

PROPOSAL TO CONDUCT A CLASSIFICATION AND COMPENSATION STUDY

FOR THE

CITY OF PFLUGERVILLE

DECEMBER 2018

PREPARED BY

Matthew Weatherly, President
matt@pspc.us / 888.522.7772



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Please visit www.pspc.us for work samples and additional resources

PUBLIC SECTOR PERSONNEL CONSULTANTS

**PROPOSAL TO CONDUCT A
CLASSIFICATION AND COMPENSATION STUDY
FOR THE CITY OF PFLUGERVILLE**

COVER LETTER

PUBLIC SECTOR PERSONNEL CONSULTANTS



December 26, 2018

Project Selection Team
c/o Human Resources Office
City of Pflugerville
100 E. Main Street
Pflugerville, TX 78660

Dear Selection Team,

Pursuant to your request, we are pleased to provide you with a proposal and qualifications to assist the City with a Classification and Compensation study. We specialize in these services, and have implemented classification and compensation plans for more than 1,000 public employers nationwide, including more than 400 municipal employers and over 100 Texas employers.

Current and recently completed projects include the City of Manor, the City of Taylor, the City of Kerrville, the Town of Highland Park, the Town of Addison, and the Cities of Bedford, Grapevine, Frisco, Plano, Prosper, Waco, Killeen, Galveston, and Abilene.

We believe our firm is uniquely qualified for this study. We will utilize only full-time, certified Human Resources professionals for the study, with combined greater than 100 years of experience in the fields of human resources, compensation, and labor relations.

Our proposed approach will be customized to meet the City's needs. We are confident that our extensive public employers classification and compensation experience, knowledge of public employers in Texas, large specialized and highly qualified full time staff, proven methods, unique **EZ COMP™** application to ensure your self-sufficiency, and one year of implementation support and assistance at no cost, will achieve all of the City's objectives for an important project of this nature.

Our proposal remains valid for no less than 180 days, and we take no exceptions to any conditions or requirements stated in the RFP.

Thank you for your interest in our firm's services. If we can provide any additional information, such as samples of recent similar studies, or if you would like to visit further or in person about the City's project needs, please contact me at any time.

Sincerely,

Matthew Weatherly, President
(888) 522-7772
matt@pspc.us

**PROPOSAL TO CONDUCT A
CLASSIFICATION AND COMPENSATION STUDY
FOR THE CITY OF PFLUGERVILLE**

QUALIFICATION OF OUR FIRM AND STAFF

*HISTORY AND FACTS ABOUT OUR FIRM
RECENT EMPLOYERS SERVED
RESUMES OF PROJECT TEAM MEMBERS*

HISTORY AND FACTS ABOUT OUR FIRM

- **HISTORY OF OUR FIRM**

Public Sector Personnel Consultants (PSPC) originated in 1972 with the Public Sector Group of the international human resources consulting firm of Hay Associates. **PSPC** was established as an independent firm in 1982. We are a single-owner, debt-free subchapter-S corporation.

- **REGIONAL STAFF**

We have regional offices or affiliates in Austin, TX, Dallas, TX, Los Angeles, CA, San Diego, CA, Santa Fe, NM, Chicago, IL, Denver, CO, Kansas City, MO, St. Paul, MN, Tempe, AZ and Seattle, WA.

- **SPECIALIZED IN COMPENSATION SERVICES**

We are "super-specialists" in compensation, providing services in job analysis, position classification, job content evaluation, compensation, and directly related services. **Over 98% of our classification and compensation studies have been successfully implemented by our clients.**

- **SPECIALIZED IN PUBLIC SECTOR CLIENTS**

We provide services exclusively to public sector employers including municipalities, counties, utility districts, library districts, special districts, state governments, housing and redevelopment agencies, airport authorities, school districts, higher education, and tribal governments.

- **SPECIALIZED COMPENSATION STAFF**

Our staff is comprised of eight (8) full time and an additional five (5) part time senior human resources professionals with very extensive experience as compensation managers and consultants for public employers. Our staff has more than 100 years of combined experience working for and consulting to public sector employers.

- **OVER 1,000 PUBLIC EMPLOYERS SERVED**

Our staff members have provided compensation, human resources, training and related consulting services to more than 1,000 public and 200 private employers throughout the U.S.

- **AMERICAN COMPENSATION ASSOCIATION PARTICIPATION (ACA) (NOW WORLDATWORK)**

Our consultants are active members of ACA, including serving as instructors for the ACA certification courses.

- **SPECIALIZED COMPENSATION AND RELATED RESOURCES**

We utilize our **EZ COMP™** salary survey and plan program, modified **FES** point-factor job evaluation system, **AEP™** performance evaluation plan, and **SNAP™** staffing needs analysis program.

