

TOWN OF DAVIE

TOWN COUNCIL AGENDA REPORT

TO: Mayor and Councilmembers

FROM/PHONE: Mark Alan/797-1169 by Herb Hyman/797-1016

SUBJECT: Resolution

AFFECTED DISTRICT: n/a

TITLE OF AGENDA ITEM: A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH MGT OF AMERICA TO PERFORM A PAY AND CLASSIFICATION STUDY.

REPORT IN BRIEF: The Town Council approved the selection committee's recommendation of MGT of America to perform a pay and classification study and authorized staff to negotiate an agreement by Resolution R-2005-193. The attached contract is a result of these negotiations.

PREVIOUS ACTIONS: Resolution R-2005-193 authorized staff to negotiate a contract.

CONCURRENCES: This contract was negotiated by a committee that included the Procurement Manager, the Director of Human Resources, and the Assistant Director of Human Resources. The contract documents have been reviewed by the Town Attorney's office.

FISCAL IMPACT:

Has request been budgeted? yes

If yes, expected cost: \$42,925.00

Account Name: Human Resources-Professional Services Account

Additional Comments: Not applicable

RECOMMENDATION(S): Motion to approve the resolution.

Attachment(s):

Two (2) copies of agreement

RESOLUTION NO. _____

A RESOLUTION OF THE TOWN OF DAVIE, FLORIDA, AUTHORIZING THE MAYOR TO EXECUTE A CONTRACT WITH MGT OF AMERICA TO PERFORM A PAY AND CLASSIFICATION STUDY.

WHEREAS, the Town Council approved MGT of America as the best qualified firm to perform a pay and classification study by Resolution R-2005-193; and

WHEREAS, staff negotiated a contract pursuant to Resolution R-2005-193; and

WHEREAS, after review, the Town Council authorizes the Mayor to execute a contract with MGT of America.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF DAVIE, FLORIDA:

SECTION 1. The Town Council authorizes the Mayor to execute a contract with MGT of America to perform a pay and classification study which is attached hereto and identified as Attachment "A".

SECTION 2. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED THIS _____ DAY OF _____, 2005

MAYOR/COUNCILMEMBER

Attest:

TOWN CLERK

APPROVED THIS _____ DAY OF _____, 2005

CONSULTING SERVICES AGREEMENT

By and Between
Town of Davie, FL
and
MGT of America, Inc.

THIS AGREEMENT is made this ____ day of _____ 200__, by and between Town of Davie, FL ("Client"), and MGT of America, Inc., a Florida Corporation ("MGT").

In consideration of the mutual covenants set forth in this Agreement, the parties agree as follows:

1. Description of Services.

MGT shall, as an independent contractor, provide the services specified in section 1.1 below ("the Services"), on the schedule specified in section 1.2 below.

1.1 Scope of Services

MGT shall provide to Client those services as outlined in the RFP No. B-05-62, dated April 21, 2005; and MGT's proposal dated May 12, 2005, and titled "*A Proposal to Conduct a Pay and Classification Study*", which proposal is attached to and incorporated into this Agreement (Attachment "A").

1.2 Timetable for Services

The Services shall be performed and the product(s) of the services shall be delivered on the schedule set forth in MGT's proposal, which timetable is attached to and incorporated into this Agreement (Attachment "B").

2. Compensation

For its work under this Agreement, MGT shall be paid a total amount not to exceed \$42,925.00 as follows:

MGT shall be paid for the time of its personnel reasonably and necessarily consumed in performing the required services, according to the following schedule:

33% due upon contract initiation, 33% due upon delivery of Draft Report, and 34% due upon delivery of Final Report.

Invoices shall be payable on receipt and delinquent 25 days from receipt by Client. No payment shall be withheld or delayed by Client when, or to the extent that, such delay is the result of Client's failure promptly to review and accept the product of the Services or to perform any act necessary for MGT to proceed or continue with providing the Services.

3. Term and Termination

This agreement shall become effective upon its execution and delivery by the parties and shall remain in effect until completion of, and full payment for, the Services. For recordkeeping purposes, the term of this Agreement shall be from November 2, 2005 through April 30, 2006. This contract may be terminated prior to completion of the Services at the option of either party, upon delivery of written notice by the terminating party to the other party. In the event of early termination by Client, MGT shall be paid, upon invoicing in accordance with this Agreement, the agreed compensation (or if, due to termination, there is no agreed value for the services performed to date, MGT's standard hourly rates) for Services performed, plus expenses incurred, prior to termination.

4. Independent Contractor Status

The relationship of MGT to Client is that of an independent contractor, and nothing in this Agreement shall be construed as creating any other relationship. As an independent contractor, MGT shall comply with all laws relating to federal and state income taxes, associated payroll and business taxes, licenses and fees, workers compensation insurance, and all other applicable state and federal laws and regulations. Neither MGT nor anyone employed or subcontracted by MGT shall be, represent, act, purport to act, or be deemed to be an agent, representative, employee or servant to Client.

5. Project Managers

Mark Curfman shall serve as Project Manager and point of contact for MGT under this Agreement.

