

Proposal

Town of Vienna, Virginia

Proposal to Provide a Classification and Compensation Study

August 19, 2016

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Mission Statement

Springsted provides high quality, independent financial and management advisory services to public and non-profit organizations, and works with them in the long-term process of building their communities on a fiscally sound and well-managed basis.



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LETTER OF TRANSMITTAL

August 19, 2016

Ms. Magali G. Kain
Director of Human Resources
Town of Vienna
127 Center Street South
Vienna, Virginia 22180

Re: Request for Proposal to Provide a Classification and Compensation Study

Dear Maggie:

It was a pleasure meeting with you and Gwen Riddle and discussing the possibilities of Springsted conducting a Classification and Compensation for the Town of Vienna's employees covered by the Town's classification and compensation program.

Our firm has assisted numerous jurisdictions throughout the United States in addressing human resources and compensation issues, as well as performing specialized management studies. We have created an extensive consulting service that provides in-depth study and analysis on a variety of management topics. In addition, Springsted ensures that we have the staff, capabilities and experience required for the study the Town has outlined.

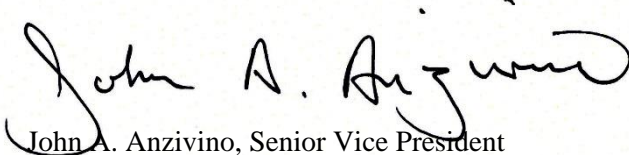
We understand the impact of the Town of Vienna's location in relation to Washington D.C. metropolitan area. Furthermore, we understand compensation and compression issues that have arisen throughout the Commonwealth and the Town of Vienna over the past decade due to the economic downturn. We are prepared to analyze the Town's current situation and make appropriate recommendations that realistically deal with identified issues.

Springsted has developed specialized expertise in performing personnel and compensation studies and currently serves as the ongoing position classification consultant for several cities throughout Virginia, the Mid-Atlantic region and the country. We feel that this experience coupled with our technical and human resources specialties will bring unparalleled expertise to your study in the areas of human resources administration.

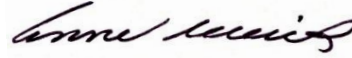
Public Sector Advisors

Included in this proposal are the qualifications of our firm, a detailed scope of services, our study methodology and a list of client references. The project's time frame is also provided, along with the resumes of the consulting team.

Respectfully submitted,

A handwritten signature in black ink, reading "John A. Anzivino". The signature is fluid and cursive, with the first name "John" being the most prominent.

John A. Anzivino, Senior Vice President
Client Representative

A handwritten signature in black ink, reading "Anne Lewis". The signature is cursive and elegant, with the first name "Anne" being the most prominent.

Anne Lewis, Senior Vice President
Client Representative

sml

1. General Information

History and Leadership

Springsted is one of the largest and longest established independent public sector advisory firms in the United States. For over 60 years, we have continually grown in the range of our client relationships, the comprehensiveness of our services and our prominence within the industry. Our managed growth is focused on providing clients with a balance of national perspective and local expertise.

Springsted is a privately held corporation and a women-owned business. Our headquarters are located in Saint Paul, Minnesota, with offices strategically located throughout the United States. Specifically, our regional offices include Milwaukee, Wisconsin; Des Moines, Iowa; Kansas City, Missouri; Richmond, Virginia; Denver, Colorado; Los Angeles, California and Dallas, Texas. Saint Paul has been our corporate home since the firm first opened its doors in the early 1950s.

Currently, we have a staff of more than 70 professionals, including client representatives, consultants, analytical professionals and support personnel. Our size provides both subject matter expertise and contingency in the case of unforeseen circumstances.

Springsted's work in the Mid-Atlantic states began with implementing higher education financings in the early 1970s. Since then, our long-term commitment to the region has grown along with the range of services offered to local governments, independent authorities, state agencies and non-profit organizations as they work to overcome increasingly complex and far-ranging financial, economic development, human resource and management issues and problems. In 2000, Springsted solidified its commitment to the region through its merger with a well-known and highly regarded financial advisory and management consulting firm based in Virginia Beach, Virginia. Our office in Richmond, Virginia serves clients throughout the East Coast and surrounding areas.

Public entities are under a great amount of pressure to deliver high quality services in a fiscally constrained environment. Traditional methods and means don't necessarily work anymore and this scenario is not likely to change at any time in the future. To that end, elected officials and public administrators are under pressure to employ new and innovative solutions that require progressive leadership, creative partnerships, cautious risk taking and an investment in their personnel and organizational foundation. Success in the public sector is hard to define, but those public entities that enhance and enrich their people, their process and their systems are more likely to deliver more value by maximizing the use of public resources, thus achieving more success in the marketplace of public opinion.

