

CARLSON
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CONSULTING

A Cottingham & Butler Company

PROPOSAL

City of Wauwatosa, WI

**Proposal for:
Compensation Study**

May 1, 2023

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Section 1: Introductory Letter

May 1, 2023

Laurel Schleimer, Purchasing Manager
City of Wauwatosa
7725 W North Avenue
Wauwatosa, Wisconsin 53213

Dear Ms. Laurel:

Carlson Dettmann Consulting, a division of Cottingham and Butler Insurance Services, respectfully submits this proposal to conduct Comprehensive Compensation Study for the City of Wauwatosa according to the terms and conditions set forth in the Request for Proposals. The following is the appropriate contact information:

| | |
|--|--|
| Primary Contact: | Jenna Bidwell Senior Consultant jenna.bidwell@carlsondettmann.com 715.315.1058 |
| Consultant Address: (Contract/Location) | Carlson Dettmann Consulting c/o Cottingham & Butler 2323 Crossroads Drive, #220 Madison, WI 53718 |

We believe there are a few factors that differentiate us from other respondents. First, we believe we have carved out a solid reputation as an advocate for the work done in the public sector. Not only do we believe in the value of the work done by public employees, but we are also active members of our professional communities by offering our insights and expertise via various professional associations, trainings, surveys (paid leave, CAO, seasonal/casual), articles, etc.

Further we believe the jobs are best evaluated and reviewed by those who have intimate knowledge of the public sector. We know the departments/jobs we're reviewing because we've been involved in designing, hiring, and reviewing similar jobs at some point in our respective careers. Our experiences allow us to comment on emerging trends and historical occurrences with a depth others might not be able to provide.

Finally, we not only believe in the notion of total rewards, but our company possesses the expertise to provide key insights relating to addressing both sides of the total compensation equation (wages + benefits). We understand that employee compensation is more than base pay, and our company has the tools to advise clients on their complete rewards package.

Thank you for the opportunity to submit this proposal, and we hope to have the opportunity to serve the City once again. Please note that this letter is intended to certify the following:

- All information submitted in the proposal is true and correct,
- I have full authority to submit this proposal on behalf of our organization,
- The fees proposed have not been knowingly disclosed, directly or indirectly, to any other firm responding to this RFP, and
- No attempt has been made by our organization to induce any other company to submit or not submit a response to this RFP for the purpose of restricting competition.

Please contact me with any questions or concerns you may have regarding this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Shefchik". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Matt Shefchik
Assistant Vice President of Total Rewards Consulting

Section 2: Experience and Qualifications

Cottingham & Butler, founded in 1887 and headquartered in Dubuque, Iowa, is the 5th largest privately held broker in the U.S., and the 25th largest insurance broker in the U.S. and a recognized leader in offering innovative property & casualty and employee benefit insurance solutions. In addition to insurance consulting and brokerage services, the company provides services relating to claims administration, safety and loss control, wellness and disease management, and human resources compliance and consulting. The company employs over 1,000 employees across the U.S. In addition to our Dubuque headquarters, and other satellite offices, C&B has offices in Madison and Appleton to better serve our Wisconsin clients.

Carlson Dettmann Consulting (CDC), a division of Cottingham & Butler Insurance Services, offers human resources consulting services related to employee compensation and total rewards, performance evaluation development and training; employee engagement and strengths-based leadership; employee relations; human resources audits; and other related human resources consulting services. The following is a brief description of the journey CDC has taken:

- 1996: The partnership between **Charlie Carlson & Scott Dettmann**, Principal Consultants at Carlson Dettmann Consulting, began when they created **enetrrix** (Survey Research Associates) with a group of partners. Enetrrix pioneered internet-based salary surveys in addition to providing compensation consulting.
- 2008: Enetrrix was acquired by **Gallup Corporation**, and during their time with Gallup, Charlie Carlson and Scott Dettmann continued their compensation and survey consulting, in addition to growing their consulting skills in the areas of employee engagement, performance management, leadership development, and strengths-based leadership.
- 2010: **Carlson Dettmann Consulting** was created when Charlie and Scott reacquired their consulting practice and served public, private, utility, and not-for-profit clients across the nation. While compensation work has been the backbone of the business, CDC has a successful employee engagement and performance management business as well.
- 2018: Carlson Dettmann Consulting entered into an acquisition with **Cottingham & Butler**. The acquisition provides clients with a total-rewards approach where compensation consulting is balanced with benefits management.
- Current: Carlson Dettmann Consulting's (CDC) field consultants possess decades of management, human resources, and compensation experience. CDC's public sector team has extensive experience working in local government human resources, giving them the unique ability to truly understand the nature of the industry, setting them apart from other consulting firms without hands-on public sector experience.