Mark Alan shall serve as Project Manager and point of contact for Client under this Agreement.

By written notice to the other party, either party may change the identity of its project manager during the term of this Agreement.

6. Miscellaneous

6.1 No Continuing Waiver

The failure or forbearance by either party in exercising any remedy available to it upon a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or continuing breach by either party.

6.2 Entire Agreement.

This written Agreement represents the entire agreement of the parties, and neither party is relying upon any negotiation, representation, warranty, promise, or covenant not set forth in this Agreement. This Agreement may not be modified or amended except by a written instrument for that purpose duly executed by both parties.

6.3 Subcontracting and Assignment.

MGT may utilize subcontractors in performing the Services, but MGT shall remain responsible to Client for performance under this Agreement. This contract shall be binding upon and inure to the benefit of both Client and MGT and their respective successors and assigns, if any, and legal representatives.

6.4 Interpretation, Venue, and Severability.

This agreement shall be construed, interpreted, and enforced in accordance with Florida law without regard to conflicts of laws principles. Should any provision of this Agreement be held invalid or unenforceable by final judgment of a court of competent jurisdiction, it is the parties' intention that the remainder of this Agreement shall nevertheless be given effect as written. Any action arising out of or relating to this Agreement may be brought only in the Florida state court having jurisdiction and located in Broward County, Florida. If more than one party executes this Agreement as Client, then each such party shall be jointly and severally responsible for Client's performance and payment under this Agreement.

6.5 Prior Performance.

Services performed by MGT pursuant to Client's authorization, but before execution of this Agreement, shall be considered as having been performed pursuant to the terms and conditions of this Agreement.

6.6 Notices.

All written notices, demands or requests pursuant to this Agreement may be served (as an alternate to personal service) by registered or certified mail or air freight services that provide proof of delivery, with postage and fees thereon fully prepaid, and addressed to the parties so to be served as follows:

If to MGT:

MGT of America, Inc.
2123 Centre Pointe Blvd.
Tallahassee, FL 32308

If to Client:

Town of Davie, FL
6591 Orange Drive
Davie, FL 33314

Service of any such notice or demand so made by mail shall be deemed complete on the day of actual delivery as shown by the addressee's registry or certification receipt. Either party hereto may, from time to time, by written notice served upon the other as aforesaid, designate a different mailing address, or (a) different or additional person(s) to which or to whom all such notices or demands are thereafter to be addressed. Persons named to receive copies of notices are listed for accommodation only and are not required to be personally served to comply with service of notice on a party.

IN WITNESS WHEREOF, this agreement has been executed and delivered by Client and MGT on the date first written above.

Town of Davie, FL

By: _____
As its: _____
Address: 6591 Orange Drive
City/State/Zip: Davie, FL 33314
FEID: _____

MGT of America, Inc.
By: *Paul Beamon*
As its: *Senior Partner*
2123 Centre Pointe Blvd.
Tallahassee, FL
FEID: 59-1576733

2.0 METHODOLOGY AND WORK PLAN

In this section, MGT provides a detailed methodology and work plan and corresponding time line for the Pay and Classification Study for the Town of Davie, Florida. This work plan is based on our experience conducting compensation and classification studies for numerous local government clients.

2.1 Classification and Compensation

MGT firmly believes in maintaining maximum flexibility to meet your specific needs, but we also believe that our potential clients should know our standard approach to classification and compensation analysis. This approach is presented immediately below.

2.1.1 Classification

Employee classification begins with a thorough understanding of two key issues: an organization's work mission and the manner in which each job fits into this overall mission. All organizations are required to perform specific work tasks and structure themselves in such a way as to perform these tasks most effectively and efficiently. Whether it is formalized or not, each organization has an overall work mission consisting of specific subtasks. Each job contributes to one or more work tasks, and the value of each job varies depending on that job's total contribution to the overall work mission. In other words, classification depends on the work mission, the structure designed to carry out this mission, and the perceived value of each position in the overall accomplishment of the organization's work mission.

MGT realizes that different organizations will have different work missions. For example, within the realm of local government, different cities perform different service mixes. Some cities offer more services than others do. Consequently, classification systems will vary depending on the work to be performed and the resulting structures developed to perform this work. When organizations develop these employment structures they make determinations about the level of qualifications, skills, knowledge, and abilities necessary to perform each job. When done properly, organization design will match the work mission, and each job will serve one or more overall work objectives.

Over time, new positions become necessary, and technology and other factors restructure the nature of the work performed. If the overall classification design does not keep up with these changes, then a misalignment between the total work mission and the job classifications emerges. This is why all organizations (including town governments) must periodically evaluate their work mission and the resulting classification system.

MGT begins each engagement by meeting with the Human Resources team, and in this case, the Town's Leadership Team, to ascertain the client's overall work mission, obtain the employee database, and conduct orientation and briefing sessions for all employees involved in the study. At this time we discuss the rationale for the current composition of the classification structure and obtain background information on the structure's evolution. Another important activity undertaken at this time is the distribution

of MGT's Job Content Questionnaire® (JCQ) and Management Issues Paper® (MIP). These documents are critical to the job evaluation component. The employee database is then cleaned and made ready for MGT's customized software. Once these items have been accomplished, MGT will provide the Town with an initial written data assessment.

