathered market survey data. This tool is the most reliable way to gather private sector data.

1.3 Prepare Market Survey, Survey Distribution, and Follow-Up

MGT will prepare the market surveys to gather data for benchmark classifications in the comparable entities. To accomplish this, the Project Manager will work with RTC’s representatives to select benchmark classifications. These positions will be chosen on the criteria of those that are most common in all entities and that cover all the various pay grades in RTC. In addition to job titles, brief position descriptions are included in the market survey to make sure we are receiving salary data for “like” positions in the comparable entities. MGT will also use the CompAnalyst tool from Salary.com to gather market data for positions in the Study. The criteria will be determined at the time of analysis.

Note: While MGT will prepare all the materials to be sent out for the salary surveys, we have found sending out the survey under the client’s email generates a better/faster response than when it is sent out under our letterhead/name. In addition, RTC may be asked to make one follow-up contact with those entities that do not initially respond to the survey request.

TASK 2.0: DATA ANALYSIS

Activities

2.1 Compiling and Analyzing Market Data and Creating the New Compensation Plan

Tabulate, summarize, and analyze comparative market data. MGT's pay tabulations compare RTC's salaries for the positions, with the minimum and the maximum of the market data for each position, when possible. Data is displayed for each jurisdiction and summarized in an overall table. This data is analyzed to determine the percentage difference between RTC's present pay for each position and the market data.

MGT will work with RTC to determine RTC's policy (or MGT will make a recommendation) with respect to compensation (i.e., 50th percentile; 75th percentile, etc.). Once this is determined, MGT will use the market data to develop and recommend new salary schedules for RTC's 28 classifications. This process will include a recommendation regarding how employees are inserted into the new plan and how they move through the proposed pay plan (either via a merit system or defined merit increment plan), with recommendations for a specific performance-oriented program with respect to salary advancement through the new salary ranges. The salary schedules will outline what the specific percentages are between ranges and grades.

2.2 Preliminary Analysis Review and Training

MGT will meet with RTC to review the preliminary analysis. The preliminary analysis is a draft version of the proposed Compensation Plan. The review can take multiple meetings to ensure that everything is covered, and all questions are answered. MGT will also require feedback from RTC on certain aspects of the proposed Plan.

MGT will provide **support services at no additional cost** to RTC for one year from the date of an executed contract. This will include any communication regarding questions concerning the report.

2.3 Compiling, Analyzing, and Reviewing Benefit Data

MGT will compile, analyze, and review benefit data that was collected through the market survey. MGT will provide a summary table for each benefit offering that was included in the survey and provide a narrative on the benefit offerings in the final report. MGT will compare the benefits offered in RTC with the benefits provided in the comparable communities and note if they are above or below the average for each offering.

Deliverables

- Market Data
- Proposed Pay Plan(s)
- Summary of Benefit Data

TASK 3.0: PROGRESS COMMUNICATION AND UPDATES

Activities

- MGT prides itself on our attention to and communication with our clients as the project proceeds. As such, MGT will strive to maintain regular contact with RTC's representative and to be available to address RTC's questions, concerns, and needs.

2. WORK PLAN

- MGT will share updates with RTC as requested, and particularly at critical points in the Study. Additionally, the Project Manager will meet with RTC's representative, and, if requested, other key staff such as department heads, to review the results of the job evaluation exercise and the proposed new salary schedules.

Deliverables

- Ongoing communication with RTC
- Progress Updates

TASK 4.0: DRAFT AND FINAL REPORT PREPARATION

Activities

- 4.1 A draft report will be prepared by the Consultants and sent electronically to RTC that includes:
- Summary of all aspects of the Study, including recommendations, methods, and guidelines for achieving the overall aspects of the Study, as well as recommendations for annual maintenance and review of the new plans.
 - Pay ranges that are consistent with RTC's pay policy, outlining the pros and cons of each option.
 - Implementation plan and cost estimates of implementing the Study's findings and recommendations.

Note: Overtime costs will not be included, and the analysis will be estimates only, with sufficient detail to allow RTC to compare various options.

- 4.2 Once RTC's representatives return review comments, a final report will be prepared and sent to RTC.

Deliverables

- Draft Report
- Final Report

TASK 5.0: PRESENTATION OF FINDINGS

Activities

The MGT Project Manager will present the finalized plan recommendations and final report to RTC.

4. Cost Proposal

*Defined by Impact. Driven by People.
Dedicated to the Community.*

Our cost proposal reflects our interpretation of the written requirements within your solicitation. **We take pride in customizing our client’s needs – and we will work with you to ensure our fees are aligned with your expectations and budget.** We have proposed the entire Study be conducted virtually; however, if RTC requests any in-person meetings, MGT will provide an additional estimate for travel and related expenses. By conducting our studies virtually, we can provide significant cost savings for our clients.

In keeping with the above statement of our usual practices, we estimate the fixed fee for the entire study to be **\$16,380** plus other Optional Services (see below). We have listed the cost of our professional fee for each study component below. Payment will be due as follows: 50% of the professional fees will be due after the initial project meeting, and the balance will be billed after the Study is completed. Invoices will be sent to RTC and are payable within 30 days of receipt.

Note: The required cost-plus fixed fee is provided in Section 12. A breakdown of the estimated fixed fee is presented in the table below:

Exhibit 2. Proposed Cost by Task

	Milestone and Tasks	Professional Hours	Professional Fees
1.0	Meetings, Salary Survey and Job Analysis		
1.1	Study Preparation and Project Meeting	4	\$780
1.2	Establishing Comparables	10	\$1,950
1.3	Prepare Market Survey, Survey Distribution, and Follow-Up	6	\$1,170
2.0	Data Analysis		
2.1	Compile, Analyze Market Data and Create New Compensation Plan	22	\$4,290
2.2	Preliminary Analysis Review and Training	0	\$1,950
2.3	Compile, Analyze, and Review Benefit Survey Data	8	\$1,560
3.0	Progress Communication and Updates	8	\$1,560
4.0	Draft and Final Report Preparation		
4.1	Prepare Draft Report	10	\$1,950
4.2	Final Report	4	\$780
5.0	Presentation of Findings	2	\$390
	Total Project Costs	74	\$16,380

NOTE: If RTC accepts our proposal for this project, MGT will provide **support services at no additional cost for one year** from contract execution. This will include any communication regarding questions concerning the report.