Our team's approach to compensation consulting strives to find the balance between the external market pressures facing today's employers and the need to design a pay structure that is internally fair and equitable.

While compensation design and administration should not be approached with a one-size-fits-all mentality, there should be both internal consistency in approach as well as alignment with accepted (or best) practices of peer organizations in the final results. In order to guarantee success, the final, delivered results should also be reflective of the organization's philosophies and strategies.

Although the client is responsible for making the key decisions, we view ourselves as a strategic business partner entrusted with collecting and analyzing vital competitive data and taking that data and turning into

a comprehensive and understandable set of recommendations. Because of the extensive history the CDC team has in partnering with public sector organizations, as well as, the personal work history experience of the team, CDC is prepared to support the City through the important pay philosophy discussions to ensure the final product is one that balances the fiscal responsibility of the City while providing a compensation system that supports retention and recruitment efforts. CDC has a strong network of clients through southeast Wisconsin and understands the unique challenges from a labor market perspective, as well.

Project Personnel

The people listed in this proposal, and any other staff directly contributing to this project, are employees of Cottingham & Butler and members of the Carlson Dettmann team. With the exception of the purchase of software services for warehousing of our data, no work is performed by any third party/contractor.

Jenna Bidwell, Senior Consultant, would be the project director on this project, providing oversight and guidance as appropriate. Jenna has over 15 years of professional human resources, employee relations, and consulting experience. She has managed numerous projects, almost exclusively with public sector or education clients. Jenna received a bachelor's in business administration degree from the University of Wisconsin-Madison, is SHRM-SCP certified and a Gallup Certified Strengths Coach. [LinkedIn Profile: <https://www.linkedin.com/in/jenna-bidwell-1398b28/>]

Heather Murray, Senior Consultant, may assist with the management of the project, assisting as needed to ensure that each step of the project is carried out. Heather has over 20 years of professional human resources experience in the public and private sectors. Her experience includes Human Resources leadership roles in: local government, financial services, and retail. Heather is a former county Human Resources Director, past President of the Chippewa Valley Chapter SHRM and past President of the Wisconsin Public Employers Labor Relations Association. Heather holds a bachelor's and SHRM-SCP certification. [LinkedIn Profile: <https://www.linkedin.com/in/heathermurray7/>]

Ashley McCluskey, Compensation Analyst, may provide assistance with the market data collection and job analysis phases of the project. Ashley has over 10 years of professional human resources experience in public and private sectors. Ashley has an ever-growing base of experience relating to payroll, compensation, benefits, and business analysis. Ashley holds a bachelor's in human development and Family Studies, and a minor in Human Resources. [LinkedIn Profile: <https://www.linkedin.com/in/ashley-mccluskey-086073108/>].

Alyssa Woltring, Compensation Analyst, may also provide assistance with the market data collection and job analysis phases of the project. Alyssa has an expanding knowledgebase in human resources, compensation analysis, survey design, and consulting support. Alyssa holds a bachelor's in human resources management. [LinkedIn Profile: <https://www.linkedin.com/in/alyssa-woltring-1309b5138/>].