We then conduct a general analysis to determine if any inconsistencies or problems with the current classification system exist. Typically, this analysis focuses on issues such as salary compression, outlier analysis, range distribution analysis, and checking for the degree of the "topping out" phenomena. This preliminary analysis helps us to better understand the current classification and compensation structure and alerts us to potential trouble spots.

Reviewing current job descriptions is an integral part of the classification process. Job descriptions reveal the intended work tasks for each class, and serve as an indicator for the Town's division of labor. Job descriptions provide an excellent frame of reference for later analysis of actual work tasks performed, and any deviation detected in work task analysis helps point out misalignment of the work mission and work performed.

MGT has developed the capacity to have Town employees enter their JCQ information directly into an established database through direct on-line access. This process not only reduces costs, it provides for greater accuracy. Once these data are entered, the next step is to examine the work tasks contained in the JCQs and develop job families. Job families are groupings of job classes based on similar types of work performed. Jobs are placed into job families to help us structure our analysis based on the actual work performed rather than simply relying on department designations and job titles.

After the jobs are grouped into job families, MGT will conduct a series of interviews with Department Heads to identify any issues that these key stakeholders may have related to classification or compensation. Department Heads are likely to have the most thorough understanding of the work that is performed within their departments and how that work fits together and relates to the overall work mission. Once these interviews are conducted, we will conduct a series of focus groups with employees in each department. These focus groups are essential to uncover issues harbored by rank and file employees and to give employees more input into the classification and compensation process. Rank and file employees are much more likely to accept future recommendations if they feel as if they have had an opportunity to participate. Failure to receive employee input will likely lead to more appeals once the process is completed.

The heart of the classification process is job evaluation. The next step in the process is to review the JCQs and MIPs at a central location and identify possible misclassifications. Once this is complete, all jobs are evaluated for each compensable factor and scores are assigned to each position. After the initial review is done, potential problems are identified and positions are identified for possible further evaluation.

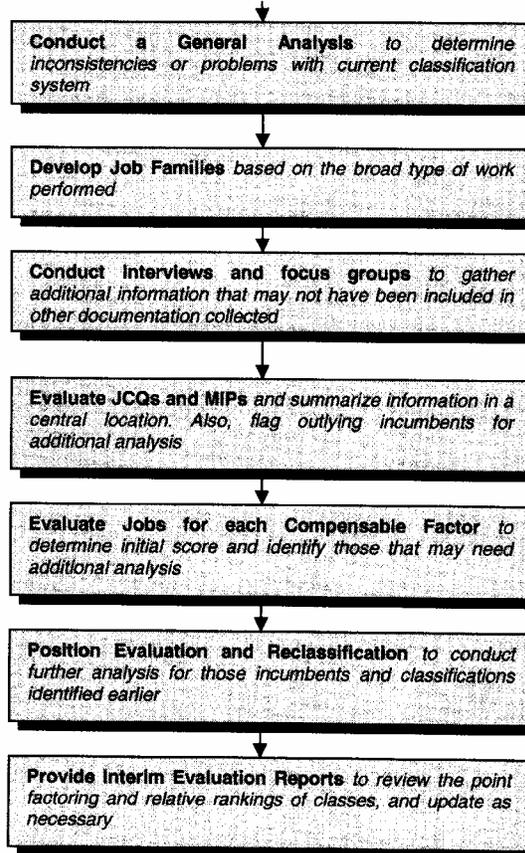
At this point, all positions have been evaluated and reclassification can take place. Possible outcomes include position reclassification, class elimination, additional classes, and the merger of existing classes. Special attention is paid to those positions identified for further analysis in the previous steps.

The final step in the classification process is to present a report to the Town that contains a summary of the point classification scores and the relative rankings of each class. It is expected that the Town will provide feedback and some minor alterations are to be expected.

Once these steps have taken place, the classification component of the study is complete and the classification component can be merged with the market study. This is done through basic regression analysis. This process is covered in greater detail in section 2.1.3. The classification process is presented schematically in Exhibit 2-1.

**EXHIBIT 2-1
TOWN OF DAVIE
PROPOSED CLASSIFICATION PROCESS**

Internal Considerations
***Classification Evaluation:
Job Content Analysis***



2.1.2 Compensation

MGT's approach to compensation analysis is based on the belief that compensation should be market-based, internally equitable, and strongly tied to organizational goals. These three factors are not always reflected in the current compensation system. The process of producing a compensation system that reflects these goals requires extensive analysis of the labor market, the relationship between jobs in the internal hierarchy, and assurance that the relative worth of each job to the organization is properly rewarded.

After MGT has obtained information related to the Town's pay policies, a general analysis is conducted to determine if the current policies are a good match with the Town's stated compensation philosophy. This analysis also identifies any potential pay issues related to specific incumbent classes.