- **FIRST YEAR IMPLEMENTATION WARRANTY**

We provide our clients with extensive implementation support during the first year, and we will analyze, evaluate, classify, and provide a salary range recommendation for any new or changed position or entire job class, at no additional cost.

RECENT TEXAS EMPLOYERS SERVED BY MEMBERS OF OUR STAFF

| | | |
|----------------------|------------------------|------------------------------|
| Abilene, City of | Frisco, City of * | Pearland, City of * |
| Addison, Town of * | Galveston, Port of | Plano, City of |
| Allen, City of | Georgetown, City of | Port Neches, City of |
| Baytown, City of * | Grapevine, City of * | Prosper, Town of * |
| Bedford, City of | Grand Prairie, City of | Rockwall, City of |
| Bee Cave, Village of | Haltom City, City of | San Angelo, City of * |
| Benbrook, City of | Kerrville, City of | San Jacinto College District |
| Carrollton, City of | Killeen, City of | State Bar of Texas |
| El Paso County | Longview, City of * | The Colony, City of |
| El Paso, City of * | Midland, City of | Tomball, City of * |
| Fairview, Town of | Odessa, City of | Waco, City of * |

* “Repeat” clients – multiple projects performed and implemented

RECENT MUNICIPAL EMPLOYERS SERVED BY MEMBERS OF OUR STAFF

| | | |
|----------------------------|-------------------------------|----------------------------------|
| Albuquerque, City of, NM | Grand Prairie, City of, TX | Plano, City of, TX |
| Aliso Viejo, City of, CA | Grapevine, City of, TX | Prosper, Town of, TX |
| Allen, City of, TX | Great Falls, City of, MT | Rialto, City of, CA |
| Azusa, City of, CA | Haltom City, City of, TX | Rio Rancho, City of, NM |
| Baytown, City of, TX | Horseshoe Bay, City of, TX | Rockwall, City of, TX |
| Bell Gardens, City of, CA | Huntington Beach, City of, CA | Roswell, City of, NM |
| Benbrook, City of, TX | Indian Wells, City of, CA | Rowlett, City of, TX |
| Bismarck, City of, ND | Kerrville, City of, TX | Salinas, City of, CA |
| Borough of Fox Chapel, PA | Killeen, City of, TX | San Clemente, City of, CA |
| Bothell, City of, WA | Lakeway, City of, TX | San Juan Capistrano, City of, CA |
| Bozeman, City of, MT | Lamar, City of, CO | Santa Ana, City of, CA |
| Carrollton, City of, TX | Las Cruces, City of, NM | Scottsdale, City of, AZ |
| Casa Grande, City of, AZ | League City, City of, TX | Shaler, Township of, PA |
| Centralia, City of, WA | Lisle, Village of, IL | Southgate, City of, CA |
| Cranberry Township, PA | Maricopa, City of, AZ | Tempe, City of, AZ |
| Culver City, City of, CA | Midland, City of, TX | The Colony, City of, TX |
| Edmonds, City of, WA | Minot, City of, ND | Tomball, City of, TX |
| El Paso, City of, TX | Monterey, City of, CA | Upland, City of, CA |
| Fairview, Town of, TX | Mountain Village, Town of, CO | Vernon, City of, CA |
| Fox Chapel, Borough of, PA | Oak Brook, Village of, IL | Victorville, City of, CA |
| Frisco, City of, TX | Odessa, City of, TX | Westlake Village, CA |
| Georgetown, City of, TX | Pacific Grove, City of, CA | Winslow, City of, AZ |
| Grand Forks, City of, ND | Pearland, City of, TX | Yuma, City of, AZ |

Texas Active 2018: City of Denton, City of Burleson, City of Grapevine

PUBLIC SECTOR PERSONNEL CONSULTANTS

MATTHEW E. WEATHERLY, PRESIDENT

Mr. Weatherly has over 15 years of experience as a human resources management professional and consultant, specializing in position classification, compensation, recruitment and selection. He has served as a Human Resources Manager with Employee Solutions, Inc. and Staffing Consultant with Initial Staffing Services.

He has completed projects in staff development, recruitment, selection, job descriptions, salary survey, and salary plan development. Among his current and recently completed consulting projects are those for:

| | | |
|---------------------------------|-----------------------------------|--------------------------------|
| <i>Benbrook, City of, TX</i> | <i>Georgetown, City of, TX</i> | <i>Lakeway, City of, TX</i> |
| <i>Carrollton, City of, TX</i> | <i>Grapevine, City of, TX</i> | <i>Odessa, City of, TX</i> |
| <i>Colleyville, City of, TX</i> | <i>Haltom City, City of, TX</i> | <i>Rockwall, City of, TX</i> |
| <i>Frisco, City of, TX</i> | <i>Horseshoe Bay, City of, TX</i> | <i>San Angelo, City of, TX</i> |

Mr. Weatherly holds a BS degree in Human Resources Management from Arizona State University. He has been a featured speaker at TMHRA and regional City Manager and HR Regional meetings in Texas.

