



V I L L A G E O F K E Y B I S C A Y N E

Village Council

Michael W. Davey, *Mayor*
Allison McCormick, *Vice Mayor*
Luis Lauredo
Edward London
Brett Moss
Katie Petros
Ignacio J. Segurola

MEMORANDUM

DATE: August 27, 2019
TO: Honorable Mayor and Members of the Village Council
FROM: Andrea Agha, Village Manager *AA*
RE: Award a Contract for a Classification and Compensation Study to Mercer Group, Inc.

RECOMMENDATION:

Authorize a contract with The Mercer Group, Inc. for a Classification & Compensation Study and related services in amount not to exceed budgeted funds. This fiscal year, the Village Manager's Office budget included \$24,000 under "Compensation Study".

BACKGROUND:

In July 2013, the Village of Key Biscayne entered into an agreement with Cody and Associates to perform a Classification and Compensation study. It is recommended that a study of this sort be conducted every two to three years to ensure market/internal alignment, simplify classification structures, ensure proper Fair Labor Standards Act ("FLSA") classifications, and update job descriptions as needed.

The scope of work is designed to provide the Village with an in depth collaborative process with the consultant to ensure all stakeholder interests are considered. The base services will include an Orientation (kick off meeting), Classification Process using a factor analysis methodology as outlined in the Proposal, Market Analysis to benchmark our positions to comparable organizations, Fair Labor Standards Act ("FLSA") Compliance Analysis. The Consultant will provide the reporting & documentation used to support their Final Report, make a presentation to the Village Manager and to the Village Council upon request. Additional services may include drafting necessary job descriptions and post study implementation services and consulting.

The Village obtained three quotes for the proposed services. The proposals received for the base services (outlined above) were in the amounts of \$16,950, \$22,750 and \$26,500. Staff evaluated the proposals and determined The Mercer Group is qualified to perform the work and provides the highest value proposition. The estimated time of

completion for the recommended service provider is approximately four (4) months excluding implementation of any findings.

RESOLUTION NO. 2019-_____

A RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, APPROVING THE MERCER GROUP, INC. TO PERFORM A CLASSIFICATION AND COMPENSATION STUDY; PROVIDING FOR AUTHORIZATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Village of Key Biscayne (“Village”) Council desires to engage a consultant to conduct a classification and compensation study (the “Services”); and

WHEREAS, The Mercer Group, Inc. (“Contractor”) submitted a proposal for the Services (“Proposal”); and

WHEREAS, pursuant to Section 2-87 of the Village’s Code of Ordinances, contracts for professional services are exempt from competitive bidding procedures; and

WHEREAS, the Village Manager recommends that the Contractor be selected to perform the Services as Contractor offers the highest value to the Village; and

WHEREAS, the Village Council desires to select Contractor to perform the Services and authorize the Village Manager to negotiate and execute a contract with the Contractor consistent with the Proposal in an amount not to exceed \$24,000 (the “Contract”); and

WHEREAS, the Village Council finds that this Resolution is in the best interest and welfare of the residents of the Village.

NOW, THEREFORE, BE IT RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AS FOLLOWS:

Section 1. Recitals. That each of the above-stated recitals are hereby adopted, confirmed, and incorporated herein.

Section 2. Approval. That the Village Council approves the Contractor for the Services.

Section 3. **Authorization.** That the Village Manager is hereby authorized to negotiate and execute an agreement with the Contractor for the Services, consistent with the Proposal attached hereto as Exhibit "A" in an amount not to exceed \$24,000, subject to approval by the Village Attorney as to form, content, and legal sufficiency.

Section 4. **Effective Date.** That this Resolution shall be effective immediately upon adoption.

PASSED and ADOPTED this _____ day of _____, 2019.

MICHAEL W. DAVEY, MAYOR

ATTEST:

JENNIFER MEDINA, CMC
VILLAGE CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

WEISS SEROTA HELFMAN COLE & BIERMAN, P.L.
VILLAGE ATTORNEY



The Mercer Group, Inc.

Consultants to Management

3443 Highway 39 North
Louisburg, North Carolina 27549
919-496-2080
FAX 919-496-7995
E-mail: mercercnc@aol.com

May 1, 2019

Juan C. Gutierrez
jcgutierrez@keybiscayne.fl.gov

Dear Mr. Gutierrez:

Our proposal is for a Classification and Compensation Study for the Village of Key Biscayne. The Mercer Group, Inc. is pleased to provide this proposal in response to your inquiry. If selected, we can begin work promptly.

Our firm is uniquely qualified to provide these services. For your consideration, we draw your attention to our experienced project team and to our interactive approach:

Our project staff is experienced in many areas. Our team members have consulted extensively in this area and are recognized as experts in the field of employee classification and compensation, organizational analysis, performance evaluation, and staffing. The team members are **senior consultants** with vast experience in all areas of local government.