Section 3: Approach and Methodology

Compensation Project Definition and Orientation

The first step in this project would be refinement of the project plan to meet the specific needs of the parties. An initial meeting with the appropriate leadership team, as well as the key decision-makers, will help ensure mutual understanding concerning the scope and task sequence of the study and each party's role. Specific items to be addressed would include:

- An agreed upon, detailed timetable for the project — overall and interim steps. CDC has provided a generalized timetable for the City's consideration and follow-up discussion, which would be formalized along with a more detailed project scope.
 - At this meeting, we would also discuss and agree upon an appropriate reporting/check-in schedule based on project milestones and needs for data or input.
- The system and process our firm utilizes to determine the relative value of each position using CDC's Point Factor Job Evaluation System.
- A discussion on the role that individual (or group) performance currently plays within the organization, and the desired role the City intends performance to play in future decisions.
- The policy and intentions of the parties with respect to correcting inequities that may be identified.
- The manner of communicating project progress to City leaders and staff.
- Provide a project kick-off presentation on the overall project and approach to staff to help manage expectations from the beginning.

At the outset of the study, and throughout the process, we would ask the City's decision-makers to provide guidance on four key policy areas:



We would lead a discussion on potential answers to these questions, offer our experience and suggestions, and develop the pros and cons of the various alternatives.

Methodology: Benchmarking & Establishing Salaries

Information/Data Required

CDC would require certain information from the City to complete the wage analysis portion of the project. The data fields required for the wage analysis include the following individual data for the employees subject to the study:

- First Name, Last Name, Job Title, Department, Current Rate of Pay, Current FLSA Status, FTE, Annual Work Year, Gender, Current Grade, Current Minimum, Current Market Rate / Midpoint, Current Maximum, Hire Date, Job Date, Birth Date, and annual wage data for the prior fiscal year in cases of required compression analysis.

Our primary concern with this section is that the data be in our requested format so that we may minimize the need to engage in additional conversations to “clean” the client’s data for our use. We further request that the job title provided for this section is consistent with the job title provided in the job documentation (described below) so that we are able to ascertain which job is assigned to which file. We request that the wage analysis data and the job documentation data be provided electronically.

Market Data Collection / Selection of Comparable Employers

CDC would collect and analyze relevant labor market information for the City to determine competitiveness of base salaries. The City would have significant input into the selection of comparable employers to be surveyed. Carlson Dettmann believes that the marketplace is most appropriately measured via a blend of valid, reliable data from both the public and private sectors. Relying on survey collection methods developed over decades of practice, and using data analysis methods proven to be reliable, we maintain and update a robust public sector salary database with each project. Further, we have invested heavily in the private sector and sector-specific surveys from some of the country’s most trusted survey sources. Finally, when the need or opportunity arises, clients (or professional associations) engage our services to design and manage a custom survey to ensure that data is applicable to their specific needs.

We would utilize this custom survey data, as well as excellent published data to augment the custom survey. CDC maintains an extensive survey library for this purpose.

As it specifically relates to the selection of comparable employers for this compensation engagement, we typically request data from between ten to twenty comparable organizations for each unique project, and we employ survey practices that ensure a high rate of data collection. The reasons for the large sample size are varied, but include the following:

- It guarantees that no single organization will influence the final results. This is equally true for high and low-paying organizations. Our final result is a representation of the true marketplace.
- Not every entity in the selected comparable pool has a similar position within their organization. A larger grouping provides a greater possibility that we’ll have sufficient matches.
- In line with best practices for a compensation study, our goal is to achieve market matches (i.e. benchmark jobs) for between 40% and 70% of the jobs covered by the study, and over 50% of the employees covered by the benchmark jobs. A comprehensive pool of comparable employers increases the likelihood of meeting this target.
- Finally, a larger pool allows for a deeper analysis if different comparables are selected for different levels of positions. For example, many of our clients select a more local list of comparables for non-exempt positions, a more local/regional blend for professional and technical positions, and a regional/statewide grouping for managerial and department head positions.

We would engage the City in a dialogue, and provide professional guidance, to arrive at a list of organizations for the custom survey consistent with the City’s demographic characteristics. Our recommendations would be based on an exploration of information related to, but not limited to, the following: proximity, hiring practices, similarities in organization, commuting patterns, etc.

Ultimately, the choice of comparisons will be the City’s responsibility; our role is to advise. However, we will lead the City through a discussion of potential answers to these questions, accompanied by recommendations, to help the City make its policy choices.

