

QUOTE TO CONDUCT A COMPENSATION STUDY

FOR

PETERSBURG BOROUGH

NOVEMBER 2019

PREPARED BY

Matthew Weatherly, President
(888) 522-7772 / (480) 970-6019 f





November 5, 2019

Mr. Stephen Giesbrecht
Borough Manager
Petersburg Borough
PO Box 329
Petersburg, AK 99883

Dear Mr. Giesbrecht,

Pursuant to your request, we are pleased to provide you with a quote and qualifications to assist the Borough with a compensation project. We specialize in these services, and have implemented classification and compensation plans for more than 1,100 public employers nationwide, including more than 400 municipal governments.

We believe our firm, in business for more than 30 years, 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 your project needs. We are confident that our extensive public employers classification and compensation experience, knowledge of public employers in Alaska, 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 stated objectives for an important project of this nature.

I will be your primary contact for this submittal, act as our firm's responsible agent with authority to bind our firm, and below is my contact information. We would welcome the opportunity to further present our qualifications should that assist with this important decision.

Sincerely,

Matthew Weatherly, President
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matt@pspc.us

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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, Seattle, WA, San Diego, CA, Los Angeles, CA, Sacramento, CA, Santa Fe, NM, Columbus, OH, Chicago, IL, Denver, CO, Kansas City, MO, St. Paul, MN, and Tempe, AZ.

- **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 1,100 PUBLIC EMPLOYERS SERVED**

Our staff members have provided compensation, human resources, training and related consulting services to more than 1,100 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.

PUBLIC SECTOR PERSONNEL CONSULTANTS

SUMMARY OF SERVICES FOR THE BOROUGH

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

Project Planning and Communication

1. Telephone project planning and scheduling meeting with Borough's HR staff, Officials, designee(s)
2. Optional policy input and project direction meeting and briefing with Elected Officials, Assembly
3. Assistance with management and employee communication throughout class and comp project phases
4. Consultations with and progress reports for the Borough's project leaders and / or project designee(s)

Custom and Comprehensive Market Compensation Survey

5. Occupational familiarization by review of Borough's current job descriptions and compensation plans
6. Organizational familiarization by review of Borough organization charts, budgets, and annual reports
7. Identification of competitive employment areas for compensation surveys, for Borough approval
8. Identification of occupations to utilize as survey benchmark job classifications (target 50+ jobs)
9. Development of compensation survey data collection, tabulation, and quality control protocol
10. Solicitation of comparator employers and agencies for participation in external compensation survey
11. Extraction of data from public employer compensation plans, questionnaires, reliable published surveys
12. Consolidation of data from all sources and calculation of prevailing rates for benchmark jobs
13. Computation of extent Borough's compensation offerings vary from external prevailing rates
14. Review of competitiveness analysis with Borough Assembly, Borough Officials and project designees

Compensation Plan Development

15. Construction of optional salary range structures for review and selection by Borough's project leaders
16. Assignment of job classes to salary ranges by internal equity and external competitiveness
17. Assistance with Borough Assembly identification of desired, affordable salary competitiveness policy
18. Fiscal impact estimates at various levels of external prevailing rates competitiveness policies
19. Review and critique of draft salary plan with Borough Assembly, HR staff and Borough's project leaders

Communication of Results and Implementation Strategies

20. Preparation and presentation of a final project reports for Borough Assembly, staff, Borough Officials
21. Development of a plan for the implementation of Borough's updated compensation plan
22. Development and provision of process for ongoing plan maintenance and subsequent plan updates
23. Assistance with communicating the Borough's updated plans for all Borough officials and employees

PROJECT APPROACH AND METHODOLOGY

Following is our overall work plan and approach to achieving the Borough's objectives for the conduct of a 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 Borough's values
- Reflective of prevailing "best practices"

B. SCOPE OF THE PROJECT

The project includes a management and employee communication plan; partnership with the Human Resources staff, Borough Manager, Borough Assembly, and project designee(s); occupational, organizational, and operational familiarization; compensation survey and competitiveness analysis; salary range recommendations; fiscal impact estimates; updated compensation plan and one year of compensation plan implementation support for all included classifications.

C. PROJECT METHODOLOGY

1. Borough Involvement in Compensation Plan Development

We will obtain policy direction from the Borough Assembly, Human Resources staff, and/or Borough 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 Data Points for Analysis
- Project Implementation Plan

2. Comprehensive Compensation Survey

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 Borough's comparators and build a custom survey database to ensure accuracy and completeness.

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

Salary Survey Information

- Salary range structure Minimum, Midpoint, and Maximum
- Open Range, Grade Step, structure designs and range widths

- b. **Benchmark Job Selection** will be made by identifying Borough 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 Borough's Project Manager(s) and Borough Assembly. Criteria include their degree of competition to the Borough in obtaining and retaining high quality staff, their location in the Borough'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 Borough's compensation survey(s)
- Extraction from the pay plans of designated public employers.
- If needed, customized salary survey requests for local governments and other public employers, distributed by mail, fax, and e-mail.
- As desired, additional data extraction from salary surveys such as Watson Wyatt and ERI.

e. **Data Quality Control** includes editing data for accuracy and proper matching to the Borough'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 Borough's salary plan year by the annual Prevailing Rate Increase Factor (PRI) applicable at that time.

4. **Compensation Competitiveness Comparison**

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

5. **Compensation Competitiveness Policy**

We will assist the Borough 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 Borough's current employee agreements and wage plans and **1)** utilize the Borough's current wage plan structures to identify internally equitable and externally competitive salary ranges for each Borough job class or **2)** prepare alternative salary range structures and schedules for the Borough and the Borough Assembly 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
- 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
- Linkage of performance evaluations to merit increase opportunities

7. Salary Range Assignment Development

We will assign each job classification to a salary range in the Borough'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
- its quantitative evaluated internal job worth value (job evaluation points)

8. Implementation Plan Development

We will consult with the Borough Assembly and Human Resources staff on a plan for transition to the recommended plan, including a timetable for the principal activities, employee communication, impact on collective bargaining processes, and estimates of required financial resources.

9. Draft and Final Report Preparation

We will provide the Borough's project leader(s) with a draft of our report for review and critique, including the 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 Borough's updated position classification and compensation plans.

10. Final Report Presentations

We will conduct a workshop or formal presentation of our final report and recommendations to the Borough Assembly, Borough Officials, employees and employee representatives.

11. EZ COMP™ Program Installation

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

Please see the illustrative **EZ COMP™** application at www.pspc.us.

12. 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 Borough** for one year.

PROJECT COST PROPOSAL

A. PROJECT COST ESTIMATES

Bidder bears all expenses. We estimate that the project's total cost, including all fees for professional services, ***will not exceed*** the indicated amounts.

Base Cost Before Options

- Compensation Survey	<i>\$ 12,000</i>
- Compensation Plan Design, Implementation Plans, Reporting	<i>\$ 5,000</i>
- On-Site Meeting or Presentation (includes expenses)	<i><u>\$ 3,000</u></i>
	<i>\$ 20,000</i>

<u>OPTIONAL</u> – Add Benefits to Survey Data Collection	<i>\$ 2,500</i>
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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 Borough's needs and financial resources. We do not require any advance payments, and will provide the Borough with monthly invoices for the professional services provided. We request that the Borough pay the invoices within thirty (30) days of their receipt.