Our style is interactive; that is, we form a partnership with the client to conduct a project and provide services. Key Biscayne will benefit through ease of implementation and maintenance of systems.

We are committed to successful implementation. Our work will be practical, realistic, and easy to understand. We will, if it is in the best monetary interest of the organization, structure a multi-year implementation plan to ensure that the results and recommendations study can be utilized and adopted.

Our Principal in Charge, James Mercer, possesses over 40 years of management consulting experience with local governments. The Mercer Group, Inc. was incorporated in the state of Georgia over 25 years ago and has conducted many similar compensation studies.

We are a growing firm. We offer the reputation of a respected national firm with the economy of a smaller company.

Our experience has shown that good Classification and Compensation studies are a combination of sound technical processes and an understanding of human nature. Our approach is sensitive to this in several ways. For instance, our position evaluation system uses a factor evaluation system that is industry standard and is sufficiently straightforward (transparent) so that how the process works and how factor scores and total scores for a position are derived is easily explainable and easily understood by employees, supervisors, and the executive board.

We provide orientation sessions for all employees so that they understand the methodology of the study and how their positions will be evaluated, thus reducing anxiety. We will meet with every employee to discuss his/her questionnaire answers and get clarification. We provide an appeal process for any employee who feels that his/her position has been classified incorrectly. We work closely with you and your management team throughout the process to assure that you are informed and that there are no “surprises.”

The Study should take approximately four months to complete, given prompt responses to the Market Survey by the market organizations.

This proposal is valid for 120 days from the date of receipt by the Village of Key Biscayne. We abide by all applicable rules of federal, state, and local entities. The Mercer Group, Inc. and the staff proposed have no conflicts of interest.

In the 19 years that I have been with The Mercer Group, this office has successfully researched, developed, and implemented more than 75 organizationally comprehensive compensation systems and classified over 32,000 positions across twenty-two states. We have seen many things that work well for organizations and things that do not. As this proposal indicates further along, this office has extensive experience in Florida.

We welcome the opportunity to discuss our proposal in person or teleconference.

We thank you for this opportunity and look forward to working with you on this important project. If you have any questions, please contact us at 919-496-2080.

Sincerely,

THE MERCER GROUP, INC.

A handwritten signature in black ink on a light yellow background. The signature reads "Phillip G. Robertson" in a cursive script.

Phillip G. Robertson, Senior Vice-President

VILLAGE OF KEY BISCAYNE, FLORIDA

Proposal for a Classification and Compensation Study

1 May 2019

THE MERCER GROUP, INC.

Corporate Headquarters:

5579 B Chamblee-Dunwoody
Suite 511
Atlanta, GA 30338
770-551-0403
FAX 770-399-9749

Raleigh Office:

Mr. Phillip Robertson
3443 Highway 39 North
Louisburg, North Carolina 27549
919-496-2080
FAX 919-496-7995
MercerNC@aol.com

THE MERCER GROUP, INC
COMPANY PROFILE AND CAPACITY

Phillip G. Robertson, Senior Vice President
Primary Consultant for This Project

The Mercer Group, Inc., North Carolina Office
3443 Highway 39 North
Louisburg, North Carolina 27549
Telephone: (919) 496-2080; FAX: (919) 496-7995
E-mail address: MercerNC@aol.com

Mr. James L. Mercer, Chief Executive Officer
Corporate Headquarters

James L. Mercer, President
The Mercer Group, Inc.
5579 B Chamblee-Dunwoody Road, Suite 511
Atlanta, Georgia 30338
Telephone: (770) 551-0403; FAX: (770) 399-9749

Federal Tax ID No.: 58-1877068

Web site address: <http://www.mercergroupinc.com>

ABOUT THE MERCER GROUP, INC.

The Mercer Group, Inc. will be the sole firm providing all services as described in this proposal. This proposal has been made without collusion with any other person or entity.

The Mercer Group, Inc. is a management consulting firm incorporated in the State of Georgia and operating nationwide. The company's services include:

- Compensation and classification studies;
- Executive recruitment;
- Performance management systems;
- Organization and operations analysis;
- Productivity improvement;
- Strategic planning;
- Management systems;
- Organization development and training;
- Privatization;

- Policy studies;
- Budget evaluation services; and,
- General management consulting.

BUSINESS MODEL

The Mercer Group, Inc. is a Consortium Model firm, with a core of key staff members supplemented by associated independent consultants and specialty firms. The consortium members work together regularly and have long personal and professional relationships. This business model allows us to:

- Staff each engagement with consulting professionals who have the specific managerial, functional, and technical skills needed to fully satisfy the project objectives.
- Eliminate pressure to assign salaried staff who may be available but lack the experience or capabilities necessary to be effective and efficient in serving our clients.
- Offer competitive rates for very senior consultants due to our reduced administrative and overhead costs.