Prior to conducting the actual market survey, MGT will work with the Town's Leadership Team to establish an overall pay plan. This analysis will focus on any expectations regarding the number of pay grades, range widths, percentage differences between grades, step plans versus open range plans, and the expected time to reach full job competency. This step allows MGT to construct the framework of the pay plan system; however, the determination of the actual salary ranges must wait until the actual market analysis is complete.

Determining the actual market rates for the respective classes requires close coordination with the Town. A key component in defining the market is establishing the parameters of the analysis. Some organizations prefer to survey the marketplace. Others prefer to use readily accessible data. Still others prefer a combination of the two approaches. MGT is comfortable with all three approaches, but prefers the combined option. Secondary data often provide a solid baseline for readily agreed upon classes, but survey data are useful for providing supplemental data for classes that are somewhat unique to the Town of Davie.

Another key component in market analysis is the determination of classes for which data will be collected. The selection of benchmark positions to be surveyed is a critical component in the compensation process. Typically, MGT likes to survey approximately 40 to 50 positions. Although it would be ideal to survey all positions, this is usually not possible when the total number of classifications is much greater than 50, since the survey response rate is directly related to the survey's length. Put simply, the more positions that are included, the lower the response rate tends to be. Benchmark positions are selected in consultation with the Town and should reflect a broad range of departments, pay grades, and work functions. If secondary data are used, it may be possible to survey only those classes for which existing data do not exist. This could allow for inclusion of nearly all classifications.

After the benchmarks are selected, the peer organizations are selected and a database of potential contacts is created. The selection of peer organizations can be contentious if employees have been dissatisfied with past peer selection. To ensure employee buy-in, MGT recommends that the selection of peers be a collaborative process between MGT and the Town's project team. MGT likes to select the peer organizations based on the local labor competition. Peer organizations should be those organizations that compete with the Town for labor. Different employee levels

sometimes require slightly different peers since the labor market often varies depending on the job that needs to be filled. Once the peers are selected, the survey is produced and sent to the Town for final approval.

MGT has developed a Web-based survey, allowing respondents to enter their data directly into a secure Web site using unique user names and passwords. Data entered by respondents are captured directly in a secure database. However, hard copy and electronic file surveys also are made available. Once Web site links to the surveys are sent to the peer organizations, MGT conducts the necessary follow-up calls to prompt responses and clarify any information that may not be clear. The compensation information that is received is placed in a database, cleaned, validated, and summarized. We then merge the salary survey information with the published data collected and produce an analysis of the results. A separate report will be issued to the Town that shows the results of the compensation survey.

While MGT will do everything we can to ensure survey participation, it must be recognized that survey participation on the part of the peers is a voluntary process. For this reason, MGT believes it is necessary to establish guidelines for the necessary response levels, and consensus must be reached before project initiation on the use of supplemental data sources. Supplemental data sources can be a valuable source of information, but the guidelines for their use must be established prior to the survey's submission.

The overall compensation process is illustrated in Exhibit 2-2.

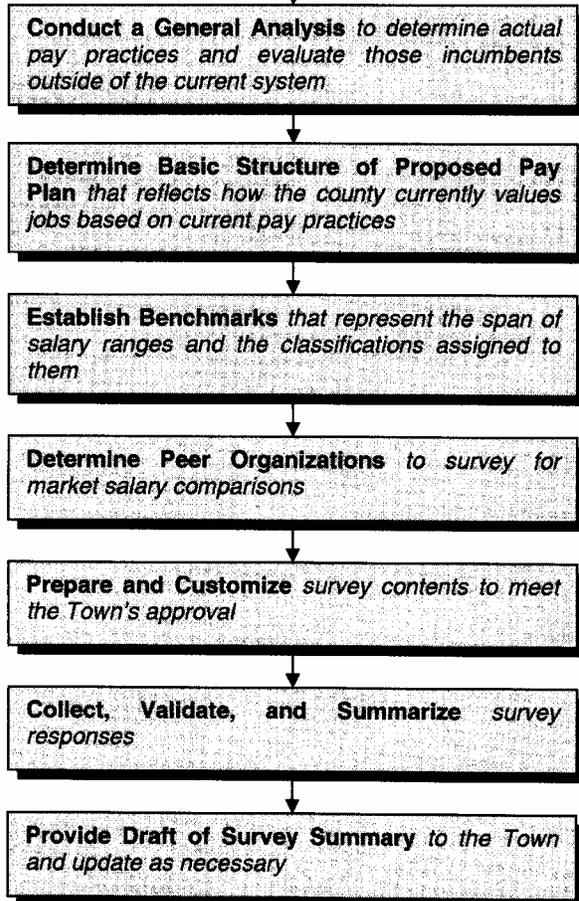
2.1.3 Merging Classification with Compensation

The process of merging the compensation and classification study elements is the most difficult portion of any compensation and classification study. MGT has considerable experience performing this task and utilizes regression analysis to accomplish this work task. Regression analysis is a statistical technique that produces a line of best fit between two different variables. In this case, the JCQ point scores of the benchmark positions are used to predict the dollar value of the survey midpoints for these positions. A regression line is created that places each benchmark position along the line. The underlying premise of the regression analysis is that job classifications with greater relative worth to the organization will be valued more highly in the marketplace. Thus, higher JCQ values will be associated with higher salary levels. Regression analysis also produces a slope coefficient that permits us to predict dollar values for each position based on the number of JCQ points accumulated. It is important to note that the regression line is the result of the "best fit" between points and dollar ranges. Job classifications seldom if ever fall perfectly onto the regression line. The line can be considered the starting point for future job placement.