Further, we have invested in the tools and resources necessary for us to continue to improve our efficiency, as well as the reliability of the final results. The investment required to provide our clients with meaningful

wage information is significant, but we understand and appreciate that not all data sources are created equally (e.g. “crowd-sourced” data vs trusted survey vendors).

Job Documentation

Position analysis is the formal process we use to gather and assess information about the duties, responsibilities and requirements of each position. In order to evaluate job content objectively and classify jobs, we need proper documentation about position responsibilities. This is the first part of the job evaluation portion of the project.

CDC can conduct position analysis using either of two methods. One method involves reviewing up-to-date job descriptions provided by the client. Assuming the City’s job documentation is indeed up to date, we are comfortable utilizing existing documentation.

The alternative method requires the completing or updating of the City’s Job Description Questionnaires (JDQ). This can be used for all of the jobs in the study—which many clients choose—or for select jobs where the duties require better definition.

After we have had an opportunity to review the job documentation, we would interview the City’s leadership team and department heads to better understand job responsibilities, the dynamics of each department, and any observations regarding compensation issues that department heads may wish to share.

Job Evaluation

The purpose of job evaluation is to provide an objective means of ranking each position in an organization, independent of individual performance, into a hierarchy. In other circumstances, we could conduct this portion of the project either by conducting the evaluations independently as your consultant, or by using an employer-appointed job evaluation committee. Our job evaluation methodology is based upon determination of clear or discernible differences in job content. Our system measures job content at objective levels in the dimensions (otherwise known as “compensable factors”). Each of these factors is broken down into sub-factors with point levels associated with measured levels on each factor. We have used the system in thousands of applications, and it consistently yields valid results. These factors of internal job worth have proven to be consistent with values found in our client organizations. Because of the breadth of our factors, all main aspects of a job are covered and are seen as relevant to employees at all levels in the organization.

Department/Employee Communication

Each organization’s perspective on project communications differs, and it is our goal to be resourceful and flexible enough in our approach to provide our clients with meaningful information to be used during and after the project.

Note About Employee Interviews

Many organizations—when contemplating a classification and compensation study—inquire about the possibility of conducting interviews with employees and appropriate supervisory and management staff.

Each of our projects include meetings with department heads and key management staff (as appropriate). These meetings are invaluable to our path to a greater understanding of an organization’s departments, as well as the staffing and compensation challenges facing those departments. We also use these meetings to ask and answer any questions we may have about the jobs presented to us.

However, our experience leads us to the conclusion that employee meetings aren’t as fruitful. Since these projects are confined by a budget, individual employee meetings are usually restricted to somewhere between fifteen to forty-five minutes, which is an insufficient block of time in most cases.

Further, the JDQ process allows for greater reflection on the duties and responsibilities—especially throughout an entire calendar year—than a forced window of time.

Job Evaluation By Client

If a client desires to administer the classification of its own jobs post-project (a service numerous clients request us to administer on their behalf), we would have the following requirements:

1. that such a decision be made prior to the evaluation of the jobs;
2. a team of City's Human Resources participate in the initial evaluation of—at a minimum—the “benchmark jobs”;
3. a commitment of 3 to 5 full-days of the team's time to be trained and to evaluate the required number of jobs; and
4. a signed nondisclosure agreement.

There are no additional fees for approaching the job evaluation in this manner, provided it's done in the course of the study. Said training can also be provided after the completion of the study, but the City would be responsible for the costs of the training.

If the client does not desire to evaluate its own jobs, we can still conduct a half-day summary review session as this phase draws to a close to ensure a comfort level with the ratings assigned to the job(s), and to provide an overall understanding of our job evaluation system.

As it relates to the governing body, we believe it is important to educate the members on [1] the workforce/economic conditions facing employers in today's marketplace; [2] the mechanics and challenges of managing a compensation structure; [3] the differences between managing compensation at the policy level (as opposed to the administrative level); and [4] the decisions that need to be made during the project and thereafter. It is through these discussions that we explore the balance between the City's benefit offerings and how this impacts the City's base compensation pay philosophy.