2. Approach and Methodology

Delineated on the following pages is the proposed project approach and study methodology. The scope of services, tasks and staffing necessary to complete this project successfully are discussed in subsequent sections of this proposal. The project approach was developed to include significant employee involvement and is subject to adjustment if it is determined that more employee involvement is necessary or desirable.

A. Project Initiation – Data Collection

The Springsted Project Director will meet with the designated Town staff and appropriate officials to establish working relationships and to finalize a comprehensive work plan and timetable. All current classification, compensation and benefit data will be assembled and evaluated to determine the status of existing human resource management programs and to identify apparent issues and opportunities.

The purposes of the meeting are to:

1. Introduce the Project Director
2. Discuss the background and experience of Springsted Incorporated and the consulting team
3. Discuss, in detail, the methodology to be used in conducting the study, the role of the consultant and the employees and the amount and type of employee participation
4. Ascertain the major issues the Town wants the study to address
5. Review the project schedule and determine significant milestones
6. Determine the frequency and content of status reports
7. Discuss methods of communicating the status of the study to employees
8. Discuss how information about each employee's job and Americans with Disabilities Act (ADA) data will be obtained
9. Review Springsted's copyrighted *Systematic Analysis and Factor Evaluation* (SAFE®) system of job evaluation

After meeting with the Town Manager and Human Resources Director and other appropriate officials, a staff meeting will be held with department directors to discuss the project objectives and procedures.

In addition, it is proposed that individual interviews be conducted with each department director to review organizational arrangement, mission, goals and objectives and to determine what challenges, if any, they are experiencing with the existing classification and compensation system.

B. Development of Classification System

Because the Town's job descriptions have been recently updated, a *Position Analysis Questionnaire* (PAQ) will be distributed approximately twelve (12) employees that you have indicated need further review. This will allow each employee to describe his/her job duties, responsibilities and essential functions in detail, as well as describe how their position has changed over time. The questionnaire will also provide an opportunity for each employee's supervisor to review and comment on the data supplied by the employee and provide specific comments concerning various job factors that affect the position.

Upon receipt of the completed *PAQs*, the consulting team will review and conduct a task analysis of the content of all questionnaires and current classification descriptions and make preliminary classification decisions. Any questionnaires or descriptions that require clarification and/or verification will be noted and the consulting team will return to the Town of Vienna and conduct individual job audits and interviews with selected employees to ensure a complete understanding of each position.

Job audits/interviews will be conducted at the employee's work station or from a central location. Work station audits/interviews will be conducted for those positions for which more information is required to ensure a thorough understanding of the duties and responsibilities of the position.

Other audits/interviews will be held in a central location. These audits / interviews will be conducted when the study team needs to clarify the information on the *PAQs* or the ADA data information sheet.

Based on the information collected through the classification descriptions the Town will provide, the new *PAQs* and on-site audits / interviews, a consistent program of job classification will be developed. This will include well-defined class descriptions for the twelve (12) positions. It will also include the assignment of each employee to the appropriate class with respect to duties and responsibilities, skills and abilities, and minimum education and experience requirements. The consulting team will attempt to consolidate classifications where feasible, in order to facilitate plan administration.

The twelve (12) new or revised class descriptions will include a position title, general definition of work, essential functions, examples of typical tasks, necessary minimum knowledge, skills and abilities, education and experience requirements and special qualifications, if any. Special attention will be given to ensuring that bona fide occupational qualifications, licensing, certification and special training, if dictated by standards of practice and/or job requirements, are included as minimum qualifications of classes.

The consulting team will consolidate specific job titles and descriptions, where appropriate, in order to significantly reduce the number of job titles and job descriptions. Consolidating job titles and descriptions will facilitate the administration of the classification plan.

C. Review of Preliminary Classifications and Class Descriptions

The consulting team will prepare a preliminary list of employee classifications, develop preliminary class descriptions and submit them to the appropriate staff for review and comment. The consulting team will review the comments and make adjustments based upon the comments received.

After all suggested changes have been evaluated, final classification decisions will be made and the class descriptions finalized.

A list will be prepared concerning the appropriate FLSA status of each job class.

D. Job Evaluation and Development of Pay Plan

In order to determine appropriate salary levels of positions in the workforce, Springsted will conduct an extensive salary and benefits survey to compare Town positions with analogous positions in other comparable public agencies in the area labor market, other governmental units of similar size and private sector employers in the general area. The study team will consult with the staff in identifying the appropriate sources of survey data.

It is recommended that potential survey data pertain to organizations within the metropolitan area comparable to the Town of Vienna relate to those organizations with whom the Town is competing for employees and represent the appropriate labor market.