**EXHIBIT 2-2
TOWN OF DAVIE
PROPOSED COMPENSATION PROCESS**

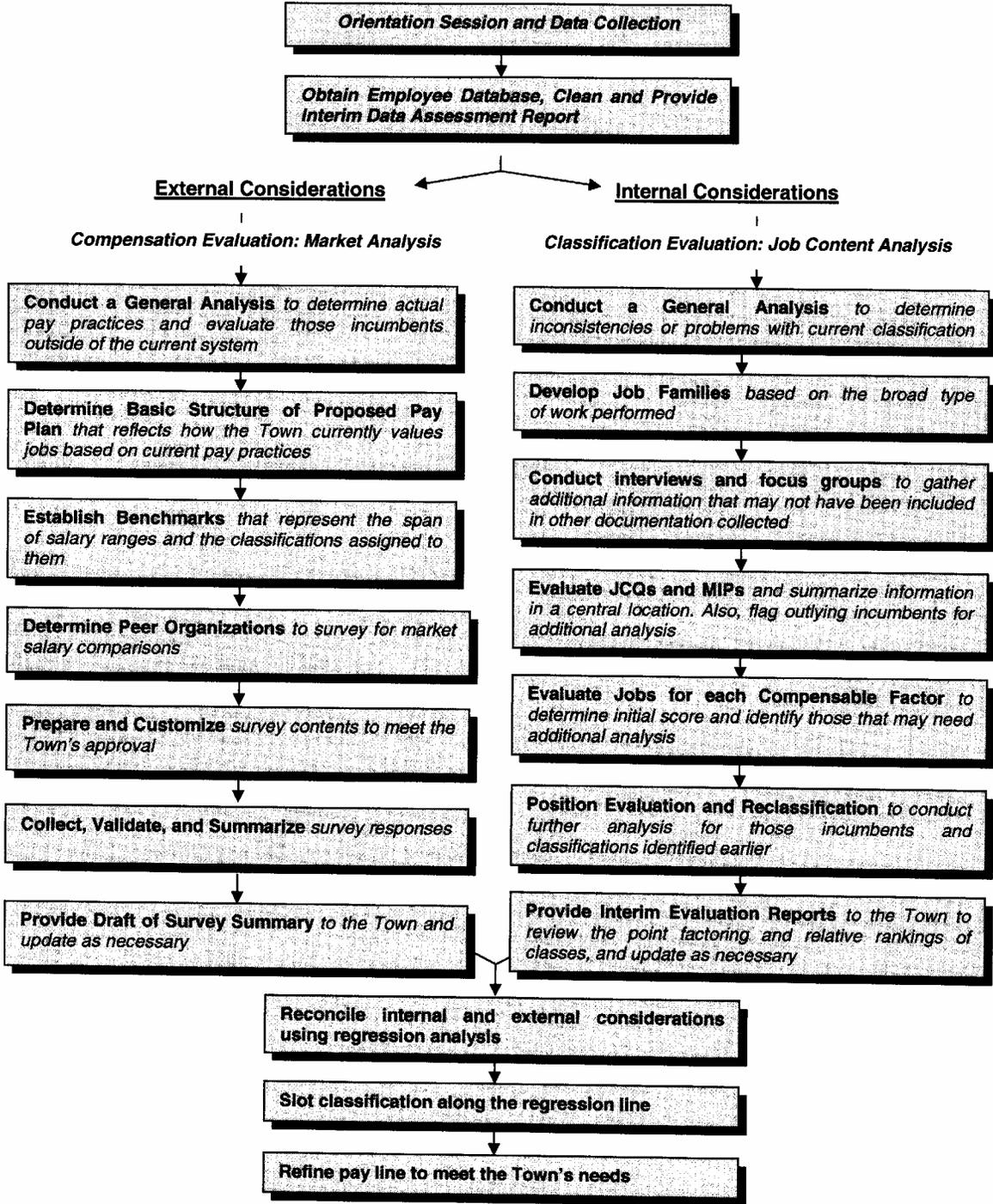
External Considerations

***Compensation Evaluation:
Market Analysis***



After the regression line is created, it is possible to slot the remaining unsurveyed positions along the line based on the knowledge of the internal relationships between jobs. This information is acquired both from the JCQ points and the previous classification analysis performed. Slotting the unsurveyed positions is a process that requires great care, experience, impartiality and judgment. These are the attributes that MGT's experienced staff can provide to the Town to ensure a classification and compensation system that is both externally and internally equitable and valid.

**EXHIBIT 2-3
TOWN OF DAVIE
PROPOSED CLASSIFICATION AND COMPENSATION MERGER**



After the slotting process is complete, MGT will work with the Town to produce an implementation system that will include implementation costs and an overall implementation plan. MGT is able to use its customized software to produce different implementation scenarios and can produce the phased-in implementation plan that the Town desires. Exhibit 2-3 shows the total pay and classification plan from start to finish.