SAMUEL HEINZ, MPA, PHR

Mr. Heinz has conducted projects in job analysis, position classification, job evaluation, compensation surveys, and compensation plan development. Among his recent client projects are those for:

| | | |
|-------------------------------------|-------------------------------|--------------------------------|
| <i>Addison, Town of, TX</i> | <i>DeSoto, City of, TX</i> | <i>Prosper, Town of, TX</i> |
| <i>Apache Junction, City of, AZ</i> | <i>Galveston, City of, TX</i> | <i>Taylor, City of, TX</i> |
| <i>Bismarck, City of, ND</i> | <i>Midland, City of, TX</i> | <i>The Colony, City of, TX</i> |
| <i>Carrollton, City of, TX</i> | <i>Odessa, City of, TX</i> | <i>Williston, City of, ND</i> |

Mr. Heinz holds a MA degree in Public Administration from Texas Tech.

ELIZABETH J. LOCURTO, CCP, VICE PRESIDENT

Ms. LoCurto has over 30 years of experience as a compensation manager and consultant for public and private employers, specializing in job analysis, salary surveys, and salary plan development. She has served as Compensation Research Associate for Hayes/Hill, Inc., Senior Compensation Analyst for AON Corporation, Compensation Manager for Loyola University, and Project Manager for the American Compensation Association.

She has conducted projects in job audits, job descriptions, salary surveys, compensation database management, compensation plan development, compensation training course development, and compensation trend research. Among her consulting projects are:

| | | |
|-------------------------------------|--------------------------------------|-----------------------------------------|
| <i>Apache County, AZ</i> | <i>El Segundo, City of, CA</i> | <i>OKC Zoological Park</i> |
| <i>Austin Community College, TX</i> | <i>Huntington Beach, City of, CA</i> | <i>Sacramento, City of, CA</i> |
| <i>CA Family Health Council</i> | <i>Los Alamos County, NM</i> | <i>State Bar of Texas</i> |
| <i>El Paso, City of, TX</i> | <i>Norman, City of, OK</i> | <i>Texas Office of Attorney General</i> |

Ms. Talamonti holds a BS degree in Business Administration from Arizona State University. She holds the Certified Compensation Professional (CCP) designation from the American Compensation Association.

KATHERINE TILZER, SPHR, VICE PRESIDENT

Ms. Tilzer has more than 15 years of experience as a human resources manager and consultant, specializing in employee relations, compensation, and recruitment. She has served as Personnel Manager for Laboratory Corporation of America, Director of Human Resources for Plaza Healthcare, Inc., and Director of Human Resources for American Baptist Homes.

*Aleutian Housing Authority, AK
Boone County, MO
Cochise College, AZ
Colleyville, City of, TX*

*El Paso, City of, TX
Huntington Beach, CA
Lake Tahoe College, CA
Pinal County, AZ*

*Pueblo West Metro Dist, CO
Rowlett, City of, TX
San Marcos, City of, TX
Tomball, City of, TX*

She holds a BS degree in Management from the University of Phoenix, and certification as Senior Professional in Human Resources from the Society for Human Resources Management.

BOB LONGMIRE, PMP

Mr. Longmire has more than 10 years of project management experience and consulting for public employers, specializing in employee development, classification, and compensation. He has served as National Sales Director for Connexion Technologies and Brand Marketing Manager for Plink.

He has completed projects in job analysis, position classification, compensation surveys and plan development. Among his consulting projects are those for:

*City of Frisco, TX
City of Kirkland, WA
City of Monterey, CA
City of Plano, TX*

*Franklin County PUD, WA
Grant County PUD, WA
Greater Orlando Airport, FL
King County Library, WA*

*Kirkland, City of, WA
Pitkin County, CO
Sacramento School District, CA
Tacoma Metro Parks, WA*

Mr. Longmire holds a BS degree in Administration from Colorado Christian University and designation as Project Management Professional from the Project Management Institute.

WAYNE BREDE

Mr. Brede has over 30 years of experience working for the Minnesota Department of Transportation as a Workforce Planning Manager and Staffing Services Manager, and has served as a succession planning and career ladder consultant for nearly 50 public and private employers.

He has conducted projects in workforce development, succession planning, job analysis, position classification, job evaluation, compensation surveys, compensation plan development, employee relations, and recruitment. Among his recent client projects are those for:

*El Paso County, TX
Fresno, City of, CA
Grand Forks, City of, ND
Great Falls, City of, MT*

*Hamilton County, TN
Las Cruces, City of, NM
Minot, City of, ND
Northwest Tech College, MN*

*Red Lake Indian Reserv., MN
Rialto, City of, CA
San Angelo, City of, TX
San Jose, City of, CA*

Mr. Brede holds a BA degree in Mass Communications from the University of Minnesota and holds certificates in Public Sector Personnel Management and Industrial Relations.