There are different labor markets for positions. Some positions are recruited from the local area, while others are recruited regionally and/or nationally. The consulting team will work closely with the staff in determining the appropriate labor market for positions.

Subsequent to consulting with the staff, appropriate benchmark positions will be identified to be included in the survey. It is proposed that the benchmark positions be selected according to the following criteria:

- Encompass the full range of positions in the study
- Pertain to positions that are experiencing a high rate of turnover
- Be based on an analysis of exit interviews
- Relate to a review of requests for reclassifications
- Conform to information obtained from discussions with department directors

Based on the wage data analysis and the classification system developed, the linear least squares method will be used to develop an appropriate salary curve and salary schedule. The salary schedule will contain sufficient pay grades to properly compensate employees for the development of their abilities over time. The schedule will also relate salary advances within grades to performance.

Springsted has developed and copyrighted a job evaluation system known as the *Systematic Analysis and Factor Evaluation* (SAFE®). This system has been successfully used for several years and has been reviewed by the United States District Court in conjunction with an Equal Employment Opportunity (EEO) suit and found acceptable to the Court.

It is important to note that the *Systematic Analysis and Factor Evaluation* system is a unique method of job evaluation. The SAFE® system was designed to measure job factors that apply specifically to local government.

The system rates and ranks jobs based on skill levels and work factors. The result is an equitable and consistent method of evaluating jobs and relating classes to the compensation plan. The system facilitates proper and equitable cross comparisons between and among classes, and minimizes the appearance of favoritism in evaluating, rating and ranking jobs.

Each position, or group of positions, will be evaluated and assigned to an appropriate salary grade based on the classification system and prevailing rates paid by survey participants. The elements considered in determining the relative value of classifications are:

- Training and Ability
- Level of Work
- Physical Demands
- Independence of Actions
- Supervision Exercised
- Experience Required
- Human Relations Skills
- Working Conditions/Hazards
- Impact on End Results

Fringe benefits data will also be surveyed. The benefits to be surveyed include, but are not limited to, holidays, annual leave, sick leave, insurance coverage (including cost and portion paid by the entity), pension (including entitlements and costs) and other benefits identified in the meetings previously described in this section.

E. Implementation Strategy and Staff Training

At the conclusion of the study, Springsted will work with the staff in developing a plan for implementing the study recommendations. The plan will coincide with the needs of the Town and the Town's employees while maintaining the Town's financial integrity. Springsted also will train members of the staff in the methodology used to develop, maintain and update the classification and pay plan. The training program will include the development and/or revision of class descriptions along with rating, ranking and salary grade assignments of positions. Instruction manuals pertaining to the job evaluation system will be prepared and presented. The Springsted team will remain available to the staff for additional consultation after the study has been completed.

F. Final Report

The final report will be a document that contains the following:

- Detailed study methodology
- Discussion of the consulting team's findings, conclusions and recommendations regarding employee classification, salary structure, fringe benefits, compensation plan, estimated cost and implementation plan
- Schematic list of classes and the assignment of each class to a salary grade
- List of detailed class descriptions
- New and/or revised classification descriptions
- The results of the Salary and Benefits Survey
- List of employees and their recommended classifications
- Job evaluation factor analysis for each position

A manual on the use of the SAFE[®] job evaluation system will be provided.

3. Project Timeline

Springsted takes pride in meeting its time commitments. The schedule to commence this project coincides with Springsted's completion of other studies. This will ensure that the proposed staff members will be available to concentrate on this study. Springsted is prepared to initiate the study within 10 days after receiving the official notice to proceed and will complete the study within 120 days. A detailed project schedule is provided below.

There are factors that impact upon meeting the schedule that are beyond the consulting team's control. The proposed time frame is contingent upon a timely decision, the receipt of requested data, and the timely receipt of feedback and comments on the submitted preliminary data.

Task	Month #1	Month #2	Month #3	Month #4
Project Initiation – Data Collection – Meetings With Town Staff	■			
Development of Classification System	■			
Review of Preliminary Classifications and Class Descriptions		■		
Prepare/Evaluate Survey Data		■		
Develop Compensation Plan		■		
Assign Classes to Grades			■	
Submit Final Report for Discussion With Town Staff and Presentation to the Town Staff and Council			■	
Staff Training in Use of Job Evaluation (SAFE) System				■

4. Project Team

Anne Lewis

Senior Vice President and Consultant



Ms. Anne Lewis brings 15 years' experience in municipal government including positions as an Emergency Management Deputy Director, Public Information Officer, Human Resources Manager, Parking Authority Executive Director, Housing Director, Transit Director and Convention & Visitors Bureau Executive Director. Prior to joining Waters & Company, she served as the Deputy City

Manager for the City of Harrisonburg, Virginia as well as the Assistant City Manager for the City of Winchester, Virginia. Ms. Lewis received her Bachelor's degree in Business Administration and Management, her Master of Science in Organizational Leadership and Public Administration, as well as a Graduate Certificate in Public Management, all from Shenandoah University in Winchester, Virginia.

John A. Anzivino

Senior Vice President and Client Representative



Mr. John Anzivino has over 25 years of experience in state, county and town management. Mr. Anzivino applies this considerable insight in assisting local governments find solutions to a wide range of human resource, financial and programmatic problems and challenges facing them. He holds a master's degree in public administration from the University of Georgia.

Ann S. Antonsen

Vice President and Consultant



Ms. Ann Antonsen is a consultant with a strong background in organizational management and human resources that she uses effectively in developing position analyses, classification and compensation studies, performance management and evaluation system development and staff training and in conducting executive search efforts for the public sector. She also specializes in performing organizational studies, revising and developing personnel policies and manuals and in conducting organizational management training sessions and providing general human resources assistance.

Joel A. Davis

Vice President and Consultant



Mr. Davis joined Springsted in September 2013 and has considerable experience in wage and benefit administration, recruitment, hiring and retention, employee relations, payroll, employee training and development and regulatory compliance; as well as preparation of job descriptions, personnel policies and analysis of compensation levels. Additionally, Mr. Davis has

considerable experience in city and town management as well. Prior to joining Springsted, Mr. Davis served as Human Resources Director/Public Information Officer for the City of Winchester, Virginia where he worked with the City Manager, City Council and department managers on strategic planning, complex administrative projects and assignment of staff resources to ensure productive and cost-effective operations for a 500 employee organization. Mr. Davis has also served as Assistant City Manager overseeing several departments including human resources in North Myrtle Beach, South Carolina, as Town Administrator for the Town of Harrisburg, North Carolina, as Town Manager for the Town of Spring Lake, North Carolina and as a Recreation Director for Caswell County, North Carolina. He has a Master's Degree in Public Affairs from the University of North Carolina – Greensboro and a Bachelor's Degree in Political Science and Public Administration from Elon University.

Rebecca A. Dayton*Project Manager*

Ms. Rebecca Dayton joined Springsted's Management Consulting Group in the winter of 2011. She has a human resources generalist knowledge base, specializing in classification and compensation studies, performance evaluations, executive search and benefits review. Ms. Dayton has an Associate degree in Education from Salem Community College. She also has course work towards a Bachelor's degree in Business Administration from Virginia Commonwealth University and from Strayer University online college.

Hailey W. Daniels*Project Manager*



Ms. Hailey Daniels joined Springsted in January 2015 as a Human Resources Analyst with the Organizational Management and Human Resources Team, providing support and assistance for executive search and organizational management projects. Her duties include conducting research and working with clients and candidates throughout all phases of a project and/or executive search and recruitment. Ms. Daniels has a Bachelor of Science in Business and Human Resource Management from Virginia Commonwealth University and an Associate of Science in Psychology from John Tyler Community College.

5. Project Fees

Professional Fee

Springsted Incorporated will perform all the tasks delineated as described in this proposal for a professional fee of \$22,050. This fee is based upon review and development of class descriptions for approximately twelve (12) job titles and review of approximately eighty-nine (89) job titles for the Town's approximate one hundred eighty-nine (189) employees and associated work outlined in this proposal to provide the City of Vienna with a compensation study.

Springsted would invoice the Town for work completed based on the following schedule:

Time of Invoice	Percentage Invoiced	Cumulative Percentage Invoiced
Completion of Project Initiation)	25%	25%
Completion of Initial Review of the Town's Classification Descriptions	25%	50%
Completion of Draft Report	40%	90%
Completion of Final Report	10%	100%

Out-of-Pocket Expenses

Springsted would charge the Town of Vienna, at cost, for actual out-of-pocket expenses. Out-of-pocket expenses include, but are not limited to, travel and sustenance, overnight or messenger deliveries, conference calling beyond our internal capabilities, photocopying and mailing costs. Direct out-of-pocket expenses are not expected to exceed \$1,500 for the project.

Additional Work

Should the Town of Vienna request and authorize additional work, we would invoice the Town at an agreed upon fee or our standard hourly fees. Additional Implementation Plans will be billed at a cost of \$750/plan. In addition, we would charge, at cost, for any related out-of-pocket expenses.

Title	Hourly Rate
Principal & Senior Officer	\$260
Senior Professional Staff	\$215
Professional Staff	\$160
HR Analyst/Project Coordinator	\$100
Associates	\$75

Additional work would include work outside the scope of services as agreed to including, but not limited to:

- Additional position descriptions
- Additional reports
- Additional job audits
- Work related to a special request
- Additional on-site meetings