2.1.4 Class Descriptions

Typically, MGT likes to provide class descriptions toward the end of the study process. Class descriptions can be produced quickly and easily in MGT's customized software and can reflect different levels of sophistication. The software can draw directly from the factor evaluations and work tasks inputted in the JCQs, thus ensuring integration of class descriptions to the classification process.

The JCQs that have been completed by Town employees provide a rich source of data to be used in the revision of class descriptions. From these evaluation tools, MGT can determine current work tasks, amount of experience required, educational requirements, and levels of responsibility. They also provide critical information for the determination of exempt/nonexempt status under FLSA and any special requirements a job may have for ADA consideration.

2.2 Detailed Work Plan

Listed below is the detailed work plan that MGT proposes to use for the Town of Davie 's pay and classification study.

PHASE ONE **CLASSIFICATION COMPONENT**

TASK 1.0: FINALIZE PROJECT WORK PLAN AND CONDUCT PROJECT ORIENTATION

Objectives:

- Agree on the scope and breadth of the study.
- Establish a project management plan.
- Gain a comprehensive understanding of the Town's specific objectives and expectations.
- Finalize schedules to ensure completion by September 30, 2005.
- Make logistical and contractual arrangements.

Activities:

- 1.1 Meet with the Town's project director and Town leadership as necessary to accomplish the following:
 - understand the Town's basic work mission and compensation and classification philosophies;
 - review the technical approach and work plan to make any necessary modifications;
 - finalize the project schedule and assign project responsibilities; and
 - establish a schedule for communicating project activities.
- 1.2 Meet with the Town's project director, department heads, and, as appropriate, any other top staff to review the objectives of the study and identify policy and issue concerns to be addressed while conducting the study.
- 1.3 Provide department heads and key staff members with the opportunity to identify pay and classification problems relating to their own areas of responsibility through the provision of the Management Issues Paper® (MIPs). These initial forms serve two major purposes: (1) to afford top managers the opportunity to express their concerns to the consulting team in brief, written fashion; and (2) to identify for the MGT consulting team some key areas of work focus, thus directing the analysis and review process in the proper direction. We have found over the years that these initial MIPs are invaluable in setting the stage for focusing on study concerns.
- 1.4 Obtain pertinent reports and background materials relevant to the review, including:
 - existing class descriptions, pay plan(s), and any agreements with unions;
 - tables of organization and descriptions of major responsibilities in each department;
 - elements of the personnel policy that relate to position classification, class descriptions, and pay plan issues;
 - any previous studies, program evaluations, or other reports that are applicable to this project; and
 - if available, any guidelines used to place new or reclassified positions within the current structure.
- 1.5 Revise the original work plan and finalize the time lines for each project task, adjusting the following elements, as needed:

- data collection approach, in terms of questionnaires and related documentation;
- interview plan;
- tentative project schedule;
- revised time schedule for deliverables; and
- study monitoring procedures.

Key Project Milestones:

- Initiation meetings and orientation sessions
- Revised work plan and time lines
- Project Director summary of issues
- Project management plan

TASK 2.0: GATHER AND EVALUATE CURRENT JOB DATA

Objectives:

- Provide comprehensive questionnaires (JCQs) to capture job data that is consistent with MGT's job evaluation tool (JET[®]), for such factors as education, experience, supervision, guidelines, complexity, scope and effect, physical demands, and work environment.
- Conduct department head interviews.
- Conduct employee focus groups.
- Obtain additional firsthand knowledge of job duties within the departments through department managers.

Activities:

- 2.1 Work with the Town's project director to administer the JCQs and MIPs. If necessary, hold an orientation session to help supervisors answer questions regarding the survey instrument.
- 2.2 Arrange and conduct interviews with each of the department heads and elected officials to receive their input on classification and compensation issues.
- 2.3 Administer the remaining MIPs and work with supervisors to answer any questions they may have regarding the survey instrument.
- 2.4 Schedule and conduct departmental focus groups to acquire additional job-related data.

- 2.5 Review all additional data sources such as organizational charts, class descriptions, strategic plans, and any other such information that may be relevant to the study.

Key Project Milestones:

- JCQ designed to capture current job data
- MIPs for completion by supervisory level personnel
- Orientation briefings for Department Heads, managers, and supervisors
- Department Head interviews

TASK 3.0: EVALUATE THE CURRENT CLASSIFICATION PLAN

Objectives:

- Evaluate the current classification plan in terms of its appropriateness in meeting the Town's objectives.
- Evaluate the classification plan in terms of its ability to:
 - recognize significant differences among work tasks;
 - be managed efficiently;
 - contribute to the Town's overall efficiency and effectiveness; and
 - determine what redesign elements would be appropriate for establishing a more effective system of pay delivery.

Activities:

- 3.1 Review and evaluate the structure of the current classification plan in terms of:
- duplicative and/or overlapping classifications. Where it appears that classifications are excessive and do not reflect a reasonable distinction of job duties, classifications may be consolidated. One of the benefits of this action is to make the plan more efficient and more manageable for the human resources staff;
 - classification voids or gaps. Where it appears that there is an insufficient number of classes to support the nature of the work being conducted, expansion of classes may occur; and
 - elimination of classifications that are no longer needed.
- 3.2 Compare the classification plan to class specifications to determine whether a proper classification description exists for each job.

Key Project Milestones:

- Review of existing classification plan
- Review of existing job descriptions

TASK 4.0: DEVELOP PROPOSED CLASSIFICATION PLAN

Objectives:

- Develop job families based on the broad type of work performed.
- Review JCQ and MIP information.
- Identify the classification of all existing positions utilizing MGT's point factor job evaluation system.
- Recommend changes, additions, or modifications to the Town's pay plan to support a new classification system.
- Provide interim evaluation reports to the Town.

Activities:

- 4.1 Review the work performed by each job classification and develop job families.
- 4.2 Place all existing job classifications into the developed job families.
- 4.3 Review the JCQ scores and identify the classification of each position.
- 4.4 Develop an initial set of recommended changes in the structure of the current classification system.
- 4.5 Review the recommended changes with the Town's project director and other staff as necessary and make appropriate revisions.
- 4.6 Provide a complete listing of the allocation of job classes to pay bands or range assignments. The listing will be sorted in the following ways: (1) alphabetical order by job class title; (2) in descending order by range; and (3) by old class title and new class title. A final group of all listings will accompany the draft report.

Key Project Milestones:

- Job family list
- Recommended classification changes
- Final Report showing the classification of all existing employees under the new system, including current titles and current pay grades, and proposed titles and proposed pay bands or grades

TASK 5.0: PRODUCE REVISED CLASS DESCRIPTIONS

Objective:

- Produce a set of revised class descriptions that are consistent, reflect the work currently being performed and comply with federal and state statutory requirements.

Activities:

- 5.1 Review current class description format and contents.
- 5.2 Agree upon a class description format.
- 5.3 Update current class descriptions with information obtained from JCQs and current class descriptions, including at a minimum FLSA status, ADA guidelines, and hiring standards.
- 5.4 Produce a set of up-to-date class descriptions.

Key Project Milestone:

- A set of revised class descriptions based on current requirements

COMPENSATION COMPONENT

TASK 1.0: REVIEW EXISTING TOTAL COMPENSATION STRUCTURE

Objective:

- Obtain a complete understanding of the Town's current compensation philosophy as it relates to the work mission.

Activities:

- 1.1 Obtain the existing pay structure and total compensation philosophy.
- 1.2 Review the existing pay structure and look for potential problems to be resolved.
- 1.3 Produce a summary of the current total compensation system.

Key Project Milestone:

- Summary of existing compensation plan

TASK 2.0: DETERMINE BASIC STRUCTURE OF PROPOSED PAY PLAN

Objective:

- Work with the Town to determine the best possible compensation plan.

Activities:

- 2.1 Determine number of pay plans that best fits the Town's needs.
- 2.2 Review alternative pay scenarios with Town officials, including the Project Director and other staff as necessary.
- 2.3 Determine the number of grades, range widths, and minimum and maximum for each proposed grade.

Key Project Milestone:

- Proposed compensation plan

TASK 3.0: ESTABLISH SURVEY BENCHMARKS

Objective:

- Determine the proper benchmarks for comparison against peer organizations.

Activities:

- 3.1 Review the existing classifications for possible inclusion in the benchmark survey.
- 3.2 Determine the proper number of benchmark classes for inclusion in the market survey.
- 3.3 Review any secondary data for classes to include in the market analysis.
- 3.4 Select the proper classifications for inclusion in the benchmark survey. Selection criteria should include the following:
 - all departments should be represented;
 - all current pay grades should be represented;
 - classifications with large numbers of incumbents should be represented; and
 - benchmarks should be diverse and representative of the workforce.
- 3.5 Provide the list of benchmark positions to the Town for review and comment.
- 3.6 Make any necessary changes to the benchmark list.

Key Project Milestone:

- List of benchmark positions to be included in the salary survey

TASK 4.0: DETERMINE PEER ORGANIZATIONS

Objective:

- Provide a list of peer organizations to survey.

Activities:

- 4.1 Review with the project team any peer organizations that must be included in the survey.
- 4.2 Select a list of public and private sector peers to include in the salary survey. Selection criteria should include:
 - number of employees;
 - proximity;
 - revenue base; and
 - recent labor competition.
- 4.3 Select any additional secondary data information for inclusion.
- 4.4 Agree on the proper mix of primary and secondary data sources.
- 4.5 Obtain a listing of the contact information for peer organizations and verify this information through phone calls.
- 4.6 Alert peer organizations that the survey will be coming shortly and verify e-mail addresses.

Key Project Milestones:

- List of peer organizations and contact information for each
- Secondary data for inclusion

TASK 5.0: PROVIDE SURVEY SUMMARY TO THE TOWN

Objective:

- Provide a written summary of the survey results to the Town.

Activities:

- 5.1 Prepare and customize the survey contents to meet the Town's approval, including comprehensive salary and benefits questions.
- 5.2 E-mail a survey link and unique username and password to the designated survey targets, and mail any hard copies or electronic format surveys as necessary.
- 5.3 Conduct necessary follow-up through postcards and phone calls.
- 5.4 Collect survey results and enter into database.
- 5.5 Validate information.
- 5.6 Summarize survey information in written report.
- 5.7 Provide written summary to the Town.

Key Project Milestone:

- Written summary of the salary survey results

MERGING THE COMPENSATION AND CLASSIFICATION PROCESSES

TASK 1.0: CONDUCT REGRESSION ANALYSIS

Objectives:

- Reconcile JCQ values and survey results for the benchmark positions.
- Produce a regression line to plot the unsurveyed positions against.

Activities:

- 1.1 Run regression analysis on benchmark positions to provide a line of best fit between the JCQ scores and salary midpoints.
- 1.2 Establish JCQ point ranges for each pay grade.
- 1.3 Match JCQ point ranges with dollar ranges to establish slotting sequence for unsurveyed positions.

Key Project Milestones:

- Initial regression analysis
- JCQ ranges

TASK 2.0: SLOT UNSURVEYED POSITIONS ALONG REGRESSION LINE

Objective:

- Place the unsurveyed positions into the proposed pay plan.

Activities:

- 2.1 Take JCQ scores from unsurveyed positions and place classifications along the regression line.
- 2.2 Adjust classifications as needed to reflect market and internal equity.
- 2.3 Review placement of individuals within respective classes and respective classes within the overall classification and compensation system.

Key Project Milestones:

- JCQ scores for each position
- List of classifications and proposed salaries

TASK 3.0: PROVIDE DRAFT REPORT TO THE TOWN

Objective:

- Provide the Town with a draft report.

Activities:

- 3.1 Take key project milestones from Tasks 1.0 and 2.0 and produce a comprehensive draft report.
- 3.2 Develop an implementation plan to include timing and implementation costs.
- 3.3 Submit the draft report to the Town's project director and other staff as necessary.

Key Project Milestone:

- Draft report for the Town

TASK 4.0: PROVIDE FINAL REPORT AND PRESENTATION TO THE TOWN

Objectives:

- Produce a final report for the Town.
- Give a PowerPoint presentation to the Town highlighting the study's key findings and recommendations.

Activities:

- 4.1 Review Town's comments concerning rough draft.
- 4.2 Make necessary revisions.
- 4.3 Provide the Town with a final report.
- 4.4 Produce PowerPoint presentations.
- 4.5 Make PowerPoint presentation.

Key Project Milestones:

- Final report for the Town
- PowerPoint presentation of the study's key findings and conclusions

TASK 5.0: CONDUCT EMPLOYEE APPEALS

Objectives:

- Design an appropriate appeal process.
- Conduct appeal sessions and make final determinations.

Activities:

- 5.1 Develop a written appeal protocol for use where needed.
- 5.2 Discuss the appeals process with the Project Director and other staff as appropriate.
- 5.3 Make any required revisions to the appeals process.
- 5.4 Supply the process and the forms to the Town.

Key Project Milestone:

- Written appeal protocol

TASK 6.0: INSTALL SOFTWARE AND PROVIDE TRAINING

Objectives:

- Install JET[®] software on Town's computer system.
- Set up training session for Town's Human Resources personnel and provide training on JET[®] software.

Activities:

- 6.1 Arrange with Town officials to install JET[®] software on Human Resources computers.
- 6.2 Install software.
- 6.3 Provide Human Resources personnel with training on JET[®] software.

Key Project Milestones:

- Installation of JET[®] software
- Two-day training session for Human Resources personnel

2.3 Proposed Time Line

MGT anticipates that the pay and classification study will take approximately four months to complete. Assuming a start date of June 6, 2005, the study should be completed by September 30, 2005. However, we will work with Town leadership to complete the project to meet your needs. The proposed project time line is presented below in Exhibit 2-4.

**EXHIBIT 2-4
PROPOSED TIME LINE**

Tasks	June	July	August	September
Classification				
Task 1.0: Finalize Project Work Plan and Conduct Project Orientation	■			
Task 2.0: Gather and Evaluate Current Job Data	■	■		
Task 3.0: Evaluate the Current Classification Plan	■			
Task 4.0: Develop Proposed Classification Plan			■	
Task 5.0: Produce Revised Class Descriptions				■
Compensation				
Task 1.0: Review Existing Total Compensation Structure	■			
Task 2.0: Determine Basic Structure of Proposed Pay Plan	■			
Task 3.0: Establish Survey Benchmarks		■		
Task 4.0: Determine Peer Organizations		■		
Task 5.0: Provide Survey Summary to the Town		■	■	
Merging Classification With Compensation				
Task 1.0: Conduct Regression Analysis				■
Task 2.0: Slot Unsurveyed Positions Along Regression Line				■
Task 3.0: Provide Draft Report to the Town				■
Task 4.0: Provide Final Report and Presentation to the Town				■
Task 5.0: Conduct Employee Appeals				■
Task 6.0: Install Software and Provide Training				■