WORKING OFFICE

This project will be conducted by the Louisburg, North Carolina branch. The Louisburg branch is staffed by Senior Vice President Phillip Robertson and Vice President Joan Miller. This office specializes in Compensation and Classification Studies, Performance Evaluation Systems, FLSA Compliance, and Executive Recruitment. The staff has over 65 years' experience.

There are not any past, on-going or potential conflicts of interest which the consultants may have as a result of performing work for this project. The Mercer Group, Inc. has not divulged, discussed, or compared our proposal with other proposers and has not colluded with any other proposer or parties to a proposal whatsoever. Further, Phillip Robertson has full authority to sign this proposal on behalf of The Mercer Group, Inc.

PROJECT TEAM

The team we are proposing for this project includes our most experienced consultants.

The Principal in Charge of the project will be James L. Mercer. Mr. Mercer is President of our firm. He is a Certified Management Consultant and has extensive experience in all phases of management consulting including compensation, classification, and performance appraisal. Mr. Mercer will be available if needed to assist in this project.

The Project Manager will be Phillip Robertson, Senior Vice President of our firm. He possesses extensive knowledge of all phases of staffing studies, compensation and classification and all areas of local government management. He will be responsible for assuring the quality of our work, the adherence to expected schedules and the delivery of our work products.

Resumes for each of our team members are included in this section.

James L. Mercer, President

Mr. Mercer holds a Master of Business Administration degree from the University of Nevada, Reno, and a Bachelor of Science degree in Industrial Management from the same institution. He received a Certificate in Municipal Administration from the University of North Carolina at Chapel Hill and is a graduate of the Executive Development Program at Cornell University. Mr. Mercer has more than 26 years' experience in management consulting. He has authored three books, co-authored three books, and has written more than 250 articles on various phases of public management. His experience covers the following functional areas: compensation and classification, organization analysis, management systems, productivity improvement, seminars/training, public sector executive search, strategic planning, and general consulting. Examples of Mr. Mercer's experience in each of these functional areas are listed below:

Prior to forming The Mercer Group, Mr. Mercer was President of Mercer, Slavin, & Nevins, Inc. and a Regional Vice President of Wolfe & Associates, Inc., with which he previously merged his own local government consulting firm, James Mercer & Associates, Inc. He has also been Director of Government Consulting Services in the southeastern and southwestern regions of the United States for Coopers & Lybrand. He has been a National Program Director with Public Technology, Inc., and served as Assistant City Manager of Raleigh, North Carolina. This was preceded by ten years of private sector and university faculty and staff experience. Mr. Mercer is a frequent featured speaker, organizer and panelist at local government conferences, professional, and civic clubs, etc., on issues of productivity improvement, management, office automation, entrepreneurship, etc.

Mr. Mercer has received many honors, including the prestigious George C. Franklin Memorial

Award from the North Carolina League of Municipalities for Excellence in Public Administration and election to Beta Gamma Sigma, the national honor society in business and administration. He has also served on several private and public Boards, including the University of Nevada Foundation, the School of Business Advisory Board at California Polytechnic State University in San Luis Obispo, and the Public Administration Program at the University of South Carolina. Mr. Mercer has been quoted in The New York Times, Forbes, Public Management, American City and County, and many other national and local publications. His professional affiliations include:

- International City/County Management Association;
- American Society for Public Administration;
- Institute of Industrial Engineers (past Chapter President);
- The Technology Transfer Society (Board of Directors - 5 terms); and,
- International Association of Quality Circles.

Phillip Robertson, Senior Vice-President

3443 Hwy. 39 North

Louisburg, North Carolina 27549

Office telephone: 919-496-2080 Cellular telephone: 919-349-7239

Fax: 919-496-7995

Mr. Robertson has 40 years' experience in the public sector. Mr. Robertson joined The Mercer Group, Inc. in 1998. His experience includes:

• **Compensation and Classification studies**

Hernando County, Florida; The Housing Authority of Covington, Kentucky; East Point, Georgia; **Martin County, Florida**; Ouachita Parish, Louisiana, Public Library; Monmouth, Oregon; Monroe, Georgia; Peachtree City, Georgia; The Development Authority of Peachtree City, Georgia; Pitt County, North Carolina; **Okaloosa County, Florida; Okaloosa County Detention Center; Martin County, Florida Sheriff's Office**; Henderson, Nevada; the Town of Berlin, Connecticut; **Choctawhatchee Electric Cooperative in Defuniak Springs, Florida**; Duncan, Oklahoma; Calcasieu Parish, Louisiana Public Library System; Colonial Heights, Virginia; Nye County, Nevada; Decatur Illinois Housing Authority; Rochester Hills, MI; Garden City, Georgia; The Town of Glastonbury, Connecticut; The Town of Kitty Hawk, North Carolina; The Town of Holly Springs, North Carolina; **Sun 'N Lake of Sebring, Florida, Improvement District; Okaloosa, Florida, Gas District; Sunny Isles Beach, Florida**; Frankfort, Kentucky; Peachtree City, Georgia, Tourism Association; Sioux City, Iowa; Glen Heights, Texas; **Daytona Beach, Florida; Jacksonville, Florida**; Osawatomie, Kansas; Gordon College in Barnesville, Georgia;

