

South Bay Cities Council of Governments

July 24, 2025

TO: SBCCOG Board of Directors

FROM: SBCCOG Steering Committee

SUBJECT: Classification and Compensation Study

BACKGROUND

The SBCCOG has experienced significant growth and change over the last several years and anticipates additional future growth. Not only has the number, size, and complexity of grants and contracts the SBCCOG receives grown, but also so has the number of staff and type of skills required to do the work. Over the last decade, the SBCCOG's budget has gone from approximately \$3.2 million to \$7.8 million. The new LACAHS (Measure A) funding will bring in an additional \$11 million each year beginning FY25-26. To ensure the organization maintains its ability to operate efficiently as well as retain and attract talented staff, SBCCOG staff believes the organization should conduct a classification and compensation study. The study will evaluate and compare to similar agencies, the current positions and job descriptions, which were last updated in 2022, as well as the salaries. While previously done in house in the past, now that the Executive Director and Deputy Executive Director are employees, SBCCOG staff is recommending that a consultant be hired to conduct the study and make recommendations.

The selected consultant will evaluate the SBCCOG job structure, position descriptions, and pay scales to ensure they are appropriately classified, and that compensation is competitive within the market. This process involves analyzing job responsibilities, required skills, and market data to create or update the classification system and compensation plans. SBCCOG staff will also be part of the evaluation process by providing input on their responsibilities and job functions.

The final product will be recommendations for updated classification and compensation structures to be presented and approved by the SBCCOG Board. It is envisioned that the recommendations will help ensure the payment of competitive salaries to attract and retain the best employees.

ANALYSIS

SBCCOG staff met with three firms: CPS HR Consulting (the SBCCOG's current HR consultant), RGS, and Gallagher. After reviewing the proposals submitted by each, SBCCOG staff is recommending CPS.

Firm	Cost
CPS	\$42,140
RGS	\$34,900
Gallagher	\$66,000

CPS would approach the classification and compensation study by:

- Review and analyzing current job descriptions
- Conducting employee and/or supervisor interviews
- Benchmarking against comparable classifications
- Conducting an internal alignment and equity analysis
- Analyzing market compensation studies
- Making recommendations for updated classification and compensation structures
- Preparing a final report and optional presentation of findings

Staff believes that this proposal best meets the organization's needs for this specific study. Additionally, staff believes that CPS, as our current HR consultant - will develop a more in-depth understanding of the organization through this process which will allow them to provide more organization-specific or tailored consulting on other HR items should they arise.

COSTS

The CPS proposal is for \$42,140. Staff recommends allocating funds from the organization's fund balance as it is an occasional task not a regular annual activity. There are adequate reserves in the fund balance to cover this cost.

RECOMMENDATION

That the Steering Committee recommend the Board of Directors approve CPS HR Consulting to conduct a classification and compensation study and to pay for it through use of the SBCCOG fund balance.

Attachment: Exhibit 1 – CPS HR Consulting proposal. (other proposals available on request)

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