Similarly, we believe that communication should occur with the department leaders to solicit feedback, discuss management-level concerns, and to manage their expectations (as well as providing them insights to manage their employees' expectations and concerns).

As it relates to employee-level communications, our goal is to provide an overview of the process, the decisions that will need to be made, and an explanation of what the revised compensation structure entails and how the structure/system works for employees.

Ultimately, communication surrounding the project and final deliverables is a delicate balancing act. If all communication comes from the consultant, it is difficult for the client to completely “own” the final product moving forward. If all communication comes from the client, it is difficult to build confidence in the methodologies and approaches used to develop the program. Our role is to provide our clients with sufficient information to find that balance.

Compensation Policies/Procedures

Each client's needs are different when it comes to compensation policies or guidelines. We will support the organization's needs by assessing current policies, drafting modifications or new documents for the City's consideration and adoption.

We understand the City has a desire to eliminate gender pay disparities. The approach described in this project will assist the City with creating a framework and hierarchy of positions within the organization independent of the characteristics of incumbents. In addition to this process, the recommended policy and guidelines

would include appropriate target hiring ranges that can be used to lessen starting pay inequities too. Additional information regarding a complete pay equity analysis is included in Section 6.

Adoption/Presentation

In the design of the final recommended structure, we use the results of the job evaluation process (internal relationships), market data (external competitiveness), and other relevant information (e.g. current pay

practices, current performance evaluation system, strategic objectives, compression, highly competitive jobs, etc.). Based on all of the information at our disposal, we develop a pay structure using a regression of the market data against our job evaluation scores. There are instances where compression and/or market pressures influence our recommendations, and we are clear to point those out in our final report.

We would provide pay plan implementation alternatives to fit the City's budget. If there are positions deemed to be overpaid, then some version of "red circling" would be the suggested method of moving forward with those situations. We will work with the City to develop appropriate implementation plans based upon the City's budget and will look at multi-year implementation strategies, if necessary.

We are proud of our record of adoption and system continuation. We develop and present solutions that are sound, understood, and stand the test of time. We believe this is largely because we actively engage our clients in the decision-making process.

We advocate process transparency in our consultations, so the City can expect an articulate, detailed discussion of our findings and recommendations. We not only encourage our clients to emphasize communication with employees at all steps of the process, but we would anticipate distinct conversations/presentations with the City leadership as it relates to market selection and placement, mid-project findings and update, review of policy questions, and a final report and presentation(s).

Classification Appeals: [OPTIONAL]

The City may choose to include an appeal procedure to be offered to employees so that an employee can ask to have their classification reviewed one final time upon the adoption of this study. An appeal process can be critical to the validity and the acceptance of the process, especially in an environment where the outcomes are public information. An appeal of the result refers to an objection to the pay grade in which the position has been placed (and not the individual's wage placement in a grade).

We believe the standard for an appeal should be that the job has changed substantially during the study so that it could not have been evaluated accurately, a meaningful error in the documentation provided to us, or our analysis of the documentation was erroneous. This approach keeps the appeals process manageable.

We recommend that matters subject to the appeal process be limited to errors of classification as described above, and exclude any issues of pay plan design, market composition, or implementation method as those are matters of policy reserved to the City. Our role in the appeal process would be to analyze, evaluate, and recommend, with the City having final authority over the decision.

The appeals process includes the following elements:

- Provide an appeals document to the Client for employees to complete and supervisors to sign.
- Review appeal documentation and meet with Human Resources to discuss appeals in more detail.
- Provide a memo containing our final recommendations to the City.

Proposed Timeline

The City indicated in the RFP that the project timeline begins May 31, 2023, and the project should be completed by September of 2023. This is an aggressive timeline and can be met if the City’s job documentation is mostly up to date. The proposed timeline below assumes that the job documentation will be ready to be provided to us by June 1, 2023.