Assisted Housing Risk Management Association, IL; Iowa League of Cities; Peachtree City Water and Sewerage Authority; The Town of Minturn, Colorado; Loma Linda, California; Public Agency Risk Sharing Authority of California, Sacramento; Hercules, California; Mooresville, North Carolina; Salt River Landfill, Scottsdale, AZ; Jackson County, North Carolina; Clayton State University in Morrow, Georgia; Rhode Island Airport Authority; Vernon, California; Metropolitan District Commission in Hartford, CT; Glenwood Springs, Colorado; Eagle, Idaho; The Town of Wethersfield, CT; **Davie, Florida**; Yankton County, South Dakota; **Pensacola, Florida**; North Carolina State Firefighters Association; Craven Community College in New Bern, North Carolina; Lee County, Georgia; Cumberland County ABC Board (Fayetteville, N.C.); Portland, Maine; Goldsboro, North Carolina; Cheyenne, Wyoming; Huntersville, North Carolina; Spring Lake, North Carolina; **Southland Utility Services, Florida**; Kentucky League of Cities; Nevada City, California; Johnston County, North Carolina; **Defuniak Springs, Florida**; East Point, Georgia; Lexington, North Carolina.

● **Executive Searches**

Arkansas City, Kansas-City Manager 2006; Federal Heights, Colorado-City Manager 2007; Liberty, Texas – City Manager 2007; Hanover Park, Illinois – Chief Information Officer 2007; Union City, Georgia – City Administrator 2008; Choctawhatchee Electric Cooperative – Chief Operating Officer 2007; Tipp City, Ohio – City Manager 2008; The Town of Mooresville, North Carolina – Engineering Manager 2008; The Town of Mooresville, North Carolina – City Manager 2008; Orange County, North Carolina – Emergency Services Director 2008; Orange County, North Carolina – County Attorney 2009; Town of Harrisburg, North Carolina – Finance Director 2008; Orange County, North Carolina – County Manager 2009; Decatur, Illinois, Housing – Executive Director- 2010; Lee County, Georgia – County Manager- 2011, Tipp City Ohio-Library Director – 2011, Holland Michigan – City Manager – 2012, Troy Michigan – City Manager -2012, Yankton South Dakota – City Manager – 2012, Milliken Colorado – Town Administrator – 2014, Petoskey Michigan – City Manager – 2015, Clinton County, Ohio, Port Authority – Executive Director - 2015 .

● **Organizational and Staffing Studies**

Frankfort, Kentucky; Okaloosa Gas District, Florida; Peachtree City Tourism Association, Georgia; Choctawhatchee Electric Cooperative; and Hercules, California

● **Performance Evaluation Systems**

Pitt County North Carolina; Colonial Heights, Virginia; Sun’N Lake Improvement District; Peachtree City Water and Sewerage Authority; and The Village of Carol Stream, IL; Rockaway Township, New Jersey.

● **Organizational Climate Surveys**

Assisted Housing Risk Management Association, IL; and Horizons of Okaloosa County, Florida;

● **Additional Experience**

- Former Management Information Systems Director for the North Carolina Division of Employment and Training.
- Extensive experience in organizational analysis at the local and state government levels
- Former Human Resources Director for a Division of the North Carolina State Government.
- Former Assistant City Manager for Clayton, North Carolina.
- Extensive experience in Grant Management at the Federal, State, and Local levels.
- Extensive experience and expertise with information systems management at the Federal, State, and Local levels.

Mr. Robertson has a MA in Public Administration from Appalachian State University in Boone, North Carolina and a BA in History from Wake Forest University in Winston-Salem, North Carolina. He has also done doctoral work at North Carolina State University in Raleigh, North Carolina.

Joan L. Miller, Vice President

3443 Hwy. 39 North
Louisburg, North Carolina 27549
Office: 919-496-2080

Ms. Miller has 26 years of experience in municipal government as a city planner, housing specialist and grants manager. Her areas of expertise include the following:

Policy and Procedure Research, Development, and Implementation
Fiscal Analysis as a Function of Policy Options
Transportation and Recreation Program Planning and Implementation
Water Quality Improvements
Code Enforcement and Residential Rental Inspection
Comprehensive Plan Development, Modification, and Interpretation
Environmental Review
Grants Development, Administration, Reporting and Closeout
Housing Rehabilitation Program Planning, Development, and Implementation

Ms. Miller is a graduate of North Carolina State University.

REFERENCES

The Mercer Group, Inc. has been conducting compensation and classification studies since its inception in 1990. Phillip Robertson has been the manager of all Mercer Group Compensation and Classification Studies for the past 19 years. The references below are for studies similar to your project.