PUBLIC SECTOR PERSONNEL CONSULTANTS proposes to utilize only full time members of our firm to complete all of the project tasks and objectives. In order to maintain complete control of the project tasks and deadlines, we will not utilize subcontractors for the completion of the project.

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REPRESENTATIVE CLIENT REFERENCES

PUBLIC SECTOR PERSONNEL CONSULTANTS

REPRESENTATIVE PROJECT REFERENCES

Following is a listing of agencies which are representative of more than 1,000 employers, including more than 100 county governments, for whom members of our firm have services similar to those requested by the City.

FRISCO, CITY OF, TX

Ms. Lauren Safranek, HR Director
6101 Frisco Square Boulevard
Frisco, TX 75034
(972) 292-5210
lsafranek@friscotexas.gov

FY 2017 Salary and Benefits Survey and Pay Plan
2014 Surveys; Annual Salary Survey Update Support;
Position Classification and FY 2002 Salary Plan

HIGHLAND PARK, TOWN OF, TX

Ms. Steve Alexander, Director of Administration
4700 Drexel Drive
Highland Park, TX 75205
(214) 559-9403
salexander@hptx.org

FY 2019 Compensation Study

ADDISON, TOWN OF, TX

Ms. Passion Hayes, Director of HR
5300 Beltline Road
Addison, TX 75001
(972) 450-2819
phayes@addisontx.gov

FY 2019 Classification and Compensation Study
FY 2018 Certification Pay Study
FY 2017 Compensation Plan Maintenance

GRAPEVINE, CITY OF, TX

Mr. Bruno Rumbelow, City Manager
200 S. Main Street
Grapevine, TX 76051
(817) 410-3104
Brumbelow@grapevinetexas.gov

FY 2015 Compensation Study
FY 2012 Compensation Study
FY 2011 Staffing Study

GRAND PRAIRIE, CITY OF, TX

Ms. Lisa Norris, HR Director
318 West Main Street
Grand Prairie, TX 75050
(972) 237-8071
Lnorris@GPTX.org

FY 2013 Salary Survey and Compensation Plan

STATE BAR OF TEXAS

Ms. Amy Turner, Director of HR
1414 Colorado Street
Austin, TX 78701
(512) 427-1463
Amy.Turner@TEXASBAR.COM

Ongoing Compensation Plan Maintenance
Position Classification and FY 2013 Salary Plan

Additional references available, ie Tadd Phillips, Georgetown, was client while in San Angelo

**PROPOSAL TO CONDUCT A
CLASSIFICATION AND COMPENSATION STUDY
FOR THE CITY OF PFLUGERVILLE**

PROJECT APPROACH AND METHODOLOGY

*SUMMARY OF SERVICES FOR THE CITY
PROJECT SCOPE AND APPROACH*

PUBLIC SECTOR PERSONNEL CONSULTANTS

SUMMARY OF SERVICES FOR THE CITY OF PFLUGERVILLE

PUBLIC SECTOR PERSONNEL CONSULTANTS (PSPC) proposes the following program of consulting services and implementation support to conduct a classification and compensation study.

Project Planning and Communication

1. Project planning and scheduling meeting with the City's HR Staff and project designee(s)
2. Policy input and project direction meeting and briefing with Council, Human Resources and designee(s)
3. Project briefing presentation for all employees, Council, City officials, City's project leaders
4. Management and employee communication, progress reports throughout all project phases

Classification Project Tasks

5. Occupational familiarization by review of City's current job descriptions and compensation plans
6. Organizational familiarization by review of City organization charts, budgets, and annual reports
7. Position Analysis Questionnaire (PAQ) customized for gathering City employee occupation data
8. Meetings to distribute and explain the PAQ and the project for all City officials and employees
9. Worksite job desk audits / field observations with representatives of each class (150 Included)
10. Determination of job classification and FLSA Exempt / Non-Exempt designation for each position
11. Recommended title modifications and reclassifications for consideration by department heads
12. Review of position classification recommendations with City's project staff and respective departments

Custom and Comprehensive Market Compensation Surveys

13. Identification of City's competitive employment areas for compensation surveys, for City approval
14. Identification of City occupations to utilize as survey benchmark job classifications – estimated 80+
15. Solicitation of comparator employers and agencies for participation in external compensation surveys
16. Extraction of data from public employer compensation plans, questionnaires, reliable published surveys
17. Consolidation of data from all sources and calculation of prevailing rates for benchmark jobs
18. Computation of extent City's compensation offerings vary from external prevailing rates and practices
19. Review of competitiveness analysis with HR, City Officials and City's project designees