The following is a tentative timeline that spans from initiation of the project to final adoption. It is our best approximation of the steps and time needed to complete the project but may require revision once the project is refined in our conversations with the City.

| Task | Anticipated Completion |
|--|--|
| Project Orientations / Initial Meetings | Week 1/Week of June 5 |
| Employer Data Collection and Job Documentation* | Week 1/Week of June 5 |
| Consultant Market Data Collection | Week 2-4/Month of June |
| Job Evaluation /Job Analysis..... | Week 2-4/Month of June |
| Department/Management Interviews | Week 4-5/End of June/Beginning of July |
| Market Data Analysis | Week 4-7/Month of July |
| Preliminary Results Discussion with Human Resources | Week 8/End of July |
| Project Update / Policy Guidance with Committee of the Whole | Week 10-12/Month of August |
| Develop Final Recommendations with Cost Analysis | Week 10-12/Month of August |
| Presentation of Final Report | Week 14/Beginning of September |
| Appeals Process..... | Following Adoption |

* This is not a normal timeline for completion. We have removed time with the assumption that the job documentation is current and ready for our review.

Section 4 - References

Carlson Dettmann Consulting has completed projects for hundreds of clients. While we can provide additional references, if needed, we recommend the following CDC clients:

| Client Name | Description | Contact Info |
|---|--|--|
| City of West Allis, WI Population: 59,500 | Full classification & compensation study (2016). Market update (2019) with continued job evaluation and marketing pricing assistance (2020, 2021). | Rebecca Grill, City Administrator 7525 West Greenfield Avenue West Allis, WI 53214 414.302.8294 rgrill@westalliswi.gov |
| City of Oshkosh, WI Population: 66,600 | Full classification & compensation study (2011 & 2022). Market updates (2016 & 2018). | John Fitzpatrick, Assistant City Manager 215 Church Avenue Oshkosh, WI 54903 (920) 236-5110 JFitzpatrick@ci.oshkosh.wi.us |
| City of South Milwaukee, WI Population: 20,500 | Full classification & compensation study (2015). Market update (2022). | Patrick Brever, Assistant City Administrator 2424 15 th Avenue South Milwaukee, WI 53172 414.768.8051 brever@smwi.org |

Section 5 – Fee Proposal

Classification & Compensation Study:

Because compensation consulting is our team’s primary line of work, we build our proposals on the scope of work and not necessarily on the specific hours it takes to complete each component (or phase of each project). This enables us to offer a firm fixed fee proposal that meets the interests of both our clients and our firm. This further solidifies our independent contractor status, with our team’s (and company’s) exposure being the opportunity for profit and/or loss. If the job takes longer and/or costs more than originally anticipated, we bear the burden of this miscalculation.

The total professional fees for the classification and compensation study are estimated below:

| Description | Proposed Fee |
|--|---------------------|
| Base Project @ \$450 per job | \$54,900 |
| Appeals @ \$225 for 20% of Jobs ¹ | \$5,400 |
| FLSA @ \$150 per Review for 10% of Jobs ² | \$1,800 |
| Business Travel Expenses ³ | \$2,000 |

Our fee proposal includes the total costs of the classification and compensation study, project travel expenses, custom survey, and classification appeals. The total proposed fee for this study would be \$64,100, but—as addressed in the footnotes—there are a few options for reducing this fee. This fee anticipates up to three (3) trips for: [1] an onsite meeting with the appropriate parties (e.g. leadership, board, committee, etc.) to review tentative findings and discuss pay philosophy and the City’s approach moving forward; [2] presentation to the appropriate decision-making body for action; and [3] reserved, to be determined at a later date dependent on circumstances. There may be opportunities to maximize the trips by serving multiple purposes on a single trip (e.g. management planning meeting, department director orientation, board overview, etc.).

We would conduct the project initiation meeting(s) with the appropriate parties (e.g. management, board, committee, etc.) to determine goals, challenges, and to initiate the project virtually. We also would conduct management (i.e. department head) interviews remotely/virtually to ensure internal ratings are accurate and concerns are addressed. Further, periodic status conferences and/or ad hoc meetings are anticipated and would be conducted via phone conferences or web-based technology (e.g. Zoom or Microsoft Teams).