The following are references for similar projects that have been conducted by Phillip Robertson:

Mrs. Kay Godwin
Deputy County Manager
Okaloosa County Human Resources Department
601B North Pearl Street
Crestview, Florida 32536
850-651-7515

Compensation and Classification Study for Board of County Commissioners and Supervisor of Elections. The original project was completed in 2000. The Mercer Group maintained the system for the county through 2004. The Mercer Group was contacted again in 2006 and has continued provided services through 2016.

Dr. Susan Van Buren
Director of Human Resources and Organizational Development
Choctawhatchee Electric Cooperative
Defuniak Springs, FL
850-892-2111

Compensation and Classification Study
The original project was completed in 2000.
A comprehensive update was conducted in 2004.
Another Full Compensation and Classification Study 2012
We continue to provide update services.

PROJECT SCHEDULE, APPROACH, AND METHODOLOGY

The Mercer Group, Inc. believes that the Classification and Compensation Study must have extensive client participation. Our experience has shown that successful assignments are characterized by:

- A mutual understanding between the client and the consultant staff of the objectives, study process, timing, and end products of the study;
- A thorough understanding of the current situation by the consultants before proceeding with detailed analysis;
- Providing opportunities for participation and input by staff; and
- A thorough review of draft reports with the Mayor and others of his choosing.

Our work plan includes provision for each of the items listed above. The specific participation of City officials and staff is described as follows:

Director of Human Resources - The Director of Human Resources (or designee) is the principal client(s) for the project. The principal client will receive a thorough briefing and description of the study process and methodology. At the end of the study, the principal client will receive a briefing on all findings and recommendations as well as briefings throughout the process as appropriate. It is important that the principal client be involved in the key policy issues to ensure the overall effectiveness of the resulting Classification and Compensation systems to meet the needs of the organization.

Management (Department/Division Heads) —Management will be involved in the study by participating in a briefing session with the consultants, completing questionnaires, meeting individually with the consultants to review the scope of their operations, and identifying any specific concerns they may have with respect to their current classification, compensation or organizational systems. Key management will likewise be involved in reviewing a draft of all job analysis recommendations including position placement recommendations and class specifications.

Employees — All employees whose positions are included in the study must feel that they have a role in the process and that their input is both sought and welcomed. That role and input will be introduced and explained by a thorough and accurate initial presentation about the project. Employees then will be asked to complete position questionnaires and will be given opportunities to be involved further in the process through interviews, job audits (when necessary), and appeal procedures.

Administrative Staff — Designated Administrative Staff will be asked to assist in the distribution and collection of the position questionnaires and assist the consultants in setting up meetings and

interviews.

The Mercer Group, Inc. approach to Classification and Compensation stresses participation at all levels. The result will be a new system that is truly developed by those who must live with it.

WORK PROGRAM AND SCHEDULE

In order to meet the client's specific objectives for this project, we have developed a work plan consisting of five (5) phases and seven (7) steps, as follows:

Phase I

STEP 1. Orientation

Because of the significance of a classification and compensation study, a clear understanding of and agreement to the work plan is critical. We will begin the project by meeting with all appropriate officials including but not limited to the Director of Human Resources and department heads and others necessary to clarify the following issues:

- Specific issues regarding the current classification and pay structure(s);
- Specific issues regarding individual Departments and Divisions (group meetings and individual meetings with each department head);
- Understanding of the objectives for the systems;
- Review of The Mercer Group, Inc. classification and analysis methodology, including specific forms such as the position questionnaire;
- Policies regarding review and employee appeal of recommendations;
- Begin development of a list of organizations for the "market analysis," including public and private employers (Management will participate in the process of development of the comparable organization list); and
- Implementation strategy for results of the study.

At the orientation, we will also obtain information on current practices. We will then provide the initial communication to employees through group meetings, written explanations, or both, depending on the needs of the organization. The Mercer Group, Inc. prefers to meet with employee groups to review the process and how the employees are going to be asked to participate. Classification and Compensation Studies can produce anxiety with employees. We

have found that open discussions with employees at the beginning of the study helps employees understand what to expect from us and what we are going to ask of them. It also allows employees the opportunity to voice any concerns or questions and meet the consultants. During orientation we generally provide our contact information to employees and encourage them to contact us at any point during the process if they have questions or concerns.

Phase II

STEP 2. Classification Process

The job analysis classification portion of the study will begin with the distribution of Position Questionnaires to all employees. The Position Questionnaire is typically distributed and reviewed during the Employee Group Orientation meetings. The Position Questionnaire is important to the Classification and Compensation process because the information obtained becomes the basis for the classification system and the development of "benchmark" positions.

Because the questionnaire is important, we will review and edit our questionnaire with management to ensure its appropriateness.

Upon receipt of the questionnaires, we will interview positions for employees having submitted questionnaires to confirm and clarify the information.

At a minimum we must have a sufficient sample size of each class or job title to ensure a thorough understanding of each position. We will also conduct job audits when necessary.

All reasonable accommodation will be made to ensure that all employees who wish to participate in the interview process will be given the opportunity to do so. Our history with studies of 200 or fewer employees has been that on average, 90% of all employees participate in interviews. Employees who have the same job title and agree that they are performing the same job duties can interview as group with a sufficient sample size. **During the course of the study there is no limit on the number of positions that we will classify.**

Employees who have the same job title and do NOT agree that they are performing the same job duties will be interviewed separately. It may be that at the end of the study we recommend that these positions remain in the same classification or the duties and responsibilities may be such that a separate classification is recommended. If we do not allow employees to choose if they want to interview together or separately it greatly undermines the results of the study and the employee "buy in".

We will begin interviews in each department with the lowest classifications and work up to the Department Heads. This approach allows us to obtain a good understanding of the organization and to discuss issues and problems at each succeeding level.

Interviews generally take 15 minutes for individuals and 30 minutes for groups. During the interview the consultant will review the submitted questionnaire with the employee and as clarification questions. This is also an opportunity to employees who communicate more effectively in an oral format the opportunity to discuss their position with the consultant.

Upon completion of the position questionnaire and interview process, we will analyze classifications by the duties and responsibilities.

As a result of the questionnaire and interview process, we normally obtain information regarding organizational and personnel issues outside of the scope of this project. We will provide an informal report to the principal client covering those issues which appear to be significant, if desired.

To develop the proper classifications and provide internal equity, we will use The Mercer Group Factor Evaluation System (FES). Such systems are used to provide numerical rankings for classifications and positions. A detailed description of our job measurement methodology is included as Exhibit II.

During the classification process, we will address the issues of parity among departments, appropriate titles, consolidation of classifications, creation of new classifications and logical career ladders.

After the completion of the interviews and the application of the FES, the consultants will meet with each Department Head to review the preliminary factoring for the position in her/his department. This is a time that the consultants will be able to obtain clarifications on issues with any positions that were not clear in the interview and questionnaire. These meetings help familiarize the Department Heads with how the classification system works. The preliminary factoring will also be reviewed with the principal client(s) from an organizational prospective.

After the recommendations have been approved, copies of the recommended class specifications, and title changes should be provided to incumbents for review. Should an employee feel that his/her recommended classification is inaccurate; an appeal may be made to the Review Committee. The make-up of the Review Committee will be established at project orientation. We will recommend a methodology to make the process fair and non-threatening to the individual employees.

Phase III

STEP 3. Market Analysis

Using the specifications developed through the questionnaire/interview process, we will work with the organization to select a representative number of positions to be used as "benchmarks" for a market comparison survey.

The survey instrument will be developed as part of our assessment and understanding of the needs of the organization. We recommend that a broad base of private and public organizations be used. Through meetings with management we will work together to identify the organizations to be included in this survey.

The survey instrument will be customized for the organization and left with the organization for continued use in maintaining the system. All information will be analyzed by The Mercer Group, Inc. and a detailed report will be prepared regarding the responses. This analysis and report will be done on Excel spreadsheets and provided to the organization with training on how to update the spreadsheets in maintaining the system.

We recommend that the market analysis survey be repeated in its entirety at least once every two years with parts of it used more often. We will provide the organization with the instrument and training in the analysis of data.

Using the market research data, a set of specific recommendations regarding the level of Compensation for all classes will be developed. In this part of the study, we will:

- Provide pay levels for all classes;
- Provide recommendations on policy decisions such as range widths, new-hire level guidelines, and mechanisms for slotting; and
- Provide alternative implementation strategies for the system, including the cost of each alternative.

Phase IV

STEP 4. FLSA Analysis

Once classifications (jobs) are identified for the new system each position will be preliminarily reviewed and analyzed for the appropriate FLSA designation of Exempt or Non-Exempt, keeping in mind that the final determination of the status must be made for each employee – **employees are exempt or non-exempt, not positions.**

STEP 5: Training and System Maintenance

Training will be provided for all appropriate personnel in the administration of the new Compensation and Classification systems, including:

- The Factor Evaluation System for classification of new positions and reclassifications as they occur;
- The market survey instrument for continued update of the salary system; and
- Implementation procedures.

We provide telephone consultation for one year following the study. Many of our clients keep us on contract following the first year to assistance as needed. We provide this assistance at an hourly rate of **\$100**.

STEP 6. Reporting and Documentation

Throughout the project The Mercer Group, Inc. will provide the organization with written or oral updates. Specifically, we will provide:

- Status reports at each step of the process.
- Special reports or requests when policy decisions need to be made.
- Preliminary final report for review by appropriate officials.
- Final report.

We will also make a presentation of findings and recommendations to management, staff and the governing board, as necessary.

PRICE PROPOSAL

The not-to-exceed total cost of the Classification and Compensation Study for Key Biscayne will be \$16,950. This includes all expenses related to 6 days on site spread across 3 separate trips during the course of the study. *If the successful completion of the study (not including job descriptions) should require more trips or more time on site there will be no additional charges.*

If the Village wishes for us to provide job descriptions at the end of the study, the additional cost will be \$75 per job description.

Our usual schedule of payments is:

- One third of the contract amount at the close of Orientation;
- One third of the contract amount following the interview phase and the selection of market benchmark positions and market organizations to be surveyed;
- One third of the contract amount at the submission of the final report.

Key Biscayne's cost for The Mercer Group, Inc. for services rendered under this agreement will not exceed the agreed upon price unless an increase is authorized in writing by the organization. We will comply with all applicable laws, rules and regulations of federal, state and local government entities.

Our ability to carry out the work required will be drawn greatly from our past experience in providing similar services to others, and we expect to continue such work in the future. We will, to the degree possible, preserve the confidential nature of any information received from you or developed during the work in accordance with our professional standards.

We assure you that we will devote our best efforts to carrying out the engagement. The results obtained, our recommendations and any written material provided by us will represent our best judgment based on the information available to us. Our liability, if any, will not be greater than the amount paid to us for the services rendered.

This proposal constitutes the agreement between us. It cannot be modified except in writing by both parties. Our agreement will be interpreted according to the laws of the State of Florida.

EXHIBIT I

RESULTS OF THE CLASSIFICATION PHASE:

- **Classification standards for all classes and levels proposed;**
- **Class specifications for all classifications;**
- **FLSA designation for exempt or non-exempt status for each employee included in the study (keep in mind that these recommendations [especially for the Administrative and Executive Exemptions] may need to be revisited -at no additional charge- as the proposed 12/2016 changes to FLSA are currently in litigation);**
- **Allocation of each position to an appropriate classification to ensure internal equity.**

RESULTS OF THE COMPENSATION PHASE:

- **Development of comprehensive market survey instrument for continued use by the organization;**
- **Development of appropriate salary guidelines;**
- **Assignment of appropriate salary range to each classification;**
- **Development of written guidelines of the total system.**

OPTIONAL FINAL PRODUCTS TO BE DELIVERED:

- **Job Descriptions.**

EXHIBIT II

THE MERCER GROUP, INC. FACTOR EVALUATION SYSTEM OVERVIEW

Each functional position will be analyzed and assigned a level for all 10 factors outlined below, based on the completion of a position questionnaire followed by an interview. **In cases where employees hold the same position title but are of the opinion that their duties are materially different, separate interviews and factoring will be done.**

FACTOR 1. KNOWLEDGE REQUIRED BY THE POSITION

Factor 1 measures the nature and extent of information or facts which the worker must understand to do acceptable work (e.g. steps, procedures, practices, rules, policies, theories principle, and concepts) and the nature and extent of the skills needed to apply that knowledge. To be used as a basis for selecting a level under this factor, a knowledge must be required and applied.

FACTOR 2. SUPERVISORY CONTROLS

“Supervisory controls” covers the nature and extent of direct or indirect controls exercised by the supervisor, the employee’s responsibility, and the review of completed work.

Controls are exercised by the supervisor in the way the assignments are made, instructions are given to the employee, priorities and deadlines are set, and objectives and boundaries are defined.

Responsibility of the employee depends upon the extent to which the employee is expected to develop the sequence and timing of various aspects of the work, to modify or recommend modification of instructions, and to participate in establishing priorities and defining objectives.

The degree of review of completed work depends upon the nature and extent of the review (close and detailed review of each phase of the assignment, detailed review of the finished assignment, spot-check of finished work for accuracy, or review only for adherence to policy).

FACTOR 3. SUPERVISION EXERCISED

Factor 3 measures the knowledge that may be required to supervise or manage small or specialized organizational units, mid-level divisions, and major operations within the total organization or the entire organization.

FACTOR 4. GUIDELINES

This factor covers the nature of guideline and the judgment needed to apply them. Guides may include manuals, established policies and procedures, engineering handbooks or the organization’s personnel manual. The guidelines may be related to the specific occupation rather than organizational. For instance, a CPA may work under specific guidelines imposed by the profession rather than the organization.

Individual jobs in different occupations vary in the specificity, application and availability of guidelines for performance of assignments. Consequently, the constraints and judgmental demand placed upon employees also vary. For example, the existence of specific instructions, procedures and policies may limit the opportunity of the employee to make or recommend decisions or actions. In the absence of procedures or under broadly stated objectives, employees in some occupations may use considerable judgment in researching literature and developing new methods.

FACTOR 5. COMPLEXITY

This factor covers the nature, number, variety, and intricacy of tasks, steps, processes or methods in the work performed; the difficulty in identifying what needs to be done; and the difficulty and originality involved in performing the work.

FACTOR 6. SCOPE AND EFFECT

Scope and effect addresses the relationship between the nature of the work, i.e. the purpose, breadth and the depth of the assignments and the effect of the work products or services both within and outside the organization.

Effect measures such things as whether the work output facilitates the work of others, provides timely services of a personal nature, or impacts on the adequacy of decisions.

FACTOR 7. PERSONAL CONTACTS

This factor includes face-to-face contacts and telephone and radio dialogue with persons not in the supervisory chain. Levels described under this factor are based on what is required to make the initial contact, the difficulty of the communicating with those contacted, and the setting in which the contact takes place.

Above the lowest level, points should be credited under this factor only for contacts which are essential for successful performance of the work and which have a demonstrable impact on the difficulty and responsibility of the work performed.

The relationship of Factors 7 and 8 presumes that the same contacts will be evaluated for both factors. Therefore, use the personal contact which serves as the basis for the level selected for Factor 8 as the basis for selecting a level for Factor 7.

FACTOR 8. PURPOSE OF CONTACTS

Purpose of personal contact range from factual exchanges of information to situations involving significant or controversial issues and differing viewpoints, goals or objectives. The personal contacts which as the basis for the level selected for this factor must be the same as the contact which are the basis for the level selected in Factor 7.

FACTOR 9. PHYSICAL DEMANDS

The "Physical Demands" factor includes physical characteristics and abilities (e.g. agility and dexterity requirements) and the physical exertion involved in the work (e.g. stooping, bending, climbing, walking, or running). To some extent the frequency or intensity of physical exertion must be considered, e.g. is the exertion continuous or on an infrequent basis.

FACTOR 10 WORK ENVIRONMENT

The "Work Environment" factor considers the risks and discomfort in the employee's physical surroundings or the nature of the work assigned and the safety regulations required. Although the use of safety precautions can practically eliminate a certain danger or discomfort, such situation typically place additional demands upon the employee in carrying out safety regulations or wearing protective equipment.

KEY BISCAYNE, FLORIDA
POSITION CLASSIFICATION QUESTIONNAIRE

Job Title: _____

Name of the person currently in this position: _____

Department: _____

Work station location: _____

This questionnaire was prepared by: _____

Name of this position's supervisor: _____

Title of this position's supervisor: _____

Signature of supervisor indicating that this questionnaire has been reviewed:

In a brief summary, state the basic purpose of your position and how it contributes to the work of your unit, department, or the organization as a whole.

List the duties that best describe the major areas of your job. If the space provided for any item is not sufficient, please continue on another page.

Specific Duty or Job Area:

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____
15. _____
16. _____
17. _____

1. **Education and Experience:** Please list the level of education, years of experience, and any courses, certifications, or licenses that you think should be required to be hired into your job.

2. **Assignment, Review, and Approval of Work:**

- a. Describe how your work is assigned, reviewed, and approved. Who does this review and approval, and how often?

- b. Describe any work that does not require approval.

3. **Supervision Given:** Are there other employees of your organization for whom you approve requests for time off, provide input on their performance evaluation, initiate disciplinary action, or provide input on decisions to hire or fire? If yes, please complete the top part of page 4. Please also provide information on page 4 for any temporary employees, volunteers, or interns that you may supervise or if you are the supervisor in the absence of your supervisor. If you have no supervisory responsibilities, please skip to question 4.

List below the primary functions and responsibilities of any *Subordinate Positions* that report directly to your position. Where multiple employees holding the same job title and who are performing the same job functions are involved, group these together and indicate the total number of positions in the parenthesis following the job title.

Job Title	Number of Employees	Primary Function/Duties
_____	()	
_____	()	
_____	()	
_____	()	

4. **Guidelines:** What job duties do you perform for which there are scarce or no policies, procedures, guidelines or industry standards?

5. **Complexity:** What job duties do you perform that: 1) Were extremely difficult to learn or; 2) Involve a large number of intricate tasks and / or; 3) You must use creative or original thinking to decide how to begin or complete?

6. **Scope and Effect:** Within the organization or the general public, whom does your work affect? Describe this effect.

7. **Personal Contacts Outside the Organization:**

Outside the Organization, what types of personal contacts must you make to do your job?

Examples include: citizens; contractors; public officials (other localities); attorneys; developers; suppliers, etc.

8. **Purpose of Contacts Outside of the Organization:** What is the purpose of each of the personal contacts listed in Question 7?

9. **Physical Demand:** How much physical exertion or mobility does your position require? How often are you required to be mobile or use physical strength?

10. **Work environment:** List any dangers or severe or unusual environmental conditions connected with your job and how often you must deal with these dangers or conditions. What special protection is needed or is available to protect you while working?

REVIEW BY IMMEDIATE SUPERVISOR

1. Please provide your comments, exceptions, or additions to any of the employee's responses to the topic areas of this Position Questionnaire.

2. What do you consider to be the most important duties of this position?

REVIEW BY DEPARTMENT HEAD

Please provide your own comments relating to the responses of the incumbent and/or the Supervisor, and any additional information that might be appropriate to properly define the duties and responsibilities of this position.

Signature of the Department Head indicating review of the questionnaire:
