



CITY OF WAUWATOSA
MEMO

To: Financial Affairs Committee

From: Beth Mbow, HR Director

Date: July 11, 2023

Subject: Consideration of approval of a consulting services contract with Carlson Dettmann for a compensation plan study in the amount of \$64,100

A. Issue

The City's current compensation plan for non-represented employees was designed and implemented in 2013. It is best practice to perform a complete plan review approximately every 10 years. A request for proposals for a compensation plan study was issued and a recommendation is being made for award of a contract at this time.

B. Background/Options

A compensation plan is a set of guidelines for employees' pay structure. An effective plan will have a philosophy, strategy, guidelines for pay, policies and efficient processes. The City's [current compensation plan](#) was adopted in 2013 and is based on a two-part system starting with steps and ending with a performance based open range. Since adopting this plan, the job market and employment demographics have shifted significantly. As a result, we need to evaluate our current compensation practices and develop strategies to align them with the demands and expectations of our workforce in light of broader market and industry benchmarks. Some of the particular compensation needs to be addressed are:

- Competitive pay for all positions
- Compensation driving recruitment and retention for technical, labor and construction positions
- Compression between public safety union compensation and public safety supervisory compensation
- A structure that balances budgetary fiscal pressure with recruitment and retention competitiveness
- A plan structure that is conducive to rewarding top performing employees
- A structure that is appropriate for the generational differences in tenure within an organization

A request for proposal was issued and nine responses were received. Proposals were reviewed by City staff members who analyzed a variety of factors including the the suitability of proposed methodology, quality and professionalism of proposal, relevant experience, qualifications of key staff and client references. While cost is not the determining factor in selecting the most qualified vendor to provide consulting work, it is certainly an important factor. Below is a breakdown of the costs proposed for the work, although it's important to note that the bid price for several of the consultants does not include the full scope of work we are looking for:

Company	Bid price
McGrath Consulting	\$ 35,285.00
*Baker Tilly	\$ 46,400.00
Carlson Dettmann	\$ 64,100.00
*GOV HR	\$ 56,100.00
HR Collaborative	\$ 64,300.00
OctagonHR	\$ 90,000.00
PosiUP	\$ 43,390.00
AutoSolve Inc.	\$ 87,000.00
Segal Company	\$ 235,000.00

* price does not reflect additional services requested in RFP

The top three potential consultants were invited to participate in a virtual interview where staff further explored the suitability and fit. We discussed the vendor's ability to customize their product, implementation process, employee communication philosophy and methodology, market comparables and ability to manage the plan once implemented.

We conducted reference checks on the top two candidates. After a thorough review of all information available, it was determined that Carlson Dettmann would be the best suited vendor for this project.

C. Fiscal Impact

The recommended contract with Carlson Dettmann will have a cost of approximately \$64,100, which includes the additional features the City requested in our RFP. Funds were carried over from 2022 and budgeted for this project so there will be no additional budget impact at this time. There will likely be budgetary impacts for implementation on the new compensation plan in future years, which we will discuss as we work through the project plan and future budget review processes.

D. Strategic Plan (Area of Focus)

This project relates to all aspects of the City's Strategic Plan given that an effective compensation plan is what allows us to attract and retain a high-performing workforce.

E. Next Steps

Staff is currently working on the updated terms and conditions. City staff will begin the scope of work identified in the RFP with Carlson Dettmann. The project will last approximately six months and we will present to various committees throughout the process: tentatively in October to discuss compensation strategy, our current state and to provide recommendations for the structure and then again when a plan is ready for proposal and adoption.

F. Recommendation

Staff recommends to authorize entering into a consulting services contract with Carlson

Dettmann for assessment, design and implementation of a new compensation plan for non-represented employees.