Compensation Plan Development

20. Construction of optional salary range structures for review and selection by City's project leaders
21. Assignment of job classes to salary ranges by internal equity and external competitiveness
22. Assistance with City Council identification of desired, affordable salary competitiveness policy
23. Fiscal impact estimates at various levels of external prevailing rates competitiveness policies
24. Review and critique of draft salary and implementation plans with Human Resources, project leaders

Communication of Results and Implementation Strategies

25. Preparation and presentation of final project reports for the City Council, staff, and City Officials
26. Development of a plan for the implementation of City's updated classification and compensation plan
27. Uploading of **EZ COMP™** program files on a Human Resources Department computer, staff training
28. Development and provision of process for ongoing plan maintenance and subsequent plan updates
29. Assistance with communicating the City's updated plans for all City officials and employees
30. One year classification and compensation plan maintenance assistance **at no cost to the City**

PROJECT APPROACH AND METHODOLOGY

Following is our overall work plan and approach to achieving the City's objectives for the conduct of a classification and compensation study.

A. OBJECTIVES OF THE PROJECT

The recommended plans, programs, systems and administrative procedures will meet these ten most important criteria.

- Internally equitable
- Externally competitive
- Readily understood
- Easily updated & maintained
- Legally compliant & defensible
- Financially responsible
- Efficiently administered
- Inclusive of employee input
- Reflective of City's values
- Reflective of prevailing "best practices"

B. SCOPE OF THE PROJECT

The project could include: a management and employee communication plan; partnership with the City's Human Resources staff, City Manager, Council, and project designee(s); occupational, organizational, and operational familiarization; Position Analysis Questionnaire (PAQ) and job analysis for all classifications; optional worksite job information interviews; position classification and job title recommendations for all employees and classifications; FLSA designations; **EZ COMP™**; internal equity and external competitiveness evaluation; salary and benefits survey and competitiveness analysis; salary range recommendations; fiscal impact estimates and multiple implementation scenarios; updated classification and compensation plan and one year of classification and compensation plan implementation support for all included employees in all job classifications.

C. PROJECT METHODOLOGY

1. Quality Assurance

To ensure a high quality project, we have built in several layers of procedural and statistical controls, in addition to those already in **EZ COMP™**. Internally, we follow a prescribed series of steps in each project phase, which are reviewed by our Project Director. We request that the Human Resources staff and City's Project Manager(s) review our work to minimize the chance of errors and to ensure that it reflects the City's organizational values.

2. Project Planning Meetings and Communication Plan Development

We will consult with the Human Resources Manager and City Officials or representatives on a communication strategy, plan, and materials, beginning prior to the project and extending to the post-project information meetings. We plan to conduct group pre-project meetings for all City officials and employees where we will discuss the project's scope, answer questions, and distribute and explain the Position Analysis Questionnaire.

D. POSITION CLASSIFICATION ANALYSIS

1. Review of Essential Tasks – Position Analysis Questionnaire

We will review and analyze the current essential tasks, duties and responsibilities, and minimum qualifications of each included position through the Position Analysis Questionnaire (PAQ) to be completed by each employee (or group of employees with identical jobs) in print or electronic format. If the information on the PAQ does not clearly delineate the position's scope of responsibilities, we may return the PAQ to the position's incumbent for additional information, or focus on the data gap during a worksite job information interview.

2. Employee Worksite Job Information Interviews

We can conduct a worksite job information interview with a representative incumbent of every job classification. The purpose of these interviews is to verify the data on the PAQ, obtain additional insight into the scope and complexity of the job duties, observe technical processes and working conditions, and to provide employees with an additional method of participation in the project. This process also ensures that we make all internal and external comparisons on the basis of **actual job content** and not merely job title.

3. FLSA Status Determination

We will review the essential tasks and minimum qualifications of each of the City's job classifications and subject them to the Fair Labor Standards Act tests to determine their exempt or non-exempt status.

4. Position Classification

Each of the City's positions will be analyzed and evaluated to determine their primary characteristics, including:

- Is there a current City occupational job group comprised of job classes with essential functions similar to the subject position; if so:
- To which of the group's job classes, and at what level, are the subject position's essential functions similar to the subject position, and if so:
- Are they sufficiently comparable (+/- 20% guideline) to be allocated to that job class, utilize the same job title, require the same minimum qualifications, and be assigned to the same salary range.
- If the City does not currently have a sufficiently comparable job class, what should be the subject position's occupational job class and title, and:
- What should the recommended occupational classification action be, No Change (N), Title Change (T), Merge With Other Job Class (M), New Job Class (J).
- We may find that a job class is overly broad and encompasses several job activities which are regarded with significant salary difference in the marketplace. In such an instance, we will recommend "splitting" the job class into the current job class and a new job class which encompasses the different job activities.

5. Draft Classification Plan Review with Human Resources and Department Heads

We will conduct a review of our initial position classification recommendations and draft job descriptions with the City's Project Team and respective department heads to identify possible errors, obtain feedback, and solicit suggestions for clarification.

6. Various Approaches to Ensure Internal Equity

If desired, and for precision in job class analyses, and subsequent salary range determinations, we may utilize one of several job evaluation systems widely in use, including the Hay Method, Decision Band Method (DBM), and the **Factor Evaluation System (FES)**. **FES** is the most extensively validated and commonly utilized quantitative job evaluation system for public sector occupations, consisting of the following flexible compensable factors.

| | | |
|----------------------|-----------------------|------------------|
| Knowledge Required | Personal Contacts | Complexity |
| Supervisory Controls | Scope and Effect | Work Environment |
| Guidelines Provided | Supervision Exercised | Physical Demands |

The job class hierarchy based on job points will reflect the City's relative internal job worth values. The City's annual salary competitiveness policy will be translated into a mathematical formula which, when combined with the job points of each City job class, will determine the proper salary range for each job class and position. This balances internal equity (job points relationships) with external competitiveness (market relationship formula).

- a. **Optional Approach A – FES System** – We will train a task force of representative City employees in the adaptation of the **FES** point-factor job content evaluation system to the City's job worth values, guide them in the evaluation of a structured benchmark of job classes, conduct QC reviews, and evaluate the remaining job classes within the relative job worth structure established by the task force. We can provide the City with manual or automated versions of this system.
- b. **Optional Approach B – Custom Designed System for the City** – We will train and guide a task force of representative City employees in the design of a point-factor system of job content evaluation total reflecting the City's relative job worth values, and proceed as in Approach A. We can provide the City with an automated version of the system once it has been developed with the task force.

E. SURVEY AND COMPENSATION ANALYSIS

1. City Involvement in Compensation Plan Development

We will obtain policy direction from the City Council, Human Resources staff, and/or City Officials on the following key components of the salary plan development process:

- Comparator Employer Selection
- Benchmark Job Class Selection
- Compensation Competitiveness Policy
- Salary Structure Selection
- Job Evaluation Method-Salary Plan Linkage
- Draft Compensation Plan Review / Critique
- Compensation Points for Analysis
- Project Implementation Plan

2. Comprehensive Compensation Surveys

We do not subscribe to or recommend the use of databases or data warehouses used or hosted by other firms! We will collect the complete pay plans from each of the City's comparators and build a custom survey database to ensure accuracy and completeness, unique to the City's job classifications.

- a. Data Collection Protocol** will be developed in consultation with the City's project leaders to determine which salary data elements to include, such as:

Salary and Benefits Information (finalized in partnership with the City)

- Salary range structure Minimum, Midpoint, and Maximum
- City-supported benefits such as pensions, insurance contributions
- Add pays, certification pays, incentive pays, and paid time off
- Other benefits or total compensation elements to be confirmed with the City

- b. Benchmark Job Selection** will be made by identifying City job classes common to its employment-competitive public and private employers in the immediate area and throughout the region or State, clearly identifiable, and representative of standard occupational job groups.

- c. Comparator Employers Identification** will be made in consultation with the City's Project Manager(s) or City Council. Criteria include their degree of competition to the City in obtaining and retaining high quality staff, their location in the City's traditional recruitment areas, and their organizational size and complexity.

- d. Compensation Data Collection** will be made by one or more of the following methods.

- Pre-survey contact with the selected comparator employers to solicit participation in the City's compensation survey(s)
- Extraction from the pay plans of designated public employers.
- Customized salary and additional total compensation and benefits survey requests for local governments and other public and private employers, distributed by mail, fax, and e-mail.
- As desired, additional data extraction from established salary surveys and commercial survey sources such as Watson Wyatt, ERI, AWWA, etc.

- e. Data Quality Control** includes editing data for accuracy and proper matching to the City's survey benchmark jobs, and phone/fax/E-mail follow-ups for data clarification and to obtain comparators' benchmark job descriptions.

3. Prevailing Rates Calculation

We will consolidate the compensation data from all sources, enter the information into the **EZ COMP™** program, and compute the prevailing rates, inclusive of cost of living differentials, as the statistical mean of the survey data for each benchmark job class. Data will be projected forward from the date of collection to a common date relating to the City's salary plan year by the annual Prevailing Rate Increase Factor (PRI) applicable at that time.

4. Compensation Competitiveness Comparison

We will provide the City with charts comparing its current salary structures to those of the selected public and private comparator employers. We will calculate the extent that the City's offerings vary from the prevailing rates and practices of other relevant employers.

5. Compensation Competitiveness Policy

We will assist the City to select a compensation competitiveness policy which best fits its compensation strategy and financial resources, by providing fiscal impact estimates at various percentage relationships to the prevailing rates.

6. Salary Plan Structure Development

We will review the City's current wage plans and **1)** utilize the City's current wage plan structures to identify internally equitable and externally competitive salary ranges for each City job class or **2)** prepare alternative salary range structures and schedules for the City to select the best fit for its competitiveness strategy, with these optional criteria:

- Method of administration, i.e.: measured job performance, longevity, or skill
- Width of the salary ranges, grades, or broad bands, from Minimum to Maximum
- Varying salary range widths for FLSA non-exempt or exempt positions
- Open salary ranges for pay-for-performance or variable compensation plan
- If steps within the salary ranges, number of steps, percentage separation
- Number of salary ranges, grades, or broad bands in the salary schedule
- Percentage of separation between salary ranges, grades or broad bands
- Recognition for longevity, unique assignments, and special skill requirements
- Remuneration for required special licenses, certifications and registrations
- Linkage of performance evaluations to performance increase opportunities

7. Salary Range Assignment Development

We will assign each job classification to a salary range in the City's current or selected new salary structure on the basis of a combination of factors, including:

- the prevailing rates for the benchmark job classes
- its current relationship to similar or occupationally related job classes
- the 15% guideline for salary range separation between sequential job classes
- the 25% guideline for salary separation of a department head job class

8. Implementation Plan Development

We will consult with the Director of Human Resources and Project Team on a plan for transition to the recommended plan, including a timetable for the principal activities, employee communication, impact on budget processes, and estimates of required financial resources.

F. ENSURING THE CITY'S SELF-SUFFICIENCY

The City will be self-sufficient in all aspects of maintenance of the updated position classification and compensation plan through these services.

1. Procedure Manuals

- *PSPC Position Classification Procedure Guide*
- *PSPC Salary Administration Procedure Guide*
- *City of Pflugerville **EZ COMP™** Procedure Guide*

2. Training Workshop – for City staff in position classification, job evaluation, compensation surveys, and compensation plan design and administration.

3. EZ COMP™ – program and project files on one of the City's computers, a custom user's manual, and system training for key City and Human Resources staff.

4. Initial Year's Implementation Warranty Support – we will analyze, evaluate, classify, and provide a salary range recommendation for any new or changed position or entire job classification, **at no cost to the City** for one year.

G. EXTENSIVE EMPLOYEE INCLUSION AND COMMUNICATION – WITH CLASSIFICATION INCLUDED

Very important factors for successful implementation of new or updated classification and compensation plans are **1)** extensive employee inclusion, and **2)** extensive employee communication. City officials and employees will participate in one or more of the following activities:

- Attending pre-project briefings and question and answer sessions
- Completing a Position Analysis Questionnaire (PAQ) describing their position
- Elaborating on their jobs in individual or group job information interviews
- Requesting a second review of their position's occupational job classification
- Receiving information pamphlet/booklet describing the updated salary plan

H. MINIMAL CITY SUPPORT REQUIRED

We are completely self-sufficient in projects of this nature and do not require any substantive staff support from the City other than payroll data, and arrangements for group and individual meetings and interviews. We appreciate, but do not require, any office space, telephone, clerical assistance, computers, or office equipment. We will provide all data entry, data processing, duplicating, and related report preparation functions.

I. REPORTS AND PRESENTATIONS

1. Draft and Final Report Preparation

We will provide the City's project leader(s) with a draft of our report for review and critique, including the classification plan, compensation market data, salary comparison tables, fiscal estimates, salary range listings, and implementation procedures. We will incorporate their critique into the development of a final report summarizing the project's findings, recommendations, and detailed description of the City's updated position classification and compensation plans.

2. Final Report Presentations

We will conduct a workshop or formal presentation of our final report and recommendations to the Human Resources staff, City Officials, and employees.

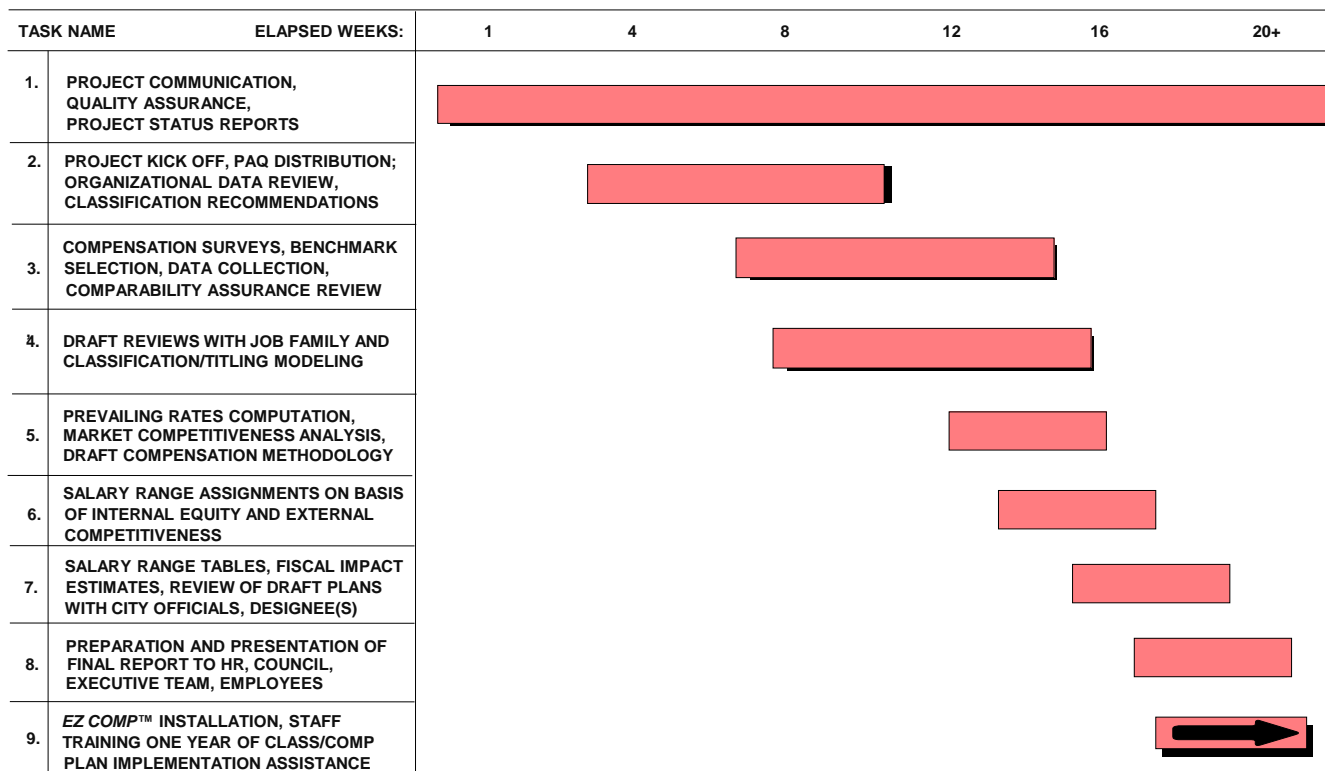
3. EZ COMP™ Program Installation

We will install our **EZ COMP™** program and project files on one of the Human Resources Department's computers and provide training to key staff in the maintenance and update of the classification and compensation plan.

4. Implementation Warranty

To ensure effective implementation of the new plan, we will analyze, evaluate, and provide a salary range recommendation for any new or changed job class, **at no cost to the City** for one year.

ESTIMATED PROJECT ELAPSED TIME CHART



**PROPOSAL TO CONDUCT A
CLASSIFICATION AND COMPENSATION STUDY
FOR THE CITY OF PFLUGERVILLE**

PRICING/FEES

PUBLIC SECTOR PERSONNEL CONSULTANTS

PROJECT RATES BY MAJOR TASK

A. PROJECT COST ESTIMATE

We estimate that the project's total cost, including all fees for professional services and reimbursement for out-of-pocket expenses, **will not exceed** the indicated amounts.

Major Project Components

| | |
|--------------------------------------------------------------------------------|------------------------|
| - Project Planning Meetings, Employee PAQ Briefings, Kick Off and Planning | \$ 2,500 |
| - Job Information Interviews / Desk Audits (up to 150 included) | \$ 17,500 |
| - Position Classification and Job Titling | \$ 5,000 |
| - Salary and Benefits Compensation Survey (est. 80+ titles) | \$ 30,000 |
| - From Surveys, Compensation Plan, Draft Reviews, Final Reports, Presentations | <u>\$ 5,000</u> |
| Not-to-Exceed: | \$ 60,000 |

Additional Options

| | |
|----------------------------------------------------|---------------|
| - Any other consulting or needed services (hourly) | \$ 125 |
|----------------------------------------------------|---------------|

B. FLEXIBLE WORK PLAN, NEGOTIABLE TOTAL COST, TERMS

Our work plan is flexible and total project cost negotiable, and we will discuss, modify, add or delete, any work task to increase the project's responsiveness to the City's needs and financial resources. We will provide the City with monthly invoices for the professional services provided and out-of-pocket expenses incurred during the month. We request that the City pay the invoices within thirty (30) days of their receipt.