¹ This is merely an estimate of what an appeals process might cost, and it is at the high-end of what we might typically expect. Many clients choose to pay this fee separately from the base project price, and we would recommend that approach. The City will only incur expenses for appeals submitted at a rate of \$225 each.

² This is an estimate for the FLSA review. Throughout the project we will provide a high-level review and identify potential classifications that the Client should consider reviewing the FLSA exemption placement of in accordance with the Fair Labor Standards Act. With this option, CDC would not provide a detailed written recommendation, and is included as part of the base project fee. The fee noted above is an estimate for jobs that might require a deeper analysis and/or justification. Conducting a detailed review of exemption status could add a great deal of time to the project. We provide this as an optional service that would be agreed upon and would normally be invoiced at a fee per position analyzed. Any recommendations should be reviewed by client’s counsel, or designee.

³ This is a conservative (high) estimate for the business travel expenses associated with this project. It is likely to be lower than the estimate.

Our proposal is based upon an estimate of 122 job classifications which is based on the City's RFP document. Our experience has been that this count may eventually change during the course of a project. Accordingly, we propose adjusting the fee appropriately with the City invoiced \$450 for every job evaluation over the 122-job evaluation count.

Classification Appeals: [OPTIONAL]

Many of our projects include an appeals/review process following adoption of a new plan. Because the approach to appeals varies from client-to-client, we have found it easiest to include this as an optional add-on to a project but have included it in the project fee in order to illustrate an estimated cost for this process. The City may choose to forgo an appeals process entirely, or to adopt an appeals process substantially different (e.g. more/less involved or complicated) from that noted in the body of our proposal. In the event that the City chooses not to incorporate an appeals process, the City would obviously not be invoiced for the appeals. If the City adopts a process that is substantially different from that which was proposed, we will work with the City to arrive at a fair fee structure for this phase.

Payment Schedule:

The project fee would be paid in five (5) equal installments of the agreed upon project fee: initial payment due upon execution of a professional services agreement, second, third and fourth payments due at the start of the consecutive months of the project, and the final payment due upon delivery of CDC's findings and recommendations to the City.

Section 6 – Additional Services

Post-Project Job Evaluation: [OPTIONAL]

Once we enter the ongoing maintenance phase of the project, any classification reviews conducted for the City could be conducted at our standard client-rate (currently \$275 per classification). Further, if the City requires a competitive market-based estimate (and we have sufficient data in our systems), the fee would also be our standard client-rate (currently \$300 per classification). In the instance a client desires both a job evaluation rating (i.e. grade placement) and a market estimate, our fee would be \$450 for the two (as it currently stands).

Pay Equity: [OPTIONAL]

The City indicated they may be interested in a complete Pay Equity review. The scope for this project is outlined below:

- Discovery: CDC will discuss data availability and review of the City’s current pay practices. CDC will address areas of concerns, development of employee groupings, and determination of relevant factors.
- Analysis: CDC will provide a statistical analysis, where appropriate, which may include the followings –
 - Mean/median analysis
 - Compa-ratio analysis
 - Regression analysis
 - Cohort analysis
- Recommendations: CDC will deliver final recommendations on pay adjustments or reclassifications, hiring practices and starting pay, performance management process and promotions.

This process typically takes about eight weeks to complete. The professional fee for this project is \$15,000, plus any related project expenses, to conduct the work.

Additional Work / Hourly Rates: [OPTIONAL]

The CDC team has a robust background and experience in consulting beyond compensation. We have provided Human Resources audits, Employee Handbook Reviews, Performance Management Plan Development, Employee Engagement Support, and other professional development opportunities to clients. Any additional work outside the scope of the project may be requested and agreed upon and would be invoiced at either our standard hourly rates of \$250, or for an additional project fee as mutually agreed upon by the City and CDC.

It is our experience that it is more economical for a client to negotiate scope and price with our team than it would be to simply engage our services at an hourly rate. We believe we would have the capability to assist the City in many of the areas, but also understand that any additional work depends on the relationship we’ve built with the City in the course of the classification and compensation study.

This proposal is valid until June 15, 2023. Thank you for the opportunity to submit this proposal, and we hope to have the opportunity to serve the City on this project and